

November 7, 2017

**WORKING SESSIONS, ACTIVITIES AND RESOLUTIONS OF THE
AUDIT AND BEST PRACTICES COMMITTEE OF THE BOARD OF
DIRECTORS OF GRUPO FINANCIERO BANORTE, S.A.B. DE C.V.
SEPTEMBER AND OCTOBER, 2017**

Reference: Acquisition via merger of Grupo Financiero Interacciones, S.A.B. de C.V. (“GFI”).

To the shareholders of Grupo Financiero Banorte, S.A.B de C.V. (“GFB” or the “Company”):

Below is a brief presentation presented by the undersigned which summarizes the working sessions, activities and resolutions carried out and adopted by the Audit and Best Practices Committee of the Board of Directors (the “Committee”) of the Company, in respect of the above referenced proposal (the “Project”).

With regard thereto, the Management of GFB, through its CEO and thereafter, its CFO, informed the Committee on September 21, 2017, that in the process of pursuing investment opportunities, Management had focused on the assessment of at least three potential opportunities for accretive growth that could be financially and strategically attractive to GFB. Among those alternatives, the Committee was informed that Management had selected to analyze in depth the Project, with the support of two prestigious investment banks, Bank of America Merrill Lynch and Morgan Stanley Co. LLC respectively, since this alternative would create greater value to the Shareholders, which coincided with the view of both banks.

The Project took primary importance for the Committee, which is composed, in its totality, by independent member of the Board, given that, because of the characteristics of the Project, mainly (i) the range of potential value; (ii) the fact that GFB and GFI have shareholders with common ownership; and (iii) that the Chairman of the Board of the Company and persons related to him are shareholders in GFI, the Project could represent a transaction which (x) is unusual and non-recurrent and representing more than 5% of the consolidated assets of GFB; and (y) could be considered as involving “related parties”, requiring specific approval by a Shareholders Meeting.

The Committee immediately recognized that with respect to the provisions of articles 39, paragraph III, subsections (b) and (c) of the Law to Regulate Financial Groups, 28, paragraph III, subsections (b) and (c) of the Securities Markets Law and Thirty Third and Forty Third of the By-laws of GFB, unusual or non-recurrent transactions of material value, as well as related party dealings require the approval of the Board of Directors, with the prior opinion of the Committee, and ultimately, the Project must be approved by the General Shareholders Meeting.

In connection therewith, prudence dictated that the Committee apply to its review of the Project, given its evident characteristics, the high standards which a relevant transaction among "related parties" obliges.

Consequently, as of the date Management informed the Committee of the possibility of implementing the Project, the members of the Committee formally convened and met on fourteen occasions between September 21 and October 18, 2017, in independent meetings, as well as with Management and its legal and financial advisors, and with the legal and financial advisors to the Committee, emphasizing confidentiality on each occasion.

In the meetings that were held, the members of the Committee made a number of recommendations to Management, with regard to a prudent, confidential and exploratory approximation with the potential target, taking into consideration securities regulations and best corporate practices.

With the objective of finding reliance on independent and disinterested opinions, the Committee selected from among several candidates, a special counsel, the firm of Bufete Robles Miaja, S.C. (for the purpose of ensuring that the Committee met full compliance with all legal, By-law and GFB's Code of Conduct provisions, applicable to relevant transactions with related parties), as well as a financial expert, FTI Capital Advisors LLC (in order to obtain a financial opinion as to the fairness of the exchange factor suggested for the Project and the market conditions of the transaction).

The member of the Committee reviewed and broadly commented upon the presentations of Management and those of the financial experts, Bank of America Merrill Lynch and Morgan Stanley Co. LLC (financial experts hired by Management), as well as with the independent financial firm assisting the Committee, FTI Capital Advisors LLC. With regard to the deliberations and working sessions of the Committee, the members of the Committee considered the best interest of GFB, without favoring any determined shareholder group in detriment of others.

Among other activities the Committee ensured that, in a manner consistent with its recommendations, Management advise the Chairman of the Board of GFB and those persons which could be considered as related parties with a personal interest in the Project, that they be maintained insulated from the discussions, contacts, analysis and negotiations relating to the Project in compliance with legal provisions and best corporate practices, in order to avoid potential risks of conflicts of interest or undue influence, in full compliance with applicable laws and regulations and standards of conduct in regard to similar transactions.

