

1.02.08 Nomination Committee

I. INTRODUCCIÓN

1. CONSTITUTION.

The General Extraordinary Shareholders Meeting of Grupo Financiero Banorte, S.A.B. de C.V. (GFNorte) held on October 17, 2011 approved the constitution of this Committee and its regulation was established in the corporate bylaws of GFNorte.

Additionally, the General Extraordinary Shareholders Meetings held on November 19, 2015 and August 19, 2016 resolved an amendment to the corporate bylaws of GFNorte concerning the makeup and operation on the Nomination Committee.

2. PURPOSE.

- a) To propose to the Shareholders Meeting the persons who shall comprise the Board of Directors of GFNorte, of the financial entities or, as the case may be, of the Sub-holding Companies.
- b) To issue its opinion about the persons who occupy the positions of Managing Director of GFNorte, of the financial entities and, as the case may be, of the Sub-holding Companies, without prejudice to the authorities corresponding to the Audit and Corporate Practices Committee.
- c) To propose to the Shareholders Meeting or the Board of Directors the compensations of the members of the Board of Directors and the Committees of GFNorte, of the financial entities or, as the case may be, of the Sub-holding Companies; and
- d) To propose to the Shareholders Meeting or the Board of Directors the removal of members of the Board of Directors of GFNorte, of the financial entities and, as the case may be, of the Sub-holding Companies.

II. STRUCTURE

1. DESIGNATION.

The members of the Nomination Committee shall be designated by the Board of Directors of GFNorte, upon proposal of the Chairman of the Board of Directors.

The members of the nomination Committee shall designate the Committee Secretary, who may or may not be a member thereof.

2. MAKEUP.

The Nomination Committee shall be comprised of 7 (seven) members, who shall be members of the Board of Directors, of which 4 (four) shall be independent directors and one shall be the Chairman of the Board of Directors who shall preside over the Nomination Committee.

On July 21, 2016, the Board of Directors of GFNorte approved the designation of the members of the Nomination Committee, being comprised as follows:

NOMINATION COMMITTEE	
Carlos Hank González	Chairman
Juan Antonio González Moreno	Member
José Marcos Ramírez Miguel	Member
Everardo Elizondo Almaguer	Independent Member
José Antonio Chedraui Eguía	Independent Member
Alfonso de Angoitia Noriega	Independent Member
Thomas Stanley Heather Rodríguez	Independent Member
Héctor Ávila Flores	Non-Member Secretary

3. TERM.

The members of the Nomination Committee shall be designated for an undefined term until their participation as a member of the Board of Directors of GFNorte ends, or when such collegiate body approves the designation of new Committee members.

4. CHAIRMAN.

The Chairman of the Nomination Committee shall be designated by the Board of Directors of GFNorte, and shall have the following functions and authorities:

- a) Call Committee meetings through the Secretary.
- b) Submit to the corresponding Shareholders Meetings the proposal of makeup of the Boards of Directors of GFNorte, of the financial entities and, as the case may be, of the Sub-holding Companies.

- c) Submit to the corresponding Boards of Directors the opinion of the Committee on the persons who will occupy the positions of Managing Director of GFNorte, the financial entities and, as the case may be, the Sub-holding Companies.
- d) Submit to the Shareholders Meeting or the corresponding Board of Directors the proposal of compensation of members of the Board of Directors and of the Committees of GFNorte, of the financial entities or, as the case may be, the Sub-holding Companies.
- e) Submit to the Shareholders Meeting or to the corresponding Board of Directors the removal of members of the Board of Directors of GFNorte, the financial entities and, as the case may be, the Sub-holding Companies.

5. SECRETARY.

The Secretary may or may not be a member of the Committee and shall be designated by the members of the Nomination Committee.

The Secretary shall have the following functions and authorities:

- a) Prepare the call and agenda of the matters to be transacted at the meeting, as indicated by the Chairman of the Committee.
- b) Send the calls and the agenda to each Committee member.
- c) Verify that the required quorum is present.
- d) Collect the quorum votes and ensure that vote operation rules are respected.
- e) Prepare minutes of the meeting.
- f) Obtain the signatures of each person present at the meeting in the attendance list.

