

# CORPORATE GOVERNANCE

# CODE

El Puerto de Liverpool, S.A.B. de C.V.

Version 1. October 2022

El Puerto de Liverpool

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## 1. CORPORATE GOVERNANCE CODE

The purpose of the Corporate Governance Code (CGC) of El Puerto de Liverpool, S.A.B. de C.V. is to serve as a guide regarding corporate, securities-market and governance compliance issues, in keeping with the General Commercial Corporations Law, the Securities Market Act and other applicable provisions (“the law”) as well as global best practices in our industry. The Code applies to the entire organization, including subsidiaries and affiliates of the commercial, real estate and service areas and business divisions, both current and future, including: Liverpool, Suburbia, Financial Businesses, Real Estate and Boutiques (hereinafter, the Business units).

## 2. MISSION AND VISION

El Puerto de Liverpool is known for its commitment to ethical business dealings, professionalism and integrity, as well as its zero-tolerance stance on corruption. We owe this to our employees, who are the reason for our success: **“together we make extraordinary things happen.”**

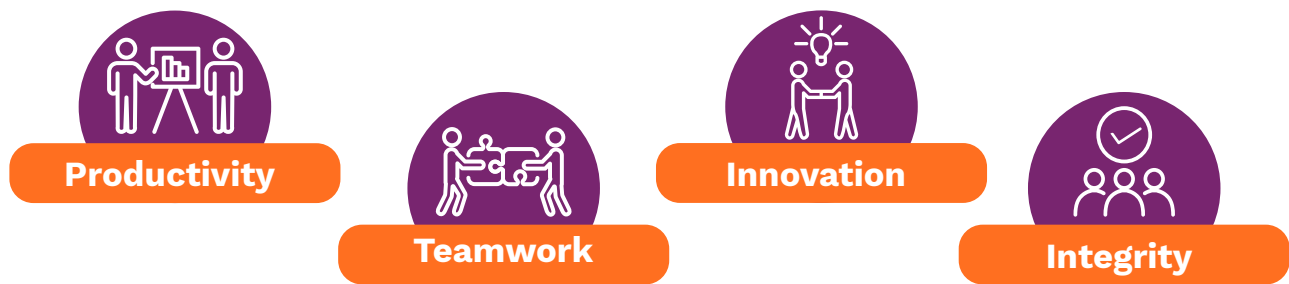
**Visión:** To be the most attractive option for service, selection and value.

**Misión:** To serve the customer everywhere, every day, for a lifetime.

These are the foundation of our Code of Conduct and Integrity as well as this Corporate Governance Code.

## 3. VALUES AT EL PUERTO DE LIVERPOOL

Our four pillars are:



## 4. GOVERNANCE

**Shareholders' Meetings.** The meeting of shareholders is the highest governance body of El Puerto de Liverpool. The Ordinary Shareholders' Meeting is held at least once a year, within the four months following the close of the fiscal year.

**Notice of meetings, attendance and order of business.** Notices of Shareholders' Meetings are published through the media and with the advance time required by law. Starting at the time the notice is published, El Puerto de Liverpool makes information and documentation concerning each of the points on the order of business available at its offices, so that it may be viewed by shareholders at no charge. If there is any change in the composition of the Board, a professional resumé of the candidate(s) will be provided.

The order of business for the meeting may not include matters titled "general" (or any other similar concept or terminology) and must be written out as clearly as possible to avoid any ambiguity in its interpretation.

All shareholders with voting rights may attend the meeting, having accredited their status as shareholders in accordance with the corporate bylaws and/or applicable legislation. Shareholders may also be represented by proxies at the meeting, to which end El Puerto de Liverpool will make available forms indicating the order of the day, name of the corporation, and a space for the instructions given by the shareholder to exercise that authorization, attaching to the form a certificate accrediting them as shareholder of the Company. Brokerage firms must present a list containing the name, address, nationality and number of shares owned by each shareholder they represent. The stock registry will be closed 3 (three) days prior to the date set for the meeting in question.

