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1 PURPOSE

1.1. Proeza has the duty to ensure that all Suppliers with whom it contracts comply with all applicable anti-corruption laws, money laundering prevention laws and economic sanctions, including the laws of the National Anti-corruption System in Mexico, the FCPA, among others, in relation to the work of the Company's Suppliers.

1.2. The development of the Third Party Policy describes the mandatory procedures that are designed to i) obtain information about the activities of Suppliers; and ii) minimize the risk that Suppliers will violate applicable anti-corruption and anti-money laundering laws and/or expose Proeza to corruption or money laundering risks.

1.3. The objective of the Third Party Policy is, (i) to align beliefs and values, specifically in the relationship with Suppliers, where integrity is believed to be the foundation of enduring human relationships and (ii) to establish an environment of trust and reliability. It also searches in an enunciative but not limitative way:

- I. To make the Company's administrative and internal management processes more efficient, in everything related to Suppliers.
- II. To guarantee the fulfillment of the law in all the referring thing to the in force regulation of work and industrial safety.
- III. Increase the level of control and fulfillment of obligations and payments to Suppliers.
- IV. To support the development of strategic Suppliers, providing them with new forms of credit lines that provide flexibility and greater capacity to react in accordance with the needs of each one.
- V. Regularize the Company's cash flows, trying to improve reconciliations between collections and payments, and achieving greater cost reductions.
- VI. Reinforce preventive and industrial safety actions.

2 SCOPE

2.1. Compliance with this policy is mandatory for all Proeza Collaborators.

3 DEFINITIONS

3.1 **CEC:** Ethics and Compliance Committee.

3.2 **Employees:** employees, directors, directors, advisors, representatives and collaborators of the Company.

3.3 **Proeza or the Company:** Grupo Proeza, S.A.P.I. de C.V. and its subsidiaries ("Proeza" or the "Company").

3.4 **Third Party Policy:** Third Party Contracting Policy and Supplier Veto.

3.5 **FCPA:** *the United States of America's Foreign Corrupt Practices Act.*

3.6 **Threats:** Constitute a possible cause of risk or damage to Proeza.

3.7 **Lack of Liquidity:** The Supplier is unable to continue providing the service for which he was hired.

3.8 **Government Official:** Any public servant, government employee or official, member of a public international organization, or any person acting in an official capacity on behalf of or on behalf of such Government, or on behalf of or on behalf of any public international organization. Government official includes:

- I. An elected or appointed official of the Government;
- II. An employee of a state entity or even a state-owned joint venture or productive state enterprise, such as CFE;
- III. An employee of a government-funded entity;
- IV. An employee or person acting on behalf of or on behalf of a Government Official, agency, government agency or enterprise performing a governmental function, such as a consultant or agent hired by a government agency to handle certain tasks;
- V. A person acting for or on behalf of a Government - even temporarily;
- VI. An official, employee or person acting for or on behalf of a political party or candidate for public office;
- VII. An official or employee of an international organization (for example, the United Nations, the World Health Organization, and the International Monetary Fund);
- VIII. A Relative or economically dependent of any of the persons or officials identified above; and
- IX. A political party, such as the National Action Party (PAN), the Party of the Democratic Revolution (PRD), the Institutional Revolutionary Party (PRI), the National Regeneration Movement (MORENA) or any other political party.

3.9 **Breach of Agreement:** Breach is one of the elements of contractual liability (breach of warranties, confidentiality, late deliveries).


3.10 **Bad Works:** The Supplier complies with the established Agreement, but the result is not as expected (Quality, negligence that causes the plant to stop, disconnect equipment, damage to pipes, environmental deterioration, fines generated by violation of legal and environmental requirements, among others).

3.11 **Bribes:** Offering money or objects of value to a collaborator in order to become a Supplier of Proeza.

Authorized By: CEC

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Area: Internal Control
Internal Use Information





3.12 **Veto:** Block Supplier to provide its services in Proeza, by blocking it in the systems.

3.13 **Un-Veto:** To eliminate the blockade of the Supplier in the systems, so that he can give his services in Proeza.

3.14 **Supplier:** All business partners; including partnership, joint venture, service Suppliers, Suppliers, and Third Party Intermediaries.

3.15 **UEN:** Business units of Proeza.

