EXCLUSION LIST
Forbidden activities or Risk Situations

The following activities and operations are considered forbidden. For this reason, these activities do not require a preliminary analysis to determine their disapproval:

a) Production or activities that involve forced labor (1) or child labor exploitation.
b) Production or commerce of any product or activity considered as illegal, all in the current legal framework.
c) Any business related to pornography and prostitution.
e) Production or trade of radioactive material (including warehousing and treatment of radioactive wastes,) asbestos, polychlorinated biphenyl (PCB) and others chemical products that have been prohibited internationally.
f) Production and trade of pharmaceutical or pesticide and herbicides that has been prohibited internationally.
g) Production or trade of harmful substances that destroy ozone, which have been prohibited internationally.
h) Sea fishing using nets more than 2.5 km long.
i) Commercial forestry at commercial level in primary tropical rainforest.
j) Any other activity that is in violation of environmental, health or industrial safety laws.
k) Churches
l) Gambling
m) Military Equipment
n) Candidates, Political Exposed Persons, Unions, Political Organizations, the Central Credit Committee, has the exclusivity authority to approve the financing; this process also requires the signature of the CEO. Banorte can only provide financing the three largest political parties in the country registered with the National Electoral Institute (Instituto Nacional Electoral: INE); an exception can be made for the financing of other political parties registered in the INE, but only for 4 million Units of Investment (UDI) this process further requires that the Risk Policy Committee (is informed about any such exceptions.

(1) Forced labor means all labor or service that is involuntary, that is obtained using threat, force, or punishment.

(2) Child labor exploitation means the employment of children characterized by economic exploitation, or with a probable risk of danger for the child, or interferes with the formal education of the child, or that causes harm to the health of the child, or has a negative impact on the physical, mental, spiritual, moral or social welfare of the child.
For the case of SOFOL (Limited Scope Financial Institutions) mortgage loans, the prior authorization of the Risk Policy Committee is required, due to the “zero limit” according to the number 1.1.5.3.2.2. Specific Limit for Credit Risk for SOFOL Mortgages in the Risks Manual.

Transaction with applicants, whose credit score, which is determined by the Credit Bureau has one the following characteristics:

- Suspension of payments or bankruptcy, except expired procedures (1).
- Fraud, except when the Credit Bureau and/or the creditor determine that the fraud is not attributable to the client (2).
- Prevention Code 78, business receptors of credit cards that result in losses for the institution.
- Bankruptcy to 2,000 UDI.
- Observation Code UP. Account that result in bankruptcy. Amount superior to 2,000 UDI.
- Prevention Code 86; Client that have guarantees that support their line of credit, without authorization of the guarantor.

(1) The Codes that determine Suspension of Payments or Bankruptcy are:
- Prevention Code 80. Client declared to be Bankrupt, Suspension or Payments or Insolvency.

(2) The Codes that determine Fraud are:
- Prevention Code 82. Client that results in a loss to the guarantor by proven fraud.
- Observation Code FD. Fraudulent Account.
- MOP 99. Fraud committed by the consumer.