

# AUDITING AND CORPORATE PRACTICES COMMITTEE'S ANNUAL REPORT

Mexico City, March 14, 2024.

## To the Board of Directors of Grupo Financiero Banorte, S.A.B. de C.V.

In accordance with the provisions of Articles 43 of the Securities Market Law and 58 of the Law to Regulate Financial Groups, the Auditing and Corporate Practices Committee (the Committee) hereby submits its annual activities report corresponding to fiscal year 2023.

This report shall refer to Grupo Financiero Banorte (GFNorte) and the following relevant entities: Banco Mercantil del Norte, S.A., Casa de Bolsa Banorte, S.A. de C.V., Operadora de Fondos Banorte, S.A. de C.V., Arrendadora y Factor Banorte, S.A. de C.V., Almacenadora Banorte, S.A. de C.V., Seguros Banorte, S.A. de C.V., Pensiones Banorte, S.A. de C.V., Banorte Ahorro y Previsión S.A. de C.V. and Banco Bineo S.A.

### I. Audit:

- a) In evaluating the status of the Internal Control System (ICS) of GFNorte and its relevant entities, the Committee maintained continuous communication with Management and relied on the reports received from the Comptroller's Office and Internal Audit, and the Independent External Auditor, highlighting the following:
  - 1. Annual reports from the CEOs of the relevant entities on their activities in Internal Control matters.
  - 2. Activity reports from the Internal Controllers of the relevant entities containing their opinion on the operation of the ICS and reports on the results of the inspection visits carried out by the Regulatory Authorities with the main observations determined and corrective measures taken.
  - 3. Internal Audit management reports with the results of its reviews, main observations and progress in corrective actions, as well as its opinion on the effectiveness of the ICS.
  - 4. Reports of the Independent External Auditor including the report on the basic financial statements and the main observations of the ICS.
  - 5. Quarterly reports from the Chief Information Security Officer on information security risk indicators as well as reports from the Compliance Officers of the Interbank Payments System in U.S. Dollars and the Interbank Electronic Payments System.
  - 6. Quarterly reports and minutes of the Audit Committees of the relevant entities and, if applicable, opinions of the Statutory Examiners.

Taking into consideration the aforementioned items, in the opinion of the Committee, the ICS of GFNorte and its relevant entities generally functions effectively, and the deficiencies, deviations or aspects that require improvement correspond to specific issues that have been addressed or have corrective measures in place.

Regarding the performance of Internal Audit, the Committee ensured that it maintained its independence and complied with the work program that was authorized, carrying out its activities in accordance with best practices, including following up on the implementation of measures to correct the observations determined.

- b) During the year, no investigations were conducted in connection with non-compliance with the operating and accounting guidelines and policies of GFNorte or its relevant entities.
- c) In accordance with Article 33 of the General Regulations Applicable to Financial Group Holding Companies that regulate External Auditing Services issued by the National Supervisory Commissions, the Committee validated that the Firm and Independent External Auditor complied with the personal, professional and independence requirements, obtaining the Firm's statement on compliance with the 2023 Quality Control Standard.

The Committee ensured the sufficiency of funds to execute the external audit program. It validated the knowledge and professional experience of the Independent External Auditor, the Manager, and the person in charge of the audit. Additionally, it evaluated and recommended the ratification of the Firm and the appointment of the Independent External Auditor to the Board for approval, with a cost of services amounting to 33.7 million pesos for the audit. Furthermore, the Committee participated in the review of the terms of engagement.

It informed the Board of the changes reported in the Independent External Auditor's team, ensuring that the new members complied with the established requirements, thus ensuring reasonableness of the resources allocated for the audit.

In the Committee's opinion, the Firm, the Independent External Auditor and the personnel who participated in the audit of the basic financial statements maintained their independence, performed their work in accordance with the plan presented, applied best practices, maintained continuous communication, and their reports and opinions were of quality and useful to the Committee.