3.16 **Third-Party Intermediary:** Includes every:

- I. Service Suppliers, agents, consultants, distributors, contractors or other individuals or entities contracted to assist the Company in any activity or business that requires or involves an interaction with a Government Official;
- II. Third parties whose principal function is to establish business relationships with, or to promote the distribution or sale of the Company's products and services to, Government Officials, on behalf of the Company;
- III. Any entity owned by a Government Official;
- IV. Third party service Suppliers who are recommended or designated by a Government Official to perform work on behalf of the Company; and
- V. Suppliers who interact or do business with Government Officials on behalf of the Company.

4 GUIDELINES

4.1 Principles

- I. **Human rights:** To respect and promote human labor rights that guarantee freedom and equality among workers, and to promote the best working conditions in the Company.
- II. **Non-discrimination:** Treat all persons with respect and courtesy regardless of ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual preferences, marital status or any other personal characteristic.
- III. **Health and Safety:** Promote health awareness, safety and accident prevention among Employees, and take action to avoid indifference to unsafe acts and conditions.
- IV. **Child labor:** Verify that none of the Collaborators is under the age to be able to carry out labor activities of any kind, with the aim of protecting both the minor and the Company.
- V. **Respect for work and work by mutual agreement:** To care for and promote that the Collaborators carry out their work voluntarily, without feeling forced in any way, be it physical, financial, contractual or documentary, and to recognize, therefore, their freedom to end the labor relationship when they deem it convenient.

VI. Cordial working environment: Monitor and promote respectful human relations and take action to end any violent or aggressive behavior that threatens the harmony, safety and integrity of Employees.

4.2 Information Management

- I. The Company generates valuable information, which increases the intellectual capital of Proeza, is the responsibility of whoever receives its protection and responsible employment and should:
 - a) Ensure that confidential information generated in the Company, with the client and/or Supplier is safeguarded and protected by applying the corresponding rules and procedures.
 - b) To strengthen the awareness of the importance and value of information among the Collaborators and to promote actions for its responsible management.

4.3 Adherence to the Law

- I. Ensure that Collaborators have clear and up-to-date information about the laws, regulations and ordinances applicable to their work.
- II. Verify that the Company and the Collaborators carry out their activities in compliance with all current legal regulations.

4.4 Combating corruption

- I. Demonstrate ways in which corruption can be combated in everyday life.
- II. Explain to the Collaborators the interactions that can be considered as "bribes" or acts of corruption, and the consequences that would be derived in case of incurring them.

4.5 Conflicts of interest

- I. Instruct Collaborators to identify possible personal and professional conflicts of interest in a timely manner and to be able to make appropriate decisions.
- II. Ensure that in the Company, in the event of possible conflicts of interest, decisions are made considering the interests of the parties involved.

4.6 Interaction with Suppliers

- I. Promote the development of Suppliers who ensure a long-term relationship, thanks to the implementation of sustainable practices that increasingly meet expectations.

4.7 Environment

- I. Verify that the production processes carried out in the Company protect the environment. Actively promote awareness and action campaigns within the Company to make a tangible contribution to the protection of the environment.

4.8 Community

- I. Actively promote the strengthening of solidarity with the community, promoting specific actions to support its development.

4.9 General Considerations

- I. Before entering into a business relationship with a new Supplier, they must complete the Standard Audit Questionnaire, which forms part of this Policy as Exhibit A, which must be provided by the UEN to the Supplier with whom they are seeking to enter into a particular Agreement prior to its conclusion and validated by the relevant Legal department, which must give notice to the various Committees involved in the procurement procedure. This questionnaire requires generic corporate and commercial information about potential Suppliers, including the object of the legal relationship, the specific goods or services to be provided and other specific information.
- II. Suppliers who wish to Agreement with the Company and have intermediation relations with the Government must complete the Anti-Corruption Questionnaire, which is attached as Exhibit B. This document requires that Proeza be provided with information on its background, policies and business practices to analyze the risk of corruption or money laundering that the proposed relationship may present to the Company.
- III. Likewise, it will be necessary that in addition to complying with the aforementioned requirement, its approval must be issued in writing by the CEC.
- IV. Proeza is empowered to Agreement a Supplier with experience in third party investigation to perform the Company's background check.
- V. Proeza is empowered to Agreement a Supplier with experience in third party investigation to perform the Company's background check. Proeza will only Agreement with Certified Suppliers.
- VI. Suppliers consisting of consulting firms, lawyers and international financial institutions such as: PwC, KPMG, E&Y, Deloitte, Duff & Phelps; White & Case, Clifford Chance, Jones Day, Santander, AON, Chubb and Bank of America are exempt from these procedures. The foregoing is stated in an enunciative but not limitative manner. If in doubt as to whether a Supplier is exempt from these requirements, please consult the CEC.
- VII. To engage any Supplier, you must have a written agreement, Agreement, purchase order or letter of intent that includes the anti-corruption clause found in Exhibit B of the Anti-Corruption Policy.