Resolutions are passed by a simple majority of votes of the shares represented at the meeting in the case of ordinary meetings, and by 60% of the votes in an extraordinary meeting. Shareholders must approve any simultaneous or successive transaction, regardless of the way in which it is performed, when it represents, in a single fiscal year, 20% or more of the consolidated assets of El Puerto de Liverpool as reported at the close of the preceding quarter.

**Capital increases.** El Puerto de Liverpool may issue unsubscribed shares to hold in its treasury, provided that:

An extraordinary meeting of shareholders approves the maximum amount of capital and the conditions under which the shares will be issued, and that the shares will be subscribed by public offering.

Shareholders shall have preferred rights to subscribe shares issued for a capital increase, in proportion to the number of shares they currently hold.

## 5. SHAREHOLDERS

The primary means of communication with shareholders is the annual Shareholders' Meeting; nevertheless, the investor relations office is also an open channel for communication with shareholders of El Puerto de Liverpool. Shareholders are entitled to have sufficient information for making decisions before the Shareholders' Meetings are held, and to be treated equally with other shareholders of the same category of shares and percentage of ownership.

## 6. BOARD OF DIRECTORS

The Board of Directors is responsible for defining the strategic vision of El Puerto de Liverpool and for overseeing the fulfilment of its mission and purpose. The Board is made up of between twelve and fifteen regular members. Regular Board Members and, when such is the case, their alternates, shall receive the compensation set by the General Shareholders' Meeting.

**Election of Board Members.** Board members are appointed by a simple majority of votes in the Shareholders' Meeting, but any shareholder or group of shareholders owning shares representing at least 10% of the company's capital stock is entitled to appoint a regular Board Member and,



when such is the case, their alternate. In appointing Board Members, a balance should be sought to ensure a diversity of professional backgrounds, experience, independence, gender, etc., avoiding any bias or discrimination. Board members remain in their positions for a period of one year and may be reappointed for any fiscal year, provided that during that year they are at least 71 years old.

Newly appointed Board Members are given an orientation on the characteristics of the organization, its operations, and the rights and obligations of Board Members of El Puerto de Liverpool.

Each year, the following metrics pertaining to the Board of Directors shall be included in the annual report submitted to the Mexican Stock Exchange: number and percentage of independent members, percentage of women members, and seniority of each Board Member.

**Board Member duties:** Regular members and, when such is the case their alternates, must pledge at the moment they assume their duties to abide without exception by the law, and to protect and defend the interests of El Puerto de Liverpool. Furthermore, and in keeping with their area of experience, they are expected to devote their time and effort to reviewing the issues brought by the Advisory Board and the Audit and Corporate Practices Committee, as well as other Committees of the organization, to evaluate the information to be discussed in meetings of the Board of Directors, to participate actively in those meetings and to follow up on the various resolutions passed therein, and, if necessary, attend meetings of the various Committees. They are also expected to disclose any situations that may constitute a potential conflict of interest, and to learn about any issues about which they require further or new information.

**Responsibilities.** The Board of Directors must establish general strategies for the business, oversee the management and the main risks to which El Puerto de Liverpool is exposed. In accordance with the law, it must approve information in the company's interest that is presented to it and instruct the Chief Executive Officer to disclose to the investing public any material events.

**Independent Board Members.** Independent Board Members are part of the governance model of El Puerto de Liverpool and must fulfill the requirements of the law. Both Board Members and their respective alternates are selected on

the basis of their experience, capacity and professional prestige, and also on the condition that they are able to perform their duties free of any conflict of interest, including personal, property or economic interests, and meet the requirements for independence provided for by law.

## **7. PATRIMONY BOARD**

This Board is responsible for issuing opinions and recommendations (which are not binding) to the Board of Directors regarding strategic matters, ensuring that the correct decisions are made for El Puerto de Liverpool. Such decisions should be made in compliance with the goals proposed by El Puerto de Liverpool for its internal and external development. The Patrimony Board is made up of 4 (four) regular members and an equal number of alternates (who will represent them at meetings where a regular member cannot attend). A chairperson will be elected from the members of the Board, as well as a secretary, responsible for notifying members of meetings, drawing up the order of business, and keeping minutes of each meeting.

