INSTITUTIONAL INTEGRITY **PROGRAM**

Anti-corruption information leaflet

For BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C (Bancomext) clients

APPENDIX I

Bancomext has developed an anti-corruption policy with the aim of strengthening the bank’s culture in terms of ethics and prevention of corrupt activities. It will also serve to encourage communication from collaborators, third parties, and clients, through the channels and means established by the bank for such purposes, about possible alerts and risks. All this can be made with transparency and confidentiality, without fear of retaliation.

In this regard, the following material is at the disposal of actual and potential clients in order to inform them about the current local and international corruption environment and the applicable guidelines and legal frameworks to be considered, as well as tips for the construction of an efficient anti-corruption program. Lastly, it is meant to inform them about the consequences to be faced by enterprises due to non-compliance of applicable anti-corruption laws.

Environment and precedents

Corruption is a relevant issue affecting not only Mexico, but the international community in general. Corruption rates published by Transparency International in recent years for Mexico [1] look discouraging. A continuous deterioration in the transparency perception of the actions within the public and private sectors is observed by survey respondents.

However, we have observed how, during the last years, significant legal advances in this field have been made in Mexico and the world scene. Specifically, in the local environment, in May 2015, the constitutional reform that originated the National Anti-Corruption System (NAS) was published. Its secondary laws were published in July 2016; these establish a juridical supervision framework both for public officials and for private enterprises.

The creation of the NAS represents an important step to fight corrupt practices within the government (also known as public corruption). The NAS has the following goals as its cornerstone:

- To repress bribery and corruption by forcing public officials to be more transparent about their finances, business transactions, and their own anti-corruption programs.

- To increase penalties for enterprises that break the law, encouraging them to create their own anti-corruption programs.

In addition to the foregoing, the General Law on Administrative Responsibilities (GLAR) encourages enterprises to implement an integrity policy (also known as compliance program) to prevent, detect, and dissuade corruption within their organization and towards government entities and officials.

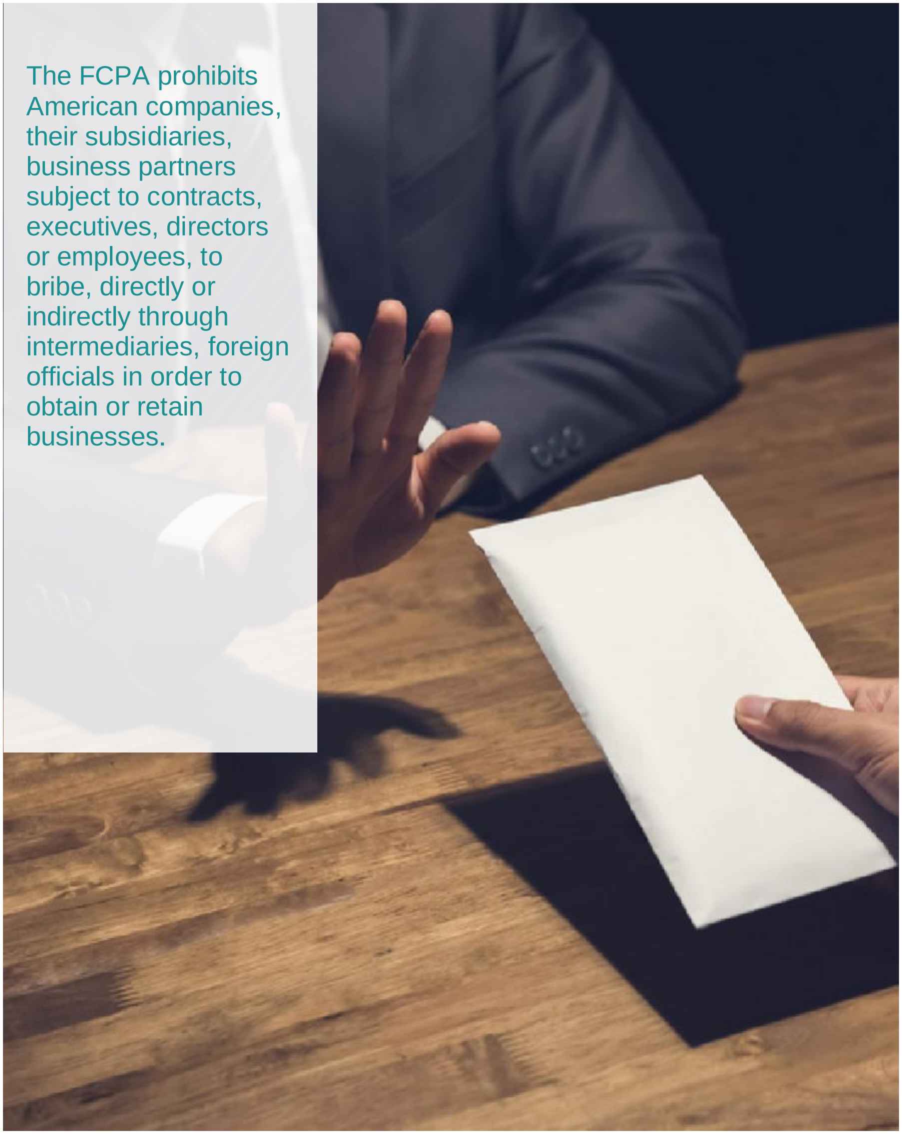
The seventh article of this same law establishes that public servants shall not receive from third parties, whether a natural person or a legal entity: compensations, benefits, gifts, handouts or presents.

