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The accurate point of reference
for your protection and
effective management of your risks

POLICY TO PREVENT AND AVOID
CONFLICTS OF INTEREST

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Policy to Prevent and Avoid Conflicts of Interest

OBJECTIVES

The Policy to Prevent and Avoid Conflicts of Interest (hereinafter, **the Policy**) has the following objectives:

1. To guide people related to **Protección Dinámica, Agente de Seguros y de Fianzas, S.A. de C.V.** ((hereinafter, the Company, the Society or **PRODISA**) in their capacity as directors, managers, officials, employees or advisors (hereinafter, **related subjects**) so that they can prevent, avoid, manage and mitigate Conflicts of Interest, both internal and external, that may arise in the performance of their duties.
2. To prevent the aforementioned Conflicts of Interest from resulting in acts of corruption, fraud, money laundering or any other illegal conduct.
3. To strengthen the ethical business philosophy, as well as to safeguard the integrity and prestige of the Company.

AREA OF APPLICATION

This Policy is mandatory for all subjects related to the Company, so it is essential to know and understand it in order to ensure proper compliance. For this purpose, the aforementioned persons must state in writing and under oath to tell the truth that they know the content of this document, as well as bind themselves to its observance through their signature, either when taking a job in the Company or when any material changes to the Policy take place.

It is important to remark that all subjects related to the Company will additionally have the duty to cooperate in investigations of possible breaches of this Policy and other activities that, according to their powers, the Company's Ethic Committee must carry out. Likewise, if necessary, they must collaborate with the competent authorities responsible for the investigation into the commission of possible administrative offenses or crimes.

The content of this Policy is disseminated extensively to our clients, Insurers, Surety Companies and the general public through the Company's website, to make PRODISA's commitment to business integrity and their adherence to legality transparent.

PREAMBLE

Conflicts of Interest derive from the private interests of the related subjects that are contradictory to the interests of the Company, which may reduce their ability to act ethically and for the benefit of the organization, which would lead to a breach of the duties of integrity, loyalty and legality established in the **Code of Ethics and Conduct**, which may affect the prestige and reputation of the Company.

Therefore, in addition to the aforementioned Code and the **Anti-Bribery and Anti-Corruption Policy (ABC)**, this document is issued in order to constitute **PRODISA's Integrity Policy**.

RELEVANT CONCEPTS REGARDING CONFLICT OF INTEREST

Actions to take when a Conflict of Interest arises

These are the activities that each subject related to the Company must carry out in order to correctly manage a Conflict of Interest:

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ACTIVITY	WHAT DOES IT CONSIST OF?
Identification	The related subjects, before attending to any matter assigned to them, must determine if they fall under any of the assumptions established in this Policy.
Information	If a related subject finds him/herself in a Conflict of Interest, they must inform their immediate boss, in accordance with the provisions of the section "Applicable Procedure in case of finding yourself in a Conflict of Interest" of this document.
Abstention	While the immediate boss, together with the Ethics Committee, determines if the Conflict of Interest is real, the linked subject must avoid participating in the processing of the matter in which the aforementioned conflict arises, in order not to harm the interests of the Company.

Conflict of Interest

The referred conflict occurs when an individual has a **direct interest** of a labor, personal, family or business nature that may affect the impartial, objective and legal performance of their functions¹.

These conflicts can be of two types:

- **Internal.** They are those that occur between two people who are part of the Organization and who interact on a regular basis.
- **External.** They are those that are generated between related subject and individuals or entities who are not part of the Company, but who interact with them, such as clients, business partners, suppliers, service providers, public servants, who are mentioned in an illustrative but not limiting way.

It is important to note that a person may have more than one Conflict of Interest.

The conflict of interest, whether internal or external and whatever its origin, must be considered as an **impediment** to participate or process the matters in which the related subject has a direct interest by maintaining a certain **relationship** with the Company. It is necessary to mention that attending to matters with a conflict of interest may have the purpose of benefiting oneself or another person, or otherwise, harming them, **always affecting the Company and/or their clients**, since the principle of **equality and impartiality** established in the Code of Ethics and Conduct are broken.

