

## NOTICE OF DIVIDEND

The General Ordinary Shareholders' Meeting of Grupo Carso, S.A.B. de C.V. ("Grupo Carso" or the "Issuer") held on April 27, 2017 approved, among other issues, a dividend payment of \$0.90 pesos (ninety cents, Mexican currency) per share. It will be payable, at the discretion of each shareholder, in cash, shares series A-1 or a combination of both, in two installments of \$0.45 pesos (forty-five cents, Mexican currency) each as of June 30<sup>th</sup> and November 30<sup>th</sup>, 2017, respectively. The price per share that will be considered as the benchmark is the last market price of the shares series A-1 of Grupo Carso on the day prior to trading in the Bolsa Mexicana de Valores, S.A.B. de C.V. Mexican Stock Market ("Mexican Stock Market") on June 27<sup>th</sup> and November 27<sup>th</sup>, 2017.

On June 20<sup>th</sup>, 2017, Grupo Carso informed its shareholders about the terms and conditions to settle the payment of the two installments of the dividend.

In order to standardize the settlement period for securities traded in this institution, the Mexican Stock Market informed brokers and parties responsible for capital market operations that effective September 5<sup>th</sup>, 2017, the settlement period for these and other type of securities will change from T+3 to T+2. Therefore, shareholders are notified that the payment of the second installment of the dividend mentioned in this notice will take into consideration as the benchmark the last market price for the shares series A-1 of Grupo Carso on the day prior to the initiating the trading session in the Mexican Stock Market on November 28<sup>th</sup>, 2017, thereby adjusting the other terms and conditions in the following manner:

In terms of the provisions contained in the section entitled "Ex Coupon Movement" of this notice, the dividend payment may only be received by the holders who own shares of Grupo Carso on November 27<sup>th</sup>, 2017.

The shareholder who fails to make his decision known, according to the terms of this notice, no later than at 2:00 PM on November 29<sup>th</sup>, 2017 may only receive a cash dividend payment. Grupo Carso will not charge a consideration to its shareholders for exercising their right, regardless of the option they choose.

## Assignment of Shares

To each shareholder of the Issuer who chooses to receive shares, a number will correspond equal to:

$$A = (NA * DA) / VA$$

Whereby:

- A: Means shares series A-1, registered, without par value, representative of the capital stock of Grupo Carso, which will be received by shareholders of Grupo Carso, at their discretion.
- NA: Means the total number of shares series A-1 representing the capital stock of Grupo Carso, owned by each shareholder on November 27<sup>th</sup>, 2017.
- DA: Means the payment sum of \$0.45 (forty-five cents, Mexican currency) per share of the series A-1 representing the capital stock of Grupo Carso, which is outstanding on November 27<sup>th</sup>, 2017.
- VA: Means the last market price of shares series A-1 of Grupo Carso on the date prior to trading on the Mexican Stock Exchange on November 28<sup>th</sup>, 2017.

The example below demonstrates how to apply the preceding formula correctly:

Hypothetical Values

Number of shares owned by a shareholder: 1,000 (NA)  
Amount of the dividend paid per share: \$0.45 (DA)  
Price per share series A-1 on the Payment Date: \$63.27(VA)

Costing Exercise

$A = (NA * DA) / VA$   
 $1,000 \times \$0.45 / \$63.27 = 7.11237553$  shares series A-1  
Calculation of the fraction:  $0.11237553 \times \$63.27 = \$7.11$

Result

Shareholders receive a total of 5 shares series A-1 and \$57.75 pesos in cash.

## TERMS AND CONDITIONS

### Purpose and Operation

The purpose of providing our shareholders with an option is to make dividend payments more flexible, whether they choose a cash, shares or a combination of both.

### Aim

The option to receive shares of Grupo Carso mentioned in this notice serves as a way of strengthening our relationship with our shareholders by offering them the possibility of receiving, at their discretion, all or part of the dividend payment in cash, shares or a combination of both. In this way, our shareholders have more flexibility since the program adapts to their needs. This facility aligns with the practice in recent years of other important companies who trade internationally.

### Marketability

Options are non-negotiable. Shares will be assigned exclusively to shareholders of series A-1 representing the capital stock of Grupo Carso on the Payment Date and who clearly evidence this fact.

### Fractions

Fraction of shares will not be provided; therefore, if the option of receiving shares is chosen, any balance that does not correspond to a whole share will be provided to the shareholder in cash.

### Selection Option and Process

Our shareholders may opt, simultaneously and at their sole discretion, from November 28<sup>th</sup> thru 29<sup>th</sup>, 2017 at 2:00 PM (the "Selection Period") between receiving cash, shares or a combination of both.