The members of the Committee, as is the case of any director of GFB, carried out their endeavors on the basis of creating value for the benefit of the Company, without favoring any specific shareholder or shareholders group. The members of the Committee based their conduct on their duty of loyalty - abstaining from obtaining economic benefits personally or for any third party, without a legitimate cause - and of diligence – taking informed and reasoned decisions, in compliance with all applicable provisions.

In connection with the conduct of business by the Committee, the following points are relevant:

- A. At no time was any intention to favor a specific shareholder or group of shareholders in detriment of others observed. In this regard, the Committee requested from Management ongoing information with regard to the components that evidenced the creation of value for the benefit of the Company and all of its shareholders and on several occasions, requested that the implementation of the Project consider mechanisms to mitigate risks and contain potential negative effects derived from possible contingencies.
- B. During the course of its involvement in the Project, the Committee did not detect any conflict of interest with respect to its members, nor any intention to favor any shareholder or group of shareholders, disadvantaging others, nor any actual or potential economic benefit, without legitimate cause, for the members of the Committee or any third party.
- C. The Committee watched over the confidentiality of the Project and the information related thereto, and actively sought confidentiality assurances from those persons it considered essential for the adequate review of information in the exercise of its duties.

D. As required by the Law to Regulate Financial Groups, the Securities Markets Law, the By-laws of the Company and the Charter of the Committee, the Committee opined and recommended to the Board of Directors, supported by the opinions of the independent experts, (i) the fairness of the Project; (ii) the submission, upon Board approval, of the transaction for its authorization by shareholders of GFB; and (iii) the due care, in its perspective, of the processes and protocols to mitigate risks and avoid potential conflicts of interests or the appearance of such conflicts, that could relate to a project with the characteristic of the possible merger with GFI. It is noted that none of the Board Members having or deemed to have a conflict of interest derived from the Project, were present in the presentation of the Committee nor in the deliberations of the Board, as they excused themselves from the meeting.

The Committee expressly recommended to the Board that in the analysis, evaluation and negotiation of the Project, the principal objective be the procurement of value to the Company for the benefit of all of its shareholders, and specifically, the minorities; and that all possible information be gathered in order to facilitate an autonomous and informed decision by the shareholders of the Company.

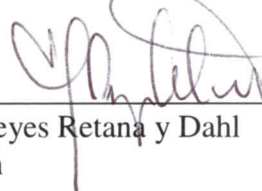
In conclusion, and in accordance with the commentary and recommendation of the independent advisors to the Committee in their respective reports, the following points are made:

1. The Committee followed all processes of due diligence before presenting its opinion and recommendations to the Board of Directors.
2. It is underlined that the Committee is not the competent corporate body to approve a transaction of the materiality of the Project. Its actions and work was limited to issuing an opinion and a recommendation, supported by independent experts, with regard to the fairness of the Project to GFB, and to submit, first to the Board, and ultimately, the Shareholders, the approval of the Project. Considering the notion of "related parties", the functions of the Committee included making recommendations directed to insure, to the maximum extent possible, that the Project be negotiated under market conditions, without favoring a shareholder or group of shareholders, prejudicing the rest, and therefore, the Committee made recommendations to ensure that the process be followed under best practices.

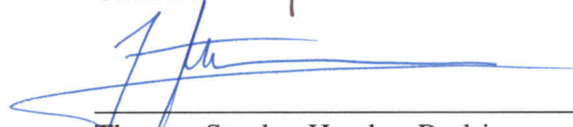
3. The Committee always acted in good faith, complying with all legal requirements and those arising from the By-laws of GFB, the Committee Charter and the Code of Conduct of GFB. Its members relied upon the information that was delivered to them by Management, by the legal and financial experts hired by Management as well as the independent advisors to the Committee, the credibility and aptitude of which was not reasonably subject to question. In addition, with the information available to the Committee at the moment of its deliberations and opinion, the Committee considered that the recommendation to the Board to submit the Project to the approval of the General Shareholders Meeting, was the most adequate alternative, in its loyal understanding and based upon the information furnished to the Committee, especially considering its recommendations to carefully review potential contingences and negative financial effects, to mitigate them as much as possible, and to disclose all such risks to the shareholders for purposes of their ultimate decision.

Very truly yours,

For the Audit and Best Practices Committee
of Grupo Financiero Banorte, S.A.B. de C.V.



Héctor Reyes Retana y Dahl
Chairman



Thomas Stanley Heather Rodriguez
Ad-hoc Secretary-Independent
Director