

## **Antitrust and Antidumping Practices Guidelines of Promotora de Hoteles Norte 19, S.A.B. de C.V.**

Based on the provisions of Articles 52, 53, 54, 55, 56 and any other applicable articles of the Federal Economic Competition Law, the purpose of which is to guarantee and protect economic competition as well as to prevent, investigate, combat, and prosecute monopolies, antitrust practices, and unlawful concentrations, among others, the following **Antitrust, Antidumping and Non-Market Manipulation Guidelines** are hereby issued, applicable to Promotora de Hoteles Norte 19, S.A.B. de C.V. (the "Chain", "Norte 19" or the "Company")

**Background and Description of the Industry in which Norte 19 operates.** Norte 19 is the leading and fastest-growing limited-service hotel chain in Mexico in terms of number of hotels, number of rooms, geographic presence, and revenues. Founded in 2002 as Hoteles City Express, Norte 19 specializes in offering comfortable, safe, high-quality, and affordable accommodations through a chain of limited-service hotels oriented primarily to domestic business travelers. However, the hospitality industry in Mexico is a highly fragmented industry with no single key player that is dominant or preponderant.

Since its foundation, Hoteles City Express, now Norte 19, has had antitrust, antidumping, and competition practices in the regions in which it operates, providing an efficient option in terms of price value for the customer segment it serves. It has even increased competition in the regions in which it operates by offering a high-quality product at a lower price than the competition. This has generated efficiency gains, which are attributable to the combination of productive assets or investments and their recovery that improve the quality and broaden the attributes of the hotel offering.

**Purpose.** In terms of the provisions of the Federal Economic Competition Law, the purpose of these guidelines is to establish the necessary processes to be followed when considering the establishment of a new Norte 19 hotel to avoid monopolistic and antidumping practices. This also seeks to prevent any market manipulation attributable to the entry or operation of each of the hotels of the Chain in the regions where it operates.

**Scope.** These guidelines shall be mandatory for all employees, suppliers, subcontracted personnel, third parties, and/or related parties of Norte 19 as well as any of its subsidiaries.

**Definition and establishment of competitive rates.** When considering the establishment of a new hotel in the Chain, as well as in the daily operation of each hotel of the Chain, active management of the rates will be carried out based on the following aspects:

- I. a study of the current situation of the site in terms of demographics, socioeconomics, demand generation, labor productivity, etc.
- II. the site analysis, where the competition will be analyzed in detail, including its strengths, weaknesses, use of the hotel offer in the area, quality standards, etc.
- III. operating indicators, such as the rates offered by the competition and the use of the market's installed capacity of rooms.
- IV. compliance and adherence to the best practices of fair competition, including the elimination of antitrust, antidumping, or market manipulation practices in any form. This will be guaranteed by including the following elements in each study and projection:
  - a. Analysis of minimum average tariff to guarantee project profitability.
  - b. Analysis of the rate established by the competitor according to the perceived quality of customers under that competitor.
  - c. Competitiveness analysis of proposed prices and rates.
  - d. Impact of the increase in competitiveness in the marketplace due to the establishment of an efficient option in the market, in terms of price-value with the establishment of each hotel in the chain.
  - e. Added value in efficiency brought by the introduction of a hotel of the chain to the local market.

This will be done to stipulate competitive prices to avoid the displacement of economic agents that could be negatively impacted by the opening of a hotel in the chain.

**No market manipulation.** No hotel in the Chain shall engage in practices that manipulate the normal operation of hotel demand, nor shall it negatively affect competition outside of normal market movements.

**Fair practices among economic agents.** Norte 19 will not agree under any circumstances to enter into any type of agreement with other economic agents or with any other type of economic agent.

The company's objective is to displace and economically disqualify some other agent, whether or not it is part of the direct competition.

Likewise, it is strictly prohibited among economic agents directly or indirectly related to the Company that are not competitors among themselves, to fix, impose, or establish the exclusive commercialization or distribution of goods or services, because of subject, geographic location, or for determined periods. Likewise, it is prohibited (i) the division, distribution, or assignment of customers or suppliers; (ii) the imposition of the obligation not to manufacture or distribute goods or provide services for a determined or determinable time; (iii) the imposition of the price or other conditions that a distributor or supplier must observe when providing, marketing or distributing goods or services, and (iv) any other of the assumptions established in Article 56 of the Federal Economic Competition Law.

In addition, it is hereby stated that the establishment of any barrier to entry or exit to the market by the Company is strictly prohibited.

**Promoting competition in internal processes.** Norte 19 will promote competition in the construction processes of each of the hotels by conducting open and transparent bidding processes in strict compliance with the Federal Economic Competition Law. These bidding processes must have no less than 5 participants, and the contracting decision will be made through the mechanisms established by the Construction and Development Committee of the Company.

**Sanctions and Complaints.** Any person who incurs this type of practice will be subject to internal sanctions that may range from a reprimand to justified dismissal, as well as the sanctions stipulated in the Federal Economic Competition Law.

Any employee, supplier, subcontracted personnel, third party, or related party of Norte 19, as well as any of its subsidiaries, who becomes aware of any practice that does not comply with any of the guidelines established in this document, shall have the obligation to report it to the Company's Ethics Committee, using the reporting mechanisms outlined in the Norte 19 Code of Ethics; refusal to do so may result in sanctions similar to those for non-compliance with the guidelines, which shall be subject to the consideration of the Ethics Committee.

These guidelines will be published in the appropriate internal media and will be disseminated to each of Norte 19's employees, suppliers, third parties, and related parties.

The Company will have a period of 10 days to accept it or submit their comments to the Company's Ethics Committee through the complaint mechanisms described in the Company's Code of Ethics. The mere fact of continued operation shall be sufficient evidence of acceptance of the same and make compliance with the same enforceable.

The establishment of these guidelines is authorized through the power of attorney vested by the Board of Directors of Norte 19 through the Corporate Practices Committee in the Ethics Committee of Norte 19 and subsidiaries, with the Chairman of the Ethics Committee of the Company signing this document.

**Clara Paulina Mendoza**

Chairman of the Ethics Committee of  
Promotora de Hoteles Norte 19,  
S.A.B. de C.V.