Foreign Corrupt Practices Act - FCPA

Internationally, there are several regulatory and reference frameworks with respect to anti-corruption. However, over the last years, the FCPA has gained reputation due to the continuous audits and reviews led by the U.S. Department of Justice (DOJ). Investigations have resulted in several fines due to breaches incurred by individuals and enterprises.

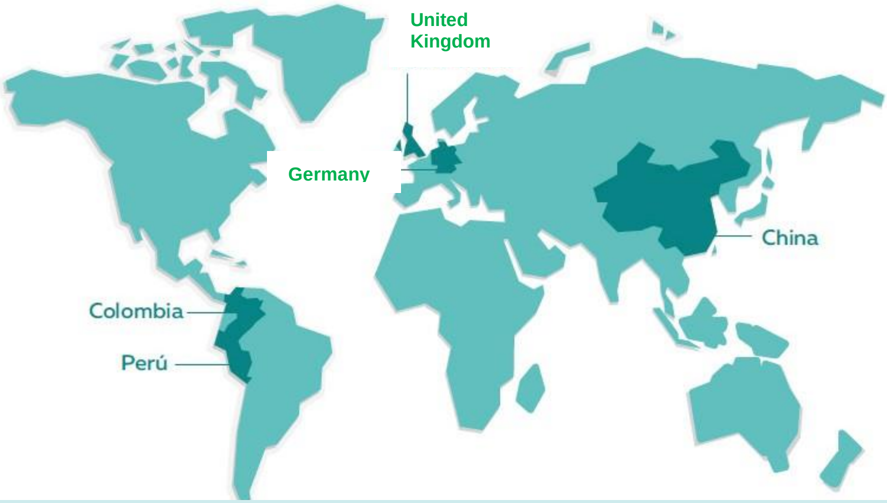
This regulation is considered a strategic framework of reference to BANCOMEXT due to its relevance in financing and promoting activities (as big part of its operations is linked to mediation to and from the United States).

- The Foreign Corrupt Practices Act, enacted by the US authorities in 1977, has become a surveillance priority for regulatory entities and a fundamental compliance normative for American enterprises and their business partners operating overseas, as well as for all those enterprises, as small as they might be, having commercial representation in the United States.



The FCPA prohibits American companies, their subsidiaries, business partners subject to contracts, executives, directors or employees, to bribe, directly or indirectly through intermediaries, foreign officials in order to obtain or retain businesses.

Other reference points and international regulations



Latin America

- Colombia: Anti-corruption statute - Law 190
- Peru: Legislative decree No. 1385.

Europe

- United Kingdom: Bribery Act
- Germany: Criminal Code.

Asia

- China: Law against unfair competition, Rules of Prohibition of Commercial Bribery.