- d) The Committee recommended the approval of the following additional services of the Firm and Independent External Auditor that were requested by Management, ensuring that they did not compromise their independence. These additional services include a tax opinion, review of the sustainability report and some local taxes, transfer pricing study, auditing of financial statements as of August 31, 2022 for the merger of Arrendadora y Factor and Ixe Fleet, and the review of financial information at interim dates for the issuance of securities.

The amount for these services was 2.9 million pesos, which were provided in compliance with the agreed objectives and scopes. The assigned personnel were sufficient and possessed the appropriate skills and experience commensurate with the complexity of the tasks. The results were delivered on the scheduled dates, and the teams maintained continuous communication with Management.

- e) The Committee reviewed, with Management and the Independent External Auditor, the audited financial statements as of December 31, 2023 of GFNorte and its relevant entities. The Independent External Auditor reported that it performed its work in accordance with the plan presented, applied sufficient procedures to the significant components and relevant matters, and that the audit evidence provided sufficient and

appropriate basis for its opinion. The Committee also reviewed the quarterly financial statements.

As a result, the Independent External Auditor issued an unqualified report, and reported that it did not identify significant deficiencies in its evaluation of Internal Control, execution of substantive procedures and evaluation of other matters.

- f) No requests for approval of modifications to accounting policies were made during 2023.
- g) During the fiscal year, no relevant observations were received from shareholders, Board Members, Key Officers or third parties regarding accounting, internal controls, Internal and External Audit, or irregularities of Management. In accordance with best practices, there is a channel for receiving complaints and the Committee is informed of such complaints and the results of their proper handling.
- h) The Committee, in support of the Board, ensured, on the basis of the Internal Audit report, that during the year the rights of shareholders were honored.
- i) The Committee did not receive any specific requests from either the Shareholders' Meeting or the Board of Directors to follow up on particular resolutions.

## **II. Corporate Practices:**

- a) In connection with the reports received from the Internal Controller and Audit, the Independent External Auditor and the results of the inspection visits by the Authorities, there were no observations on the performance of Key Officers during the year, which was reflected in the assessment made by the Human Resources Committee to approve the payment of deferred remuneration.
- b) The Board approved transactions with related parties as of December 31, 2023. Loans made through Banco Mercantil del Norte amounted to 22,105 million pesos, which is below the limit established by applicable regulations. Intercompany transactions were conducted at market prices, a fact verified by the Independent External Auditor, who reported no findings.
- c) With respect to the remuneration of the CEO and Key Officers, there is a Remuneration System approved by the Board of Directors, which divides it into ordinary and extraordinary and includes rules for deferring the payment of 40% of the latter based on the assessment of risk indicators over a three-year horizon.

After conducting a review, Internal Audit determined that the Remuneration System was applied consistently and without exceptions. There were no changes resulting from unexpected losses and no significant aspects were identified that could affect the liquidity, solvency and stability of GFNorte and its relevant entities.

- d) During the year, the Board of Directors did not grant any waivers to Directors or Key Officers to take advantage of business opportunities.
- e) The Committee was informed of the results of the inspection visits of the Regulatory Authorities and ensured that the observations were addressed or have corrective measures in place, and followed up on these with the support of Internal Audit.

- f) Among other relevant activities of the Committee, the bidding process for the Firm and Independent External Auditor for the year 2024 stands out, with the participation of the Chief Financial Officer and the Head of Finance and Operations.

The process of authorizing the start of operations of Banco Bineo was followed up, which included addressing the Authority's observations and recommendations from its inspection visit.

It was kept informed regarding the evolution of the investment in Tarjetas del Futuro, as well as the consolidation process with GFNorte's financial statements in December 2023.

It reviewed the Hyper-personalization strategy, which includes aspects related to risk models, segmentation by client, the generation of personalized offers, the conversational model and its execution.

In the area of Sustainability, we followed up on the adoption of internationally recognized frameworks and guidelines on Environmental, Social and Governance (ESG) factors, as well as climate change commitments that consider the decarbonization of the portfolio.

Sincerely,

**Thomas S. Heather Rodríguez**

Chairman of the Audit and Corporate Practices Committee  
Grupo Financiero Banorte