III. OPERATION

1. MEETINGS

The committee shall hold meetings every year before the holding of the General Annual Ordinary Shareholders Meetings of GFNorte, of the financial entities of the Financial Group and of the Sub-holding Companies. Likewise, it may hold extraordinary meetings.

Committee members may pass resolutions without holding a meeting, as long as they are confirmed in writing or by email at the most recent address registered by Committee members with the Secretary. These resolutions shall be valid as long as they are passed by majority vote

of members. The resolution of these matters shall be informed at the next Committee meeting.

1. CALLS.

Calls for meetings shall be sent to Committee members at least 5 (five) business days before the date of such meetings by email at the most recent address such addressees shall have registered with the Secretary, or upon written notice.

The information related to the meeting shall be sent for analysis at least 5 (five) business days before the date of such meeting. In the event that there is additional information that is deemed relevant, the same may be provided during the meeting.

2. AGENDA.

The agenda of meetings shall be decided by the Chairman of the Committee. Committee members may submit to the consideration of the Chairman any matters to be included in the agenda.

3. QUORUM.

Committee meetings shall be validly held when a majority of Committee members are present at the meeting.

If there is no quorum, a new meeting shall be called, which shall be held in the place, date and time stated in a new call, which shall follow the same process as the previous one.

In case of absence of the Secretary, the Chairman shall designate, from among present Committee members, the Secretary for such particular meeting.

4. VOTES.

Committee members shall have the right to speak and to vote. If the Committee Secretary is not a member, he shall have no right to speak or to vote.

Committee resolutions shall be passed by majority vote of the present members. The Chairman shall have a casting vote in the event of a tie.

Members who have a conflict of interests on any matter of the agenda shall not participate in the discussion and vote related to such matter.

5. MINUTES.

The holding of meetings, the transaction of the items of the agenda and resolutions passed by the Committee, shall be evidenced in minutes duly prepared by the Chairman and the Secretary, as well as

any abstention by any member from participating in the resolution of any of the items of the agenda because he has any conflict of interest on the particular matter.

Minutes shall include the following information:

- a) Place, date and time of the meeting.
- b) Members and guests present at the meeting.
- c) Agenda.
- d) Transaction of the items of the agenda and resolutions and/or agreements passed by the Committee in that respect.
- e) Persons responsible for the performance or enforcement of the resolutions passed by the Committee.
- f) Vote abstentions because of conflict of interest, if any, and particular votes upon request of the interested party.
- g) Signatures of the Chairman and Secretary of the meeting.

IV. DUTIES AND FUNCTIONS

Each Committee member has a duty of diligence, therefore, he must:

- a) Be informed and prepared for Committee meetings.
- b) Assess the capacity of Director and Managing Director Candidates.
- c) Select Director Candidates and submit to the approval of Shareholders Meetings or Boards of Directors the designation thereof, as applicable.
- d) Issue his opinion to the respective Boards of Directors concerning the designation of Managing Directors of the corresponding companies.

Each Committee member has a duty of loyalty, therefore, he must:

- a) Make decisions avoiding conflicts of interest.
- b) Disclose any information which, by virtue of its nature or impact, is required to be known by the Committee to make its decisions.

Best efforts shall be used to promote dignity, equality, inclusion and diversity (gender, race, nationality, culture, beliefs, language, marital status, ideology, political opinions or any other personal, physical or social condition) and to prevent discrimination at all times. In that respect, the following principles shall be respected:

- a) A work environment that promotes dignity and respect for all directors shall be encouraged. No form of intimidation, harassment or discrimination shall be tolerated.
- b) The selection, compensation, and conditions for the performance of activities of Directors are based solely on merit and skills in connection with title requirements.
- c) A culture encouraging collaboration, flexibility and equality shall be implemented for Directors to be able to contribute their maximum potential.
- d) All reasonable adjustments shall be provided for persons with disabilities.
- e) The understanding between cultures shall be encouraged.
- f) Information and training shall be offered so there are resources available to create an inclusive work environment.
- g) The commitment of all levels of the organization to diversity shall be guaranteed, especially by the Board of Directors and the executive team.

