



sánchez
devanny®

Compliance Policy



A stack of wooden blocks on a wooden surface. The blocks are arranged in a somewhat haphazard manner, with some standing upright and others lying flat. The wood has a natural, light brown finish with visible grain patterns. The background is a plain, light-colored surface.

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■ 1. Introduction

Sánchez Devanny Eseverri S.C. (hereinafter “Sánchez Devanny” or “the Firm”) has established itself as one of the main legal services firms in Mexico, with a track record of more than 20 years advising clients from all industries, always under the highest ethical and integrity standards. This is not only reflected in the advice we provide, but in all our activities.

Our central principal is to respect and comply with the law in all aspects of our activity, and especially relating to anti-corruption and anti-money laundering.

■ 2. Our Purpose

Sánchez Devanny has as a primary purpose to establish a culture of compliance: we are committed to working ethically and reflecting integrity in everything we do, as we are aware that our long-term success depends on our ability to carry out activities in strict compliance with the laws and regulations that apply to us.

Furthermore, we recognize our clients as the main asset we have and therefore, we assume a great responsibility for them: to provide comprehensive, creative and professional advice in accordance with the law.





■ 3. Purpose

In order to ensure compliance with the Laws that are applicable to us, Sánchez Devanny has developed this Compliance Policy (the “Policy”) by which the Firm will never participate or agree with any form of corruption or carry out any misconduct in the terms of this Policy and the law.

Therefore, the purpose of this Policy is to establish the basic principles and the general framework of action to:

- » Identify in advance and systematically the mandatory requirements and voluntary commitments of Sánchez Devanny in terms of legal compliance.
- » Identify and assess the implications of these requirements for the Firm’s activities.
- » Identify, evaluate and manage risks and compliance commitments.
- » Ensure clear communication to all who are part of the Firm about its compliance expectations for them.
- » Communicate and raise awareness among partners, industrial partners, associates, interns and collaborators in general, of the obligation to report behaviors that contravene the provisions of this Policy.
- » Propose changes and opportunities for improvement in the implementation of this Policy.
- » Prevent situations that may put the Firm at risk of breaching the Laws and this Policy and should they arise, resolve them efficiently and effectively.



4. Scope and Enforcement of this Policy

This Policy is applicable to Sánchez Devanny Eseverri S.C.

This Policy is a fundamental element of the Firm's Compliance Program and establishes the guidelines that all partners, industrial partners, associates, interns and collaborators in general and any third party involved ("stakeholders"), must comply with in the exercise of their activities and the provision of their services, in addition to the anti-corruption and anti-money laundering laws and in any case when they act on behalf of the Firm.

Consequently, this Policy must be interpreted in conjunction with both the Firm's Code of Ethics and Conduct, as well as other related policies and guidelines.

If any person is not sure whether any conduct may go against this Policy or the applicable internal or external regulations, they should consult with a General Partner in their area of practice or with the Internal Compliance Officer, in order to avoid the commission of an act that could affect the Firm.



5. Compliance with Anticorruption Requirements

5.1. Corruption and Misconduct

Corruption is the abuse of a position of trust for private gain and can occur not only in relationships with authorities and/or public officials, but also between legal entities and/or individuals in the private sector.

On the other hand, misconduct is any act that is related or may be related to serious administrative misconduct as defined in the General Law of Administrative Responsibilities (and in the Administrative Responsibilities laws of each State), which for the purposes of this Policy will apply not only in relationships with public officials, but also with private individuals and companies, and that in case of being executed by any person acting on behalf of the Firm in order to obtain a benefit, places the Firm at risk of serious legal and economic sanctions, as well as damage to our reputation.