Shareholders of Grupo Carso may combine these options (in other words, opt for one or more with respect to all or part of their rights and shares), at their sole discretion. Shareholders who do not inform about their decision during the Selection Period will receive cash only.

At the end of the Selection Period, it is foreseen that Grupo Carso will make an announcement of the total number of shares series A-1 that will be outstanding.

### Key Characteristics

|   |   |
|---|---|
| Maximum number of shares series A-1 to be placed in circulation | 16,138,017 shares series A-1, hypothetically assuming (i) that all the shareholders of Grupo Carso choose during the Selection Period to receive shares series A-1; (ii) a hypothetical price of \$63.27 per share; and (iii) a total number of 2,269,005,224 shares of Grupo Carso placed in circulation on November 23 <sup>th</sup> , 2017.* |
| Amount of the second installment corresponding to the dividend  | \$0.45 (forty-five cents, Mexican currency) per share, for each shares series A-1 representing the capital stock of Grupo Carso, which is outstanding on November 27 <sup>th</sup> , 2017.  |
| Benchmark   | Last market price for shares series A-1 of Grupo Carso on the date prior to the opening of the Mexican Stock Market on November 28 <sup>th</sup> , 2017.  |
| Selection Period  | November 28 <sup>th</sup> and 29 <sup>th</sup> , 2017.  |
| Settlement and Payment Date                                     | The payment of the second installment in cash, shares or a combination of both will be made as of November 30 <sup>th</sup> , 2017.   |
| New Shares  | Shares series A-1, registered, without par value.   |

\* The final number of shares series A-1 to be placed in circulation by Grupo Carso will depend on the choice made by shareholders during the Selection Period.

The preceding information is based on estimates made according to the data that was available on the date of this notice. Any subsequent change will be informed to the market and to our shareholders either by an addendum to this notice or by the corresponding communication thru the publication provided by the Mexican Stock Market and/or the Issuer itself.

### **Characteristics of the Shares**

New shares series A-1 that are currently placed in circulation by the Issuer will have the same characteristics and rights as shares series A-1 that are currently outstanding.

For a description of shares series A-1 of Grupo Carso as well as the risks inherent to their subscription, please consult the Annual Report of Grupo Carso for the year ended December 31, 2016. This document was filed according to the General Provisions Applicable to Securities Issuers and other Stock Market Participants that is available online at [www.bmv.com.mx](http://www.bmv.com.mx) and [www.carso.com.mx](http://www.carso.com.mx).

### **Net Taxable Income Account 2013**

Grupo Carso's Shareholders' Meeting resolved that the dividend would be paid from the balance of the Net Taxable Income Account (or CUFIN, its Spanish acronym) referred to in the Income Tax Law effective December 31, 2013 and updated on this date.

### **Financial Statements**

According to Article 19 of the General Business Corporations Law, the distribution of earnings may only be made after the shareholders' meeting approves the financial statements containing them. For this reason, the dividend described in this notice will be paid based on the audited financial statements for the corporate year ended December 31, 2016 that were approved by the Annual Ordinary Shareholders' Meeting of Grupo Carso held on April 27<sup>th</sup>, 2017.

## PROCEDURE

### Statement of Choice

Shareholders that keep their shares with various custodians in accounts of S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. (“Indeval”) should, during the Selection Period, inform in writing through selection letters (the “Selection Letters”) sent to their corresponding custodian about their choice to receive the dividend payment in cash, shares or a combination of both.

### Concentration

Indeval serves as a concentration agent. Custodians should concentrate the instructions they receive from their clients and send the Selection Letters properly filled out to Indeval, indicating their choice no later than at 2:00 PM on the date of Selection Period.

Indeval will provide the form for the Selection Letters. These Selection Letters should be filled out, signed and delivered by messenger service with return receipt to Indeval’s offices located at Paseo de la Reforma No. 255, piso 3, colonia Cuauhtémoc, delegación Cuauhtémoc, C.P. 06500 Mexico City, Mexico. They should be addressed to Mr. Noé Reyes López, with telephone number (55) 53-42-95-24 and email [noereyes@grupobmv.com.mx](mailto:noereyes@grupobmv.com.mx). The reception hours are from 9:00 AM to 2:00 PM and from 4:00 PM to 6:00 PM (Mexico City time) during business days of each Selection Period, except for the last day of each Selection Period when the Selection Letters should be delivered no later than at 2:00 PM.

### No Statement

Shareholders who do not inform about their decision during the Selection Period will receive only cash.