V. DIRECTOR SELECTION PROCESS

The Nomination Committee shall have the authority to hire independent recruitment firms.

The recruitment firm shall be informed of the skills, knowledge, experience and dedication required from Director candidates.

- i. The firm shall propose 3 or more candidates to be considered by the Nomination Committee and shall issue a recommendation of the candidate that it considers to be the best to occupy the position of Director, taking the following skill matrix into account:
 - a) Previous experience in the management of companies at a senior level, evidence of availability of knowledge and skills.
 - b) Formally contribute to the internal performance of the Board of Directors with a focus on business.
 - c) Contribute to an increase in the confidence of shareholders and other external entities related to the Company.
 - d) Specialization in any of the following: Management, Finance, Accounting, Marketing, Economy, Internal Control, Audit, Law, Actuary, Consulting, among others.
 - e) Skills to communicate with and relate to other members of the Board of Directors and Senior Officers.
 - f) Commitment to act with integrity and professionalism.

- ii. Director candidates shall meet the requirements to be members of the Board of Directors and shall not have any of the limitations provided by the applicable regulations.
- iii. The Nomination Committee shall elect from the proposed candidates the person or persons proposed for approval by the corresponding General Ordinary Shareholders Meetings, seeking at all times for at least 20% of the members of the Board of Directors to be women.
- iv. Pursuant to Article Twenty-Nine of the Corporate Bylaws of GFNorte, a generational balance will be pursued, having Directors between 40 (forty) and 50 (fifty) years old, others between 50 (fifty) and 60 (sixty) years old, and another part older than 60 (sixty). By virtue of the foregoing, Independent Directors (Regular and Alternate) shall be designated for a maximum term of 9 years from the time they are first designated.

The Chairman of the Nomination Committee, by himself or through the Committee Secretary, shall propose to the respective General Ordinary Shareholders Meetings the makeup of the corresponding Boards of Directors.

After Meetings are called, the Chairman of the Nomination Committee shall deliver to the Secretary of the Boards of Directors the proposals to comprise the Boards of Directors of GFNorte, of the financial entities that are members of the Financial Group, and as the case may be, of the Sub-holding Companies, so such proposals are available to Shareholders Meetings with 15 calendar days prior to the holding of Meetings.

VI. DIRECTOR COMPENSATION

The compensation to be paid to the members of the Board of Directors of GFNorte and Banorte, and to the independent members of the Board of Directors of the financial entities that comprise the Financial Group, or as the case may be, the Sub-holding Companies or Support Committees where they participate, must take into consideration any of the following non-exclusive premises:

- a) Have the necessary skills to attract talent in the market.
- b) Retain and reinforce the commitment of the members of the Board of Directors of GFNorte, of the financial entities members of the Financial Group, and as the case may be, of the Sub-holding Companies.
- c) Keep an appropriate compensation or fee cost structure according to the financial condition of GFNorte.

The Nomination Committee shall have the authority to hire specialized independent compensation firms.

The Chairman of the Nomination Committee, by himself or through the Committee Secretary, shall propose to the respective General Ordinary Shareholders Meetings and the Boards of Directors the compensations for members of the Boards of Directors and Committees, as applicable.

VII. COMUNICACION

1. One copy of the minutes of each meeting shall be sent to the Corporate Governance Legal Department.
2. The proposal shall be sent to the respective General Ordinary Shareholders Meetings of the financial entities that are members of the Financial Group and, as the case may be, the Sub-holding Companies.
3. The Chairman of the Audit and Corporate Practices Committee shall be sent the opinion on the designation of the Managing Director of GFNorte and Banorte, so he issues his opinion to the Board of Directors upon the terms of the Law to Regulate Financial Groups. Likewise, such opinion shall be provided to the respective Boards of Directors.
4. The Chairmen of the Boards of Directors of the financial entities members of the Financial Group or, as the case may be, of the Sub-holding Companies shall be sent the opinion related to the designation of the Managing Director of the respective companies.