The prohibited behaviors can comprise among others, the following:

- a. *Bribery*. Consists of promising, offering or delivering improper benefits (for example, money, securities, real or personal property, donations, services or jobs) to public officials directly or through third parties so that they carry out or refrain from carrying out an official act.
- b. *Unlawful participation in administrative procedures*. Consists in the performance of acts or omissions to participate in administrative procedures, in one's own name or in the interest of a third party, even when by law or by resolution of authority, said third party is prevented or disabled from it.
- c. *Influence peddling*. Consists of inducing or persuading an authority through influence or economic or political power, in order to obtain a benefit or advantage for oneself or for a third party, or to cause damage to a person or to the public service.
- d. *Use of false information*. This is when false or altered documentation or information is presented, or compliance with requirements or rules established in administrative procedures is simulated, in order to achieve an authorization, a benefit, an advantage or to cause harm to any person.
- e. *Obstruction of investigative powers*. It occurs when there is information related to an investigation of administrative offense, and false information is provided, or the delivery of the same is deliberately and unjustifiably delayed, or there is no response to requirements or resolutions of the corresponding tax and administrative authorities when there is an order of authority.
- f. *Collusion*. It occurs, for example, when one or more individuals execute actions to obtain an improper benefit or advantage in public contracts, or when competitors enter into agreements to obtain an improper benefit or cause damage to the Public Treasury or to the assets of public entities.
- g. *Improper hiring of former public officials*. It occurs when a person who has been a public servant during the previous year is hired because he knows privileged information acquired during his work in the public service, in order to obtain benefits in the market or put the contractor in an advantageous position compared to competitors.

For the purposes of this Policy, acts will also be considered misconduct where related to the crime of bribery provided for in articles 222, section II of the Federal Penal Code (and its correlative in the State Penal Codes) and article 52 of the General Law of Administrative Responsibilities.



5.2. Business Ethics

We are obliged and committed to comply at all times and thoroughly with the transparency, rectitude, morality and best practices principles in the relations that arise as a consequence of our activities.

5.3. Bribery and corruption as prohibited activities

Transparency and honesty is our motto and are the key that allows us to generate trust in all what we do.

Thus, bribery and corruption are prohibited in all aspects of our activities.

As a behavioral norm of Sanchez Devanny, any facilitation payment, this being understood as one through which it is intended to obtain an unlawful benefit or advantage not only in favor of the Firm, but also in favor of its clients.

5.4. Relations with government officials

We understand that in the performance of our activities we may have contact with government officials at any level, federal, state or municipal. Thus, it is necessary to establish respectful and harmonious relations with government officials in an ethical manner.

In order to achieve this, it is imperative to make it clear that any form of bribe or corruption in the treatment of government officials is prohibited. This prohibition includes, as an example, the delivery of any item in exchange for the assistance of said government official in obtaining an official document or the resolution of a process or release of any precautionary measure or to obtain a settlement in any dispute with any authority.

Neither Sanchez Devanny nor any of its personnel will deliver, offer or promise, in a direct manner or through third parties, suppliers or strategic partners, or on their behalf, any item of value to a government official, his/her relatives or friends (spouse, relatives or third parties with whom they have professional, labor or a business relationship) with the intent to induce him/her to make use of his/her position or power in obtaining an unlawful benefit or advantage.





5.5. Receipt of unlawful benefits

In no case we will request, require, accept or receive any item of value from a government official or a third party for which, in return, may be obtained an apparent and illegal advantage for us or our clients or business partners.

5.6. We do not oppose our personnel engaging in public activity personally and in their spare time

Our partners, industrial partners, associates, law clerks and, in general our personnel, have the freedom to support political parties or candidates, personally, with their own funds, spare time or with any other personal resources (without this being supported by the Firm). The resources owned by the Firm, either money, equipment, properties or services, shall not be used to support any candidate or political party nor public employees or government officials. Any exception to this policy requires the review of the Compliance Officer and in any case, the prior written authorization of the Firm through its Management Board.



6. Compliance With Anti-Laundering Regulations

We reject any behavior related to money laundering and financing of terrorism; thus, we abide by current anti-laundering regulations.