Now, for purposes of identifying the nature of the aforementioned relationships, the following table must be followed:

CONFLICTS OF INTEREST		
NATURE OF THE RELATIONSHIP	DESCRIPTION	EXAMPLES
Labor	It occurs when the related subject works also for an individual or entity to whom he provides a subordinate personal job (labor relationship) and the latter is related to PRODISA. Exclusively academic tasks are excluded.	The PRODISA employee simultaneously works for UNAM, to which the Company sells insurance through the aforementioned collaborator.
NATURE OF THE RELATIONSHIP	DESCRIPTION	EXAMPLES

¹ Code of Ethics and Conduct of PRODISA.

<p>Personal</p>	<p>It occurs when there is a friendship or affective relationship between the related subject and a third party also related to the Company that is intended to benefit, or on which they exercise influence regarding the decisions they make in the exercise of their activities.</p> <p>On the contrary sensu, this conflict of interest may also exist when there is a bad relationship or conflict with another individual and it is intended to harm them with the exercise of the activities of the related subject.</p>	<p>The head of Human Resources of the Company directly hires a close friend without taking into account his/her knowledge and skills, only because the existing relationship between them.</p> <p>An employee is asked for an insurance quote, but since he dislikes the requesting collaborator, he decides to delay dealing with the matter in order to harm him. In this case, the delay results in an affectation not only for the co-worker, but also for the client and for the reputation of the Company.</p>
<p>Professional</p>	<p>It is configured when the related subject provides professional services in exchange for remuneration, to an individual or entity other than the Company, which also has a relationship with PRODISA.</p> <p>Exclusively academic tasks are excluded.</p>	<p>The employee provides professional Risk Management services to an entity that is a client of the Company, and also assists it directly in the business they have with PRODISA.</p>
<p>Family</p>	<p>It is that conflict that is generated by virtue of the existing kinship between the related subjects and their relatives, including their spouse or concubine, who also interact with the Company.</p>	<p>The collaborator is the brother of an official of an insurance company with whom he manages the issuance of insurance policies.</p> <p>A member of the Ethics Committee is married to a person who has been reported for breach of the Company's ABC Policy.</p>
<p>Business</p>	<p>It materializes when the related subject has some commercial deal (for profit) with any individual or entity related to the Company.</p>	<p>The collaborator has entered into a ground transportation contract with a PRODISA client that he must attend to within the assigned activities.</p>

Officials ²

It refers to the Director General or the equivalent position and to the officials who occupy the three positions with the hierarchies immediately below that of the former (directors, deputy directors and managers).

Direct interest

It materializes when there is a relationship between a related subjects linked to a third party who is also related to the Company.

Direct interest in operations with related persons ³

It occurs when the debtor or obligator in the operation with related persons is held by the spouse of the Director or Officer, or the persons with whom he or she is related, or a legal entity with respect to which any of the aforementioned persons, holds direct or indirect control of 10% or more of the securities representing its capital.

Bias

“Advance design or prevention in favor of or against someone or something, which results in a lack of neutrality or insecurity, rectitude in the way of judging or proceeding”⁴.

Kinship

“It is the family bond that exists between two people, derived from consanguinity, marriage, concubinage or adoption”⁵. For the purposes of this Policy, only blood kinship and affinity (by marriage) will be considered in line straight in the first degree, by consanguinity and affinity in collateral line in the second degree and the civil (by adoption).

Below are three tables that allow identifying the relatives of the related subject, with respect to whom a Conflict of Interest of a family nature may arise:

² Last paragraph of Article 71 of the Insurance and Surety Institutions Law (LISF).

³ Ditto.

⁴ Dictionary of the Royal Spanish Academy, available at <https://dle.rae.es/parcialidad>.