4.10 Veto on Suppliers

- I. The Supplier veto process can be initiated at any Proeza SBU and if authorized must be applied to the full scope of the Company's operations. The process should consider the stages of 1) veto requirement, 2) veto approval, 3) veto implementation, and 4) veto communication.
- II. The veto request may be initiated by the co-worker who has contact with the Supplier or staff in relation to the process of purchase/receipt of the good or service, if he considers that one of the following assumptions has been incurred by the Supplier:

- a) Bad jobs.
 - b) Bribes.
 - c) Threats.
 - d) Breach of Agreement.
 - e) Lack of liquidity.
- III. A veto requirement must be initiated by informing the applicant to Co. Immediate and to the Purchasing, Legal and Finance coordinators of the location justifying the request. Once the parties have been informed they can approve or reject the veto requirement.
- IV. In the case of an approved veto requirement, the applicant must register the case in the platforms set up for this purpose, at which time the person in charge of Internal Control of the location must carry out the necessary process validations in order to confirm the veto and publish it.
- V. As of publication, the Head of Internal Control at the location must notify the SBU Internal Control Co. of the implementation of the veto, who must notify the Accounts Payable central function for the purpose of blocking the Supplier in the systems, and the Proeza Internal Control Co., who must notify the rest of the Proeza SBUs to replicate the block and notify the CEC.
- VI. The Purchasing Co. at the location must make the veto communication through an email communication to the related Supplier.
- VII. In the event that the veto warrants the exercise of any legal action, the person in charge of Legal together with the person in charge of Finance will evaluate such possibility, as well as the possibility of evaluating the hiring of an external firm, in accordance with the provisions of the Policy on incident management, communication in crisis situations and legal procedures, for such purposes.

4.11 Un-Veto to Suppliers

- I. In view of the need to carry out work with a Supplier, it could be identified that the Supplier is vetoed. The process of Un-Veto to Suppliers can be initiated in any UEN of Proeza in case of fulfilling the following conditions:
- a) The Purchasing Co. of the location has prepared a document specifying the reasons why the Supplier is being asked to remove the veto and has the Vo. Bo. of the Cos. Finance and Legal location.
 - b) It has been at least a year since the Supplier vetoed and posted its veto in the Policy Center.
 - c) There are no other Suppliers who can provide the service or this is the best option to do the job.
 - d) The Supplier has signed a commitment letter stating that the reasons for the veto will not be repeated.

- II. The person responsible for the contact with the Supplier must initiate the Un-Veto process by requesting it from the Purchasing Co. of the location and informing his Co. Immediate, as well as Co. Finance and Co. Finance and Co. Once the preconditions have been fulfilled and if there is agreement on the Un-Veto request, it must be informed to the person in charge of Internal Control of the location and to the CEC who will validate the mentioned preconditions.
- III. The person responsible for Internal Control of the location will notify UEN Internal Control for the implementation of the Un-Veto in the UEN through its communication to the Co. Accounts Payable to remove the blocking in the systems. In turn the UEN Internal Control must report to Proeza Internal Control with the aim of replicating the above with Company-wide reach.
- IV. Once the above is done, the Internal Control responsible for the location will remove the Supplier's veto in the Policy Center, having completed the implementation of the Un-Veto.
- V. The Purchasing Co. of the location will be the one who notifies the Supplier of the Un-Veto by Proeza.

4.12 Causes for not contracting with a Supplier.

- I. It won't be able to Agreement with a Supplier when:
 - a) The Supplier has been involved in acts of corruption.
 - b) The Supplier has been involved in a crime.
 - c) Do not have the necessary minimum of security measures so that Proeza is not affected at any time.
 - d) Do not accept the clauses necessary to safeguard the interests of Proeza's business.

4.13 Events Out of Policy

- I. Any situation not covered by this policy should be consulted with Co. Purchasing UEN, Co. Internal Control of UEN and Co. Corporate Internal Control, as well as with the CEC.
- II. Any omission or breach of the policy described herein will be considered a serious breach, which will have to be explained when required.