We understand the necessity of having adequate systems and controls to prevent the Firm being used, in any manner, for the facilitation of such behaviors for which:

- » We have internal procedures and mechanisms that allow us to identify, manage and mitigate the risks related to the breach of the anti-laundering regulations.
- » We have appointed an Internal Compliance Officer that is in charge not only of ensuring and supervising the compliance with anti-laundering provisions, but also to establish the necessary internal regulations for these purposes and to strive for compliance with the same.
- » We have applied to the exercise of our activities a focus based on risks, which allows us to assess and manage the risks of money laundering and terrorism financing.
- » We have established a due diligence procedure through which we thoroughly identify to our business partners (including clients and suppliers) and verify their information always in connection with the risks: we enforce all necessary actions to ensure that the income we obtain in the performance of our activities derives from lawful activities, that the legal entities and individuals that are sources of that income do not have a negative record in national or international money laundering lists and that are not classified in any of the two categories of money laundering (conversion and movement).
- » We have the knowledge and mechanisms to internally report suspicious activities as well as to the competent authorities in charge of law enforcement accordingly;
- » We maintain and update our information records under stringent safety standards; and
- » We have training and sensitization tools for all relevant personnel.



7. Basic Action Principals

- 7.1. Sanchez Devanny will not participate nor will it agree with any form of corruption.
- 7.2. Neither the Firm nor third parties that act in its name and on its behalf will carry out any illegal behavior or will bribe or pay or contribute with any things of value in favor of any third party with the intent to obtain an unlawful benefit.
- 7.3. We will comply at all times with the commitment of acting under the highest ethical and professional standards.
- 7.4. We will have adequate means in order for our partners, industrial partners, associates, law clerks and in general our personnel, in a proactive manner, to prevent and, if necessary, report any activity that may contradict the legislation and regulations on anticorruption and anti-money laundering matters.
- 7.5. We will implement the measures necessary to prevent and, as necessary, report behaviors associated with money laundering and terrorist financing, and collaborate with official bodies through the reporting of illicit transactions in accordance with the applicable laws.
- 7.6. We will maintain a communication channel to report any act considered against this policy or in breach of the anticorruption provisions, enabling it with the necessary safeguards for its operation and reminding our personnel of its existence and mandatory use in these situations.
- 7.7. We will carry out the investigations that arise as a consequence of any failure or risk of failure to comply with this Policy.
- 7.8. We will guarantee the existence and fulfillment of a disciplinary system that punishes the behaviors that breach this Policy and other related internal regulations, ensuring their equitable, proportional and fair application.
- 7.9. In the delivery of gifts or entertainment, as well as when incurring expenses related to the rendering of our services, we will comply with our internal reporting and approval procedures, and also with the additional controls that may be necessary when the same relate to government officials, understanding the employees of public companies or under governmental control are included within said group of officials.
- 7.10. We are committed to the correct reporting of our financial data or any information, and to have appropriate records and reports of all transactions we perform.





■ 8. Investigations and sanctions Due to Breach of this Policy

All reports related to possible violations to this Policy must be promptly and adequately investigated and must be treated in a confidential manner.

If once an investigation is concluded it is determined that conduct prohibited and/or in breach of the provisions of this Policy or the applicable laws existed, the Firm shall promptly take the necessary actions in accordance with the circumstances and characteristics of the matter. These measures may range from administrative sanctions, suspensions and warnings up to the termination of the employment relationship and a report to the competent authorities.

■ 9. No Retaliation Principal

The Firm values the commitment of its personnel in the fulfilment of this Policy and the anticorruption laws and, thus, it has as a key principal not to retaliate against any individual that in an honest and good faith manner, reports any unlawful conduct or participates in an investigation of unlawful conduct in accordance with the terms of this Policy.





■ 10. Revisions

This Compliance Policy will be revised by the Internal Compliance Officer, the Board of Directors, and Partners' Meeting of the Firm at least once a year as of its issuance.

Nevertheless, this policy may be revised and/or amended as many times as necessary with the intent to maintain it up to date and in accordance with the other internal policies of the Firm as well as with the current laws and regulations.



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