⁵ Gámez Perea, Claudio R. Family Law, Mexico, Editorial Laguna, 2007, p. 603, quoted in the Legal Thesaurus of the Supreme Court of Justice of the Nation, p. 321.

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TABLE OF KINSHIP BY CONSANGUINITY		
DEGREE (Generation)	LINE	FAMILY MEMBERS
1°	Straight	Parents Children
2°	Collateral or Transversal	Siblings

TABLE OF KINSHIP BY AFFINITY (Marriage or Concubinage)		
DEGREE (Generation)	LINE	BY AFFINITY
1°	Straight	In laws Son / Daughter in law
2°	Collateral or Transversal	Brothers / Sisters in law

TABLE OF CIVIL KINSHIP (Adoption)		
DEGREE (Generation)	LINE	CIVIL
1°	Straight	Parents Children

Related people⁶

For the purposes of this Policy, the following will be considered as such:

RELATED PEOPLE	
<p>WHEN THE COMPANY ENTERS INTO CONTRACTS OR CARRIES OUT OPERATIONS WITH RELATED PEOPLE:</p> <p>THE DIRECTORS AND OFFICERS WILL EXCUSE THEMSELVES FROM PARTICIPATING IN THE DISCUSSIONS AND WILL REFRAIN FROM VOTING IN CASES IN WHICH THEY HAVE A DIRECT INTEREST⁷</p>	Individuals or entities that have direct or indirect control of 2% or more of the titles representing the capital of the Company.
	The members of the Company's Board of Directors.
	Spouses and people who are related to the members of the Board of Directors and to the individual or entities who directly or indirectly have control of 2% or more of the titles representing the capital of the Company.
	Persons other than officials or employees who, with their signature, can bind the Company.
	The entities in which the officers of the Company are directors or administrators or occupy any of the first three hierarchical levels in such entities.
	The persons referred to in articles 142 and 163 of the Insurance and Surety Institutions Law (LISF) ⁸ .
	The entities in which any of the aforementioned persons have direct or indirect control of 10% or more of the titles representing their capital, or in which they have Power of Command.
An operation with related people will be considered one that is carried out through any person or trust, when the counterparty and source of payment of said operation depends on one of the aforementioned persons.	

The operations carried out by the Company with **related people** must not be held under **more favorable** terms and conditions than operations of the same nature carried out with the public in general.

⁶ In accordance with article 71 of the LISF.

⁷ See: concept of Direct Interest in transactions with related subjects, page 4 of this Policy.

⁸ They are the debtors officials or employees of Insurance Institutions and Surety Institutions, respectively.

Power of Command⁹

It is the fact of ability to decisively influence the resolutions adopted at the Shareholders' Meetings or sessions of the Board of Directors, on in the management, conduct and execution of the business of a company or of the entities it controls. It is presumed that they have Power of Command in a company, unless proven otherwise, the people who are located in any of the assumptions established in section XXII of article 2 of the LISF.

Universal rule to avoid Conflict of Interest

For the treatment of conflicts of interest, the following general rule will apply:

GENERAL RULE ¹⁰	WHAT DOES IT CONSIST OF?
Abstention or Resignation	The related subjects will refrain or renounce to debate, vote or take part in any decision-making process or activity in which a Conflict of Interest exists or may arise.