## **8. SECRETARY OF THE BOARD OF DIRECTORS**

The Board Secretary appraises the Board of Directors of the responsibilities involved in listing securities on the Mexican Stock Exchange and regularly reports on compliance with the obligations established by the law. The Secretary also serves as a facilitator to ensure Board meetings run smoothly. To this end, they must ensure that Board Members have the necessary information before the meetings are held and must retain documentation and minutes certifying the discussions and resolutions of each meeting.

## **9. CHAIRMAN OF THE BOARD OF DIRECTORS**

The Chairman of the Board is elected each year, and in the event of his or her absence their duties will be assumed by the Vice Chairman. The Chairman is responsible for compliance with the corporate bylaws and internal regulations of El Puerto de Liverpool, and for executing the resolutions both of the Shareholders' Meeting and meetings of the Board of Directors.

The Chairman receives information on company affairs from the Chief Executive Officer, and in the event of urgent circumstances, certain decisions may be made together with the Vice President or two Board Members, on the understanding that the matter must still be put to a vote in the next meeting of the Board.

## **10. HONORARY BOARD MEMBERS**

The position of honorary member of the Board of Directors of El Puerto De Liverpool is given as an institutional recognition of individuals who by their experience, career and proximity to the company have supported its growth and development. This type of Board Member is appointed by the Shareholders' Meeting and shall have the right to speak but not to vote in meetings of the Board of Directors.

## **11. MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors meets at least once every three months. Meetings may be called by the Chairman of the Board, the Chairman of the Audit and Corporate Practices Committee, or by at least 25% of the Board Members. Board meetings are held in Mexico City. The meeting notice must include the order of business. Meetings may be legally called to order when a majority of members are present. Board decisions must be consistent with the corporate bylaws, and minutes must be authorized by a majority of the attending members.

## **12. AUDIT AND CORPORATE PRACTICES COMMITTEE**

At El Puerto de Liverpool, the Audit and Corporate Practices Committee is responsible for overseeing corporate operations, supporting the Board of Directors in verifying compliance with auditors' duties, and ensuring that internal and external audits are carried out objectively and effectively. It also checks that financial information is useful, timely and reliable, evaluates whether the company has the mechanisms in place to guarantee compliance with the applicable laws and regulations; keeps abreast of the status of lawsuits and proceedings in






progress and the results of those that have concluded; is informed of the work plan and compensation of the external auditors; monitors implementation of the sustainability strategy; and analyzes the evolution of ESG aspects at El Puerto de Liverpool.

The Committee is made up of three independent Board Members, and its Chairman is appointed by the general Shareholders' Meeting. The Committee meets regularly with the Chief Internal Audit Officer and Chief Financial Officer of El Puerto de Liverpool. If the Board of Directors makes any decision that is not consistent with the opinion of the Audit and Corporate Practices Committee, this circumstance will be disclosed to the Chief Executive Officer so that the investing public may be informed of it.

### **13. SUSTAINABILITY DESK: RISKS AND ESG IMPACT RESPONSIBILITY**



Deployment of our sustainability strategy, called “The Footprint of El Puerto de Liverpool,” is carried out by work desks that monitor strategy concerning environmental, social and governance (ESG) matters and the status of its execution, under the supervision of the Chief Executive Officer of El Puerto de Liverpool. These desks work to strengthen the company’s ESG policies and assist in the preparation of the organization’s integrated annual report. The strategy is structured according to six focal points: corporate governance, ethics and compliance, human capital management, commercial partner management, customer opportunities, and environmental performance and social commitment, each of which in turn is the responsibility of one work desk. They are coordinated by a functional leader and have performance metrics set by the Sustainability desk, which meets every quarter with the Chief Executive Officer of El Puerto de Liverpool to monitor progress.