4.14 Sanctions

- I. The Company may apply sanctions for violations by its Employees to its internal policies, in accordance with the gravity of the breach of conformity with the provisions of the Internal Labor Regulations, the corresponding labor laws and the universe of Proeza policies.

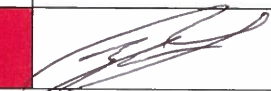



4.15 Amendments

- I. Any modification to this Policy must be reviewed and approved by the CEC.
- II. Any creation or modification of policy related to this Policy must be reviewed and approved by the CEC.

5 CONTACT INFORMATION

5.1 For any consultation or comment related to this Program, the Internal Control area should be contacted.

6 REVIEW AND APPROVAL

Version	Revision Date	Created By	Revised by	Internal Control	Authorized by CEC
1	November 19th, 2019	Juan Carlos Carrizales Chapa Internal Control Specialist	Enrique Javier Villarreal Salinas Co. Control System and Proeza Value Model	Gerardo Javier Sepúlveda Ayala Co. Internal Control	Rodrigo de la Maza Serrato CEC Delegate and Co. Finance, Strategy and Business Development
Signatures					

7 RELATED DOCUMENTS

- 7.1 Integrity Policy.
- 7.2 Audit and Monitoring Program of the Compliance Program.
- 7.3 Protocol of Attention to the Transparency Line.
- 7.4 Anti-Corruption Policy.
- 7.5 Transparency and Publicity Mechanisms.
- 7.6 Manual of Organization and Procedure.
- 7.7 Talent Incorporation Policy.
- 7.8 Compliance Policy.
- 7.9 Conflicts of Interest Policy.
- 7.10 Supplier Contracting and Veto Policy.
- 7.11 Protocol of Attention to Incidents.
- 7.12 Proeza Code of Conduct.
- 7.13 Criminal and Administrative Risks Matrix.
- 7.14 Powers of Attorney Policy.





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GPZ_CI_POL_1503_EN

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8 EXHIBITS

8.1 Form A

8.2 Form B

8.3 Acknowledgment of Receipt and Conformity.



EXHIBIT A

FORM A

The Standard Audit Questionnaire must be completed by any new Supplier. This form requires generic corporate and commercial information about potential Suppliers that is necessary for the Company to evaluate Suppliers.

- I. Full name / denomination or company name of the Supplier:
II. Supplier's Address:
III. Supplier's phone number:
IV. Supplier Web Site:
V. Name, phone number and email address of the Business Partner's primary contact:
VI. Please provide a brief description of your current business, history and operations:
VII. Please indicate the purpose of the possible legal relationship with the Company:
VIII. If applicable, please provide a description of the goods and/or services to be provided to the Company:
IX. Please list each person who has an interest of 10% or more in the Supplier. If there is none, write "none."

Table with 2 columns: Name, Percentage of ownership

- X. List all officers, counselors, and directors of the Supplier (attach additional pages if necessary).

Table with 2 columns: Name, Title

- XI. List the employees of your company who will be primarily responsible for complying with the proposed agreement (attach additional pages if necessary).

Table with 2 columns: Name, Title

- XII. Attach a copy of the following documents:

Copy of articles of incorporation and bylaws in force.

Handwritten signature



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Copy of the notarial instrument in which the powers of attorney of your legal representative(s) are stated.

Copy of your proof of address (no more than three months old).

Copy of your tax identification card (RFC).

XIII. Please list the names, addresses, telephone numbers and contact names of at least three business references, including customers:

XIV. Has the Supplier been charged with or under investigation by either criminal or administrative authorities?

Yes No

XV. Translate into English U 237 Has the Supplier been charged with or under investigation by either criminal or administrative authorities? U 238 Yes No M 239 Are you aware that any officer, director, Shareholder, or employee of the Supplier, or a Relative of any of them, is a Government Official or is expected to become a Government Official?

Yes No

If yes, please complete **Form B**.

Name: _____
Signature: _____

Title: _____
Date: _____



EXHIBIT "B"

FORM B

Anticorruption Questionnaire

The following Questionnaire is provided to comply with the *United States of America's Foreign Corrupt Practices Act (FCPA) and the National Anticorruption System Acts*.