PROCEDURE APPLICABLE IN THE EVENT OF A CONFLICT OF INTEREST

- a) In the case of considering that there is a possible Conflict of Interest with respect to any matter that is in charge, the related subject that is in said case must refrain from participating in it.
- b) The related subject must communicate in writing the possible Conflict of Interest to his Immediate Boss, marking a copy to the Ethics Committee of the Company, according to the **"FORM FOR REPORTING THE POSSIBLE EXISTENCE OF CONFLICTS OF INTEREST"**, which will be available on the intranet of PRODISA.
- c) The Immediate Boss with the help of the Ethics Committee of the Company must analyze what is stated in the form referred to in the previous paragraph, in order to determine if the Conflict of Interest materializes, considering what is established in this Policy.
- d) Once the corresponding analysis has been carried out, if the Conflict of Interest is not proven, the related subject must be authorized in writing to process the matter in question. In case of proving the existence of the Conflict of Interest, the Immediate Boss must inform the interested party in writing, who must definitively refrain from hearing about the matter and reassign the latter to another person free of conflict.
- e) The Directors and Officers of the Company, in cases in which they have a direct interest, must excuse themselves from participating in the discussions and will refrain from voting, verbally stating the Conflict of Interest they have and what it consists of, recording it in the minutes of session or meeting in question.
- f) Any doubt about the application or scope of this Policy may be raised with the Ethics Committee, through the procedure established in section "I. Consultancies" of the **Code of Ethics and Conduct**.
- g) In the event that any subject related to the Company detects that another may be in a Conflict of Interest and has not reported it, the person who is aware of said circumstance must inform the Ethics Committee of the Company, in accordance with the established procedure in section "II. Complaints and Denunciations" of the **Code of Ethics and Conduct**, so that the corresponding investigation procedure can be initiated.

⁹ See: section XXII of article 2 of the LISF.

¹⁰ See: ICC Guidelines on Conflicts of Interest in Business, p 1, available at:
<https://www.iccmex.mx/uploads/DIRECTRICES%20ICC%20SOBRE%20LOS%20CONFLICTOS%20DE%20INTERES%20EN%20LAS%20EMPRESAS.pdf>

RULES OF CONDUCT:

These are the internal rules that subjects related to the Company must observe in matters of Conflict of Interest, in addition to the provisions of the **Code of Ethics and Conduct** and the **Anti-Bribery and Anti-Corruption Policy (ABC)**:

- ✓ To know and to comply with the provisions of this Policy.
- ✓ All decisions and actions of the related subjects must always be taken considering the best interest of PRODISA.
- ✓ The related subjects will not take advantage of the Company's business privileges for their benefit or that of third parties with whom they have any relationship.
- ✓ The related subjects will immediately report any Conflict of Interest they have in accordance with the procedure established in this Policy.
- ✓ In the event of a Conflict of Interest, the related subject will refrain or renounce to debate, vote or take part in any decision-making process or activity in which they have a direct interest by virtue of a relationship with a third party.
- ✓ People who apply for a job at PRODISA will declare any Conflict of Interest they may have in relation to the subjects related to the Company at the time of submitting their application.

DISCIPLINARY ACTIONS FOR BREACH OF THE POLICY TO PREVENT AND AVOID CONFLICTS OF INTEREST

The Ethics Committee of the Company will be the body empowered to monitor compliance with this Policy, as well as to impose the corresponding disciplinary actions for the violation of its provisions, in accordance with the provisions of the **Code of Ethics and Conduct** of PRODISA.

It is important to mention that actions contrary to this Policy will be considered **serious** breaches of a labor nature, which may result in the application, at the discretion of the Ethics Committee, of any of the following **disciplinary actions**:

- Temporary suspension without pay
- Termination of the employment relationship

Likewise, those who violate the legal, regulatory and/or external administrative provisions will be made available to the competent authorities for the legal effects they may arise.

ENTRY INTO FORCE

This Policy will entry into force from the day after its publication on the Company's intranet and website.

APPROVAL BY THE BOARD OF DIRECTORS

This Policy as **unanimously** approved by the Board of Directors of Protección Dinámica, Agente de Seguros y de Fianzas, S.A. de C.V., on December 30, 2020 as recorded in the minutes of the meeting held for this purpose, which is kept in the files of the Company.

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KNOWLEDGE OF THE POLICY AND COMMITMENT TO COMPLIANCE

I declare, **under oath to tell the truth**, that I know and understand the content of this Policy, as well as that I will comply with the provisions set forth therein, in my capacity as _____.

Mexico City, on, _____ de 202__.

Full name

Employee number
(if any)

Signature

Last review and update: April, 2022.

This translation is a courtesy only. Should any controversy arise, only the terms of the Spanish version will be legally valid.