### **14. OTHER COMMITTEES**

The Integrity and Compliance Committee is presided over by the company’s Chief Legal and Compliance Officer, while the Chief Internal Audit Officer serves as Vice

Chairman and the Chief Human Capital Officer and Chief Financial Officer are its permanent members. The Committee works on three lines of defense: Business, Compliance and Internal Audit. It meets quarterly, and its primary duties are setting the annual agenda and making high-level decisions regarding integrity and regulatory compliance related directly to or affecting the business model. It also regulates the functions of the compliance area.

**Ethics Committee:** In charge of making recommendations within the organization concerning cases that fall within its sphere of responsibility. Its members represent the corporate Human Resources, Loss Prevention and Internal Audit areas. The Committee meets monthly to discuss relevant cases, analyze statistics and review aspects associated with dissemination of the Línea Ética system.

## 15. CHIEF EXECUTIVE OFFICER

The CEO of El Puerto de Liverpool is in charge of executing instructions from the Board of Directors and coordinating all the company's activities and business units, including oversight of performance, budgeting and setting of general goals.

**Responsibilities.** Prepares an annual report for the Board of Directors describing the business strategies, proposes guidelines for the control and internal audit system to the Audit and Corporate Practices Committee, publishes material events with the assistance of the Investor Relations area, ensures that accounting, record-keeping, filing and information systems are maintained, and leads implementation of the sustainability strategy, among other activities.

## 16. SENIOR MANAGEMENT

These are all employees or officers whose title, position or duties involve them or may involve them in making significant decisions for the company. They are responsible for the planning, organization, allocation and control of organizational resources according to internal policies for meeting the goals set by the Board of Directors. Senior management includes, but is not limited, to the following: Chief Executive Officer of El Puerto de Liverpool, Chief Financial Business Officer, Chief Legal and Compliance Officer, Chief Executive Officer of Liverpool, Chief Human Capital Officer, Chief Internal Audit Officer, Chief Financial Officer, Chief Executive Officer of Suburbia, and Chief Executive Officer of the Real-Estate Division.

As part of the philosophy of El Puerto de Liverpool, senior management receives training in the Code of Ethics, the Code of Conduct and Integrity, and other internal policies.

## 17. INTERNAL AND EXTERNAL AUDITS

**Internal Audit.** The Chief Internal Audit Officer is responsible for performing an internal audit as an independent, objective activity to ensure the proper functioning of risk management, control and corporate governance processes.

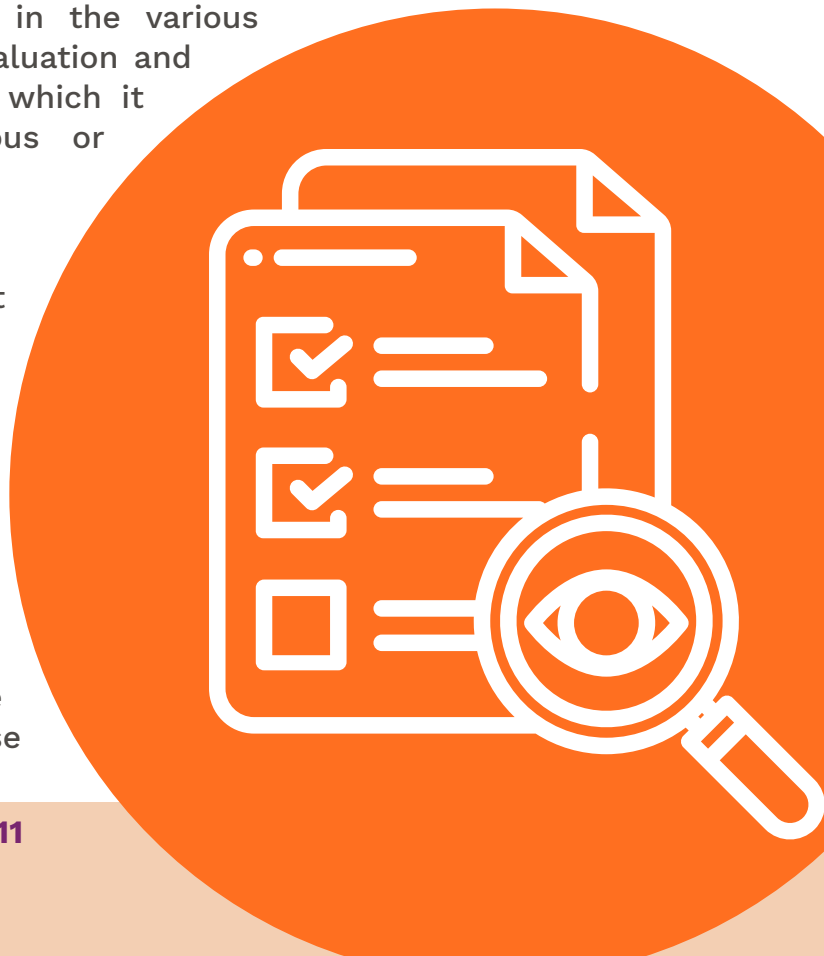
This executive reports to the Chairman and Vice Chairman of the Board of Directors, to the Audit and Corporate Practices Committee, and the Chief Executive Officer of El Puerto de Liverpool, providing them with regular information on the progress and results of the annual audit plan, the sufficiency of resources for the Internal Audit Department, and for remaining abreast of all new trends or successful practices in the field of internal auditing.