### Irrevocability

For all legal purposes, the decision made by the shareholder is irrevocable on the accrument date of Selection Period.

### Ex Coupon Movement

The Mexican Stock Market will disclose on November 28<sup>th</sup>, 2017 (in other words, at least 48 hours prior to its effects), the “ex-coupon movement” or “ex right” derived from the dividend and will not adjust the closing price of the shares series A-1 by virtue of the fact that shares are placed in circulation are not newly created, but are shares held by the Issuer.

The delivery factor of the shares will be announced at the opening of the Mexican Stock Market no later than on November 29<sup>th</sup>, 2017.

FACTOR

EXAMPLE 1 NEW SHARE X 141 SHARES HELD

**Liquidation and Payment**

On the Payment Date, Grupo Carso will provide shareholders with cash, shares or a combination of both.

With respect to the shares that are deposited in Indeval, the dividend payment, delivery of shares or a combination of both will be made through this Institution and according to the terms and conditions of the respective contracts signed by the shareholders and their agents and the applicable legal and administrative provisions.

In the event that shareholders have share certificates of Grupo Carso, the payment in cash or delivery of shares or a combination of both will be made directly at the offices of Grupo Carso located at Lago Zúrich No. 245, edificio Frisco, piso 6, colonia Ampliación Granada, delegación Miguel Hidalgo, 11529 Mexico City by Sergio Juventino Mendoza Rodríguez. The telephone number is (55) 53-28-58-21, from 9:00 AM to 2:00 PM and from 4:00 PM to 6:00 PM (Mexico City time). For these purposes, shareholders should present during Selection Period their original share certificates, which should include coupon 37, and provide, among other documents, a copy of the tax identification card.

**Selection Conditions**

During Selection Period, Grupo Carso's shareholders should inform in writing about the terms of this notice and any other publication made by the Issuer, at their discretion, to receive cash, shares series A-1 of Grupo Carso or a combination of both.

Shareholders who fail to inform about their decision according to the terms of this notice and any other that may be published by the Issuer will only receive cash. The Issuer may extend the Selection Period, at its sole discretion.

Any matter related to the form and validity (including the reception period) of any selection and/or revocation should be resolved by Grupo Carso. This resolution will be final and mandatory. Moreover, Grupo Carso will be entitled to waive any defect or irregularity depending on its importance in the revocation of the acceptance of any shareholder of the Issuer.

**Withdraw**

Shareholders who have sent their Selection Letter within the timeframe will be entitled (without any penalty), before 2:00 PM (Mexico City time) on the deadline of Selection Period, to withdraw it one time only. In this case, they will may receive the dividend payment only in cash.

### **Fees and Expenses**

Dividends will be paid free from fees and commissions. The Issuer will assume the expenses related to the issuance, subscription, placing in circulation, admission and any other related to the dividend. Nevertheless, fees may arise from agreements between the shareholders and the custodian. It is recommended for each shareholder to previously consult with its custodian whether fees and/or commissions exist that should be paid for any operation and/or service that said custodian should carry out during the participation of the dividend payment process provided in this notice.

### **Limitation**

As provided by Article 33 of the bylaws of Grupo Carso, shareholders' dividends that are uncollected for a period of five (5) years as of the payment date that was set will be understood as waived and assigned in favor of Grupo Carso.

### **Accounting Records**

Share prices for each new share are expected to be: (i) an amount equivalent to the theoretical par value per share that is registered in the accounting records as the capital stock of Grupo Carso; and (ii) the remaining sum will be registered in the accounting records as a premium in the subscription of shares.

### **Tax Treatment**

The summary below contains a description of certain tax matters related to income tax that applies under the laws of Mexico that might apply to the distribution described in this notice, but should not be considered as an exhaustive description of all the tax considerations that may be relevant for you to take investment decisions. This analysis does not constitute and should not be considered as a legal or tax recommendation for our shareholders. Its sole purpose is to provide general information. This description is based on the current tax laws in Mexico.

The tax treatment described below does not apply to some shareholders and, therefore, shareholders are recommended to consult with their tax advisor to fully understand the tax consequences of participating in the process. Grupo Carso does not assume any liability for tax consequences and obligations for the shareholders participating in the distribution.

For the purposes of accounting and tax provisions that apply in Mexico, the delivery of shares to the shareholders on the Payment Date will be understood as an automatic and simultaneous reinvestment of earnings and not a dividend in kind by virtue of the application of Grupo Carso of the share price to the authorized capital stock for its placed in circulation.