What are the consequences to be faced by companies that do not comply with these regulatory and legal frameworks?

- Companies may be held responsible in case an employee or third party commit an act of corruption on their behalf, obtaining thus a benefit. In such cases, and in order to evaluate the amount or modality of the sanctions, authorities can consider the integrity policy of said enterprise in order to decrease the level of responsibility.

- Sanctions may include fines, disqualification to participate in public procurement, suspension of activities, confinement of executives and/or shareholders, and even dissolution of the company.

- Furthermore, this non-compliance can also result in damage to the company's reputation, which can significantly affect their business operations due to the newly acquired negative image.

In the current environment, a lot of companies and government entities choose to do business preferably with counterparts that prove to possess a formal program for preventing and mitigating corruption risks within their organization; therefore, the establishment of best practices represents a competitive advantage when doing business.

United States - Mexico - Canada Agreement (USMCA)

The 2018 Agreement between the United States, Mexico, and Canada (USMCA) must also be highlighted. This agreement establishes the obligation that the Mexican government must implement legal mechanisms to prevent and fight corruption.

Countries under the Agreement shall promote the establishment of compliance programs to mitigate corruption risks by taking into account the size, legal structure and sector in which companies operate.

Applicable sanctions due to non-compliance are subject to the laws of each one of the countries that signed said agreement. Nonetheless, a chapter regarding cooperation and exchange of information among the appointed anti-corruption agencies has been established; which can result in other procedures.

Suggestions to BANCOMEXT clients or counterparts

- To design and implement a proportional compliance program adapted to the risks faced by each organization. Small and medium enterprises shall evaluate their corruption risks before implementing an appropriate program. As for the organizations that already have an established compliance program, they shall perform an analysis in order to corroborate its proper operation.

- An efficient anti-corruption program must have as goal to dissuade, detect, prevent, and report bribery and corruption acts. It must include the following elements:

1 Policies and procedures: They help to establish an anti-corruption culture from the top of the organization towards all levels; they include communication and training programs, as well as an internal control framework.

2. Proactive activities: They include a risk evaluation, surveillance activities, and due diligence procedures

3 Reactive activities: They encompass an anti-corruption program with protocols and tools to receive reports, as well as adequate and proportionate procedures to investigate.

In which way can they actively promote the development of business in an ethical way?

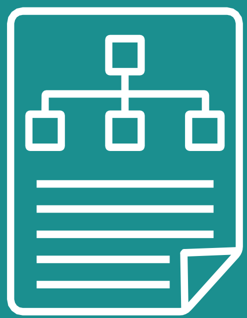
It is important to focus the company's efforts and resources on reinforcing anti-corruption controls and procedures in order to mitigate risks. One of the main risk areas is found in the interaction with third parties that act on behalf of companies before government entities. Some examples are: consultants, customs brokers, law firms, and agents of sales made to the government.

Some of the recommended typical, risk-based controls are:

Executing agreements with anti-corruption clauses and audit rights.

Making payments that have an appropriate supporting documentation and that prove that the business purpose is valid.

Implementing awareness measures for collaborators and third parties.



Giving anti-corruption training to collaborators and third parties.

International best practices

On the search for the improvement and evolution of the anti-corruption culture, BANCOMEXT clients can choose to use the design and application of anti-bribery management systems based on the international best practices such as the ISO guidelines 37001:2016 (certifiable standard). These guidelines are a significant advance for organizations aiming for a better management of the corruption and bribery risks.

The ISO standard combines corporate principles with an appropriate anti-bribery program that can help BANCOMEXT clients to improve their controls in a differentiated way.

Contact and enquiries

In case you have questions about potentially illegal acts by BANCOMEXT employees or clients, or if you have suspicions about irregular practices, briberies or any other kind of illegal arrangement, report it immediately through the available channels: WEB form, e-mail, or voicemail. For more information about this process, see the document “Protocol and procedure for complaints and reports regarding the non-compliance of the Code of Conduct of Banco Nacional de Comercio Exterior, S.N.C.” on the official website.

Moreover, BANCOMEXT puts at your disposal its anti-corruption policy so that all concerned parties know the bank’s stance in this regard.