**Reports to the Audit and Corporate Practices Committee.** The Executive Internal Audit Department must issue quarterly reports on the results of the audit activities, including key performance indicators. It will also inform the Committee of the findings identified in the various processes audited during its annual evaluation and report the results of investigations in which it has participated concerning suspicious or fraudulent activities in the organization.

### **Independent External Auditor.**

External auditors must at all times meet the requirements for independence established in the law and may not perform these duties for more than 5 (five) consecutive years. Notwithstanding the foregoing, they may be re-appointed after an interruption of at least 2 (two) years.

**Independence.** At the time the service provision agreement is signed with the external audit firm, during the course



of the audit and until release of the official external audit report, the firm, the independent external auditor and the persons who make up the audit team must at all times provide impartial and balanced opinions.

## 18. OUR STAKEHOLDERS

Over the years, El Puerto de Liverpool has identified those stakeholders it considers relevant and with whom it has assumed commitments on various aspects. These commitments vary according to the characteristics of each stakeholder group, and include, among others, formal and informal communication, surveys, cooperation, training, etc. “Stakeholders” is understood to mean all groups or individuals who are or may be positively or negatively affected by the decisions made within the company. The Board of Directors is deeply committed to the organization’s vision, values and goals, recognizing that these sustain what we are as a business and help strengthen our relations with key stakeholders:



We at El Puerto de Liverpool are aware that cooperation and dialogue with our stakeholders enable us to learn about and understand their expectations and thus improve our ESG performance, while strengthening our business. Our stakeholders are key to the discussions and decisions of the Board of Directors.

Based on an analysis of the issues that are material to our stakeholders, a report is prepared for the Board of Directors in order for those sustainability aspects to be considered among the company’s strategic goals. Within our materiality analysis, we endeavor to align business strategies with the issues that are material to our stakeholders. We review the perspectives of our stakeholders together with the company’s strategic focus, particularly during our update of the materiality study.

As part of our sustainability agenda, El Puerto de Liverpool pays special attention to compliance with laws and standards on labor, inclusion and diversity, health,

safety and wellness, human rights and freedom of association. Furthermore, before beginning any real-estate project, advertising campaign or new business unit, we analyze any possible conflicts with the community.

## **19. REPORTING**

We comply on a timely basis with all reporting obligations and supply those reports through the obligatory channels. All information that must be made available to the general public through the Mexican Stock Exchange is also published and available on our official webpage at <https://www.elpuertodeliverpool.mx/>

## **20. MATERIAL EVENTS**

The decision on what should be considered a material event is made on a case-by-case basis. Nevertheless, as a general rule, an event is considered material when the action, fact or event in question involves at least 5% of the consolidated assets, liabilities or capital, or at least 3% of total consolidated revenues for the company in the prior fiscal year. The disclosure of material events may be deferred provided that: they are not actions, facts or events that have already taken place; the information has not been published in mass media; and there have been no unusual movements in the price or volume of securities traded on the market, meaning any change in the supply or demand of the securities or their price which is not consistent with their historic trend and cannot be explained by information available to the general public.