Nevertheless, the latter will never be understood as a sale of shares by Grupo Carso nor a general waiver or transfer of rights to shareholders. The issuer has not made nor will make with respect to the dividend any kind of public efforts to sell its shares and/or make a public offering of these.

## **Cash Dividend**

### General Regime: Withholding

Generally, according to the provisions under Articles 140 and 164 of the Income Tax Law, dividends in cash or shares payable to residents of both Mexico and foreign countries are subject to tax withholdings in Mexico at a 10% rate.

The rate applicable to non-resident shareholders in Mexico may be lower if these holders meet the criteria necessary to fall under the benefits of a tax treaty signed by Mexico.

### Exception: General Earnings prior to 2014

Nevertheless, according to section XXX of Article 9 of the Transitory Provisions of the Income Tax Law, the withholding described above does not apply to net earnings generated prior to 2014. Consequently, withholding should not apply to dividend payments referred to in this notice, regardless of the choice made by the shareholder because the earnings to be distributed were generated prior to December 31, 2013.

## **Reinvestment**

### Reinvested Earnings

Pursuant to Article 10 of the Income Tax Law, in the event of reinvesting dividends within the next thirty (30) calendar days following their distribution, income will be understood as earned until the calendar year in which it is paid by reimbursement due to a reduction in capital or by liquidation of the Issuer. So, considering that for the accounting and fiscal provisions that apply in Mexico, the subscription of the shares to be handed to the shareholders on the Payment Date, it will be understood as an automatic and simultaneous reinvestment of earnings. It is expected then that by treating it as a reinvestment simultaneous to the distribution, it will not be subject to withholdings, until the reimbursement is paid by reducing the capital or by liquidation of the Issuer, according to Article 78 of the Income Tax Law.

### **No Reduction of CUFIN**

Moreover, according to Article 77 of the Income Tax Law, it is not expected for the Net Taxable Income Account of the Issuer to be reduced by an amount equivalent to the dividend that is considered reinvested by the subscription of the shares because this reinvestment made simultaneous to the distribution and dividend payment. Consequently, it will be made within the next thirty (30) calendar days following the distribution.

### **No Increase of CUCA**

According to Article 78 of the Income Tax Law, profit reinvestment made within the next thirty (30) calendar days after their distribution will not increase the Capital Contribution Account (CUCA).

### **Purchase Price**

According to Article 23 of the Income Tax Law, shares that are acquired by dividend or earnings reinvestment within the next thirty (30) days after their distribution will not be considered to have a proven purchase price.

### **American Depositary Shares**

Holders of American Depositary Shares (“ADSs”) of Grupo Carso are recommended to consult the notice to the Issuer’s shareholders that was presented on the same date before the Mexican Stock Market and that are available online at [www.bmv.com.mx](http://www.bmv.com.mx) and [www.carso.com.mx](http://www.carso.com.mx)

## **CAPITAL STOCK AND ADJUSTMENTS**

### **Diluting Effects**

Shareholders of Grupo Carso who opt to receive dividend payments in cash may suffer a dilution of its equity in the Issuer by virtue of the placed in circulation of additional shares series A-1 representing the capital stock of Grupo Carso.

### **Outstanding Shares**

On the date of this notice and subject to the adjustments made by the exchange of shares and the daily operations to buyback shares of Grupo Carso, the Issuer has a total of (i) 2,269,005,224 outstanding shares; and (ii) 475,994,776 shares series A-1, held by the Issuer and these are available for placed in circulation as a result of the dividend mentioned herein.

The table below includes the number and series of shares comprising the outstanding capital stock of Grupo Carso to November 23<sup>th</sup>, 2017:

| Share Series | Number of outstanding shares | Percentage representing the outstanding capital stock |
|--------------|------------------------------|---|
| A-1          | 2,269,005,224                | 82.6596%  |
| <b>Total</b> | 2,269,005,224                | 82.6596%  |

No decree, dividend payment nor share placed in circulation implies an increase to the authorized capital stock of the Issuer.

[Signed]

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Alejandro Archundia Becerra  
Secretary of the Board of Directors  
Mexico City, November 23<sup>th</sup>, 2017

The subscription mentioned herein does NOT constitute a public offering of shares and is addressed exclusively to shareholders of Grupo Carso. This notice contains certain estimates about results and perspectives of the Issuer. However, the actual results that are obtained may vary significantly from these estimates. Forward-looking statements contained in this notice should be read together with the summary of these risks that are included in the Annual Report. This information as well as future reports made by the Issuer or any of its representatives, whether verbally or in writing, may vary significantly from actual results. The Issuer is under no obligation to update or review any of these forecasts and estimates, whether in light of new information, future situations or other related events.