The information provided by the applicant in this Questionnaire will be used by the Company to ensure compliance with applicable Mexican [and U.S. laws, including the FCPA, which prohibit corrupt payments to Government Officials for the purpose of obtaining or retaining business or to obtain any other advantage.] This compliance review may include a legal analysis of the information to determine whether a violation of local anti-corruption laws or [the FCPA is possible], as well as to take appropriate action to resolve any compliance issues identified. This information will not be used, transmitted or processed for any other purpose, except to confirm the accuracy of the Questionnaire responses. The questions have been adapted to look only for information that is relevant to the company's compliance efforts and to meet data protection and privacy requirements. In the rare event that a potential compliance issue is identified, the information collected may be transmitted to the Company's employees or to the Company's external legal advisors and/or regulatory authorities in Mexico, the United States or other countries outside your country of residence, whose laws protecting personal information may not be equivalent to those in your own country. The Company's storage and retention of this information will be in accordance with the Company's policies and procedures. You may have rights of access or, if incorrect, rectify or delete information that the Company has about you. This Questionnaire is completed voluntarily. However, failure to complete the Questionnaire may prevent the Company from doing business with you. If you have any questions or concerns about the foregoing, please contact the Company's Compliance Officer.

I. Are you aware that any of the employees, officers, directors, Shareholders or any other person related to the Supplier has engaged in an act of corruption or has made, offered, promised or authorized improper payments in order to obtain a benefit for the Supplier?

Yes No

If yes, explain below.

II. Does the Supplier comply with applicable anti-corruption laws?

Yes No

If No, explain below.

III. Has the Supplier been subject to proceedings or investigations by criminal or administrative authorities for acts of corruption, fraud, money laundering or the like?

Yes No

If yes, explain below.



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IV. Do you have an anti-corruption policy?

Yes No

If yes, please provide a copy.

V. Do you provide anti-corruption training to your employees? If so, how often?

Yes No

VI. Have you, or any of the Supplier's affiliates, or any of its Shareholders, officers, directors, directors or employees been subject to proceedings or investigations by administrative or criminal authorities for acts of corruption, fraud, money laundering or the like?

Yes No

If yes, please provide details. Attach an additional sheet if necessary.

VII. Do you intend to use other companies (subcontractors), either related entities or Third Intermediaries for the development of the proposed agreement?

Yes No

If yes, please provide the name and address of the subcontractor or individual, describe their relationship to the company and the activities they will perform as a subcontractor.

<u>Name/Address</u>	<u>Relationship</u>	<u>Activities</u>

VIII. Do you have audit procedures prior to hiring subcontractors?

Yes No

If yes, please describe and document these procedures.

IX. Are you or any of the Business Partner's Shareholders, officers, directors or employees currently a Government Official, or do you have reason to believe that they will become Government Officials during the term of the proposed agreement?

Yes No



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X. If yes, please describe the government entity (agency, agency, agency, agency, institute, branch, committee, etc.) with which you or they were, are, or will be affiliated, list your position and dates of service, and provide a brief description of your roles and responsibilities.

<u>Name</u>	<u>Government Body/Position</u>	<u>Dates</u>	<u>Description</u>

XI. Is any Government Official or Family Member of the Government Official entitled to any part of the compensation or fees paid by the Company under the proposed settlement?

Yes No

If yes, please identify the Government Official or Family Member of the Government Official by name, describe the relevant Government entity (agency, branch, committee, etc.) and position of the Government Official, and specify the amount that would be transferred to the Government Official or Family Member of the Government Official.

<u>Name</u>	<u>Government Body/Position</u>	<u>Amount</u>

On behalf of [Supplier], I hereby certify that, to the best of my knowledge and belief, the foregoing information is true, correct and includes a complete disclosure of any affiliation of [Supplier] with any Government Official as of this date.

I also acknowledge and agree to inform the persons identified in this Questionnaire of the purposes and manner in which their information will be collected and processed by the Company, to the extent required by local law.



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Signature: _____
Name: _____
Title: _____
Date: _____



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ACKNOWLEDGMENT OF RECEIPT AND ACCEPTANCE

I have received a copy of the Third Party Contracting and Supplier Veto Policy, which I have read and understood, and I agree to comply with it, as well as the procedures, policies, and other requirements contained therein. In case of doubt I will contact the CEC to discuss it and obtain the correct interpretation of its provisions.

I further agree to immediately inform the Company of any violation of which I become aware.

Name and Surname (print)

Signature

Date

Date