A notice of material event must be published any time there are unusual movements in the market relative to the price or volume of shares or changes in supply and demand that are out of keeping with their historic trends. If El Puerto de Liverpool is aware of the reasons or causes of those changes or movements, it must explain them in the notice of material event. If it is unaware of the reasons, it must state this to be the case.

## **21. WHISTLEBLOWER SYSTEM**

The whistleblower system operated by El Puerto Liverpool is called “Línea Ética.” Through this system, anyone with some relationship to the Company may file a complaint or report with information regarding any violation of the codes, laws or

regulations. The Ethics Office is in charge of distributing to employees the contact information and various channels for reporting, which are:

**Web page:** [www.lineaetica.org.mx](http://www.lineaetica.org.mx)

**E-mail:** [contactanos@lineaetica.org.mx](mailto:contactanos@lineaetica.org.mx)

**Phone:** 800-633-8133

**WhatsApp:** 55-34-88-88-95

The webpage at <https://www.lineaetica.org.mx/contents/para-reportar?l=es> provides a guide on how to file a complaint. Complaints are received by the Ethics Office, which is in charge of following up on them. Cases are resolved in an average of between 1 and 60 days. The staff of the Ethics Office conducts an internal analysis of the information and decides whether the matter merits investigation. Complaints are classified into the following categories: sexual harassment, conflict of interest, bullying, theft, fraud and corruption, and others. The case is assigned to an area for investigation depending on this internal classification.

The Ethics Office is responsible for inviting, receiving, investigating and channeling confidential and/or anonymous complaints of non-compliance and for reporting them to the Ethics Committee, which in turn issues opinions, addressing inquiries, making recommendations and determining sanctions, when applicable.

The Ethics Office is also in charge of drawing up a list of the cases reported, the statistics on how they were addressed and any matters that might pose a risk to El Puerto de Liverpool. The Office must follow up on the complaints filed and inform the reporting party, if they so request, of the status of their complaint and the measures that were taken in response to it.

All complainants are protected by the Policy on Claimant and Respondent Rights in investigative processes.

## **22. FINANCE AND PLANNING**

Finance and planning activities are the responsibility of the Chief Financial Officer, who reports directly to the Chief Executive Officer of El Puerto de Liverpool. This area provides interdivisional support to all of the company's

business units. Among its areas of responsibility are: **accounting, payroll management, accounts payable, taxes, treasury, investor relations, operating, maintenance and prevention projects and the skills center (IT).**

The Chief Financial Officer also establishes and monitors application of the company's annual and long-term strategic and financial plans. It is responsible for ensuring an optimum capital structure and recommending the appropriate level of indebtedness, as well as for using securities and managing financial risk. The financial officers of each business report to the Chief Financial Officer of El Puerto de Liverpool.

The Chief Financial Officer meets each quarter with the Audit and Corporate Practices Committee, before meetings of the Board of Directors, to discuss the results of the preceding quarter, and to report on the main risks to which the organization is exposed (lawsuits, imports, tax and labor relations issues, among others).

The duties of the Chief Financial Officer also include leading the strategic planning system, reviewing the company's strategic plan, analyzing its financial policies, reviewing the assumptions of the annual budget and evaluating investment and financing policies.

## **23. CONFLICT RESOLUTION**

At El Puerto de Liverpool, we know that we are able to do business, solve problems and successfully meet our goals when there are systems in place to prevent and resolve conflicts involving the corporation, primarily those that may arise between stakeholders and the various areas of the company.

Preventing and addressing conflicts enables us to safeguard the rights of our stakeholders and protect their interests, while also preserving the reputation of the organization. For this reason, we remain open to and aware of any concerns, which are available to receive through institutional communication channels.

El Puerto de Liverpool