

AUDIT AND CORPORATE GOVERNANCE COMMITTEES REPORT

WAL-MART DE MÉXICO, S.A.B. DE C.V.

ANNUAL REPORT

Board of Directors of Wal-Mart de México, S.A.B. de C.V.

Dear Sirs,

In accordance with the current Securities Market Law (“LMV”, as per its initials in Spanish), article 43 and the internal regulations approved by the Board of Directors of Wal-Mart de México, S.A.B. (jointly with its subsidiaries, the “Company”), we hereby inform you of the activities undertaken during fiscal year ended December 31, 2014.

In the performance of our duties we have maintained strict compliance not only with the LMV, but we have also considered the recommendations contained in the Code of Corporate Best Practices issued by Consejo Coordinador Empresarial, A.C, the company’s Code of Ethics, the General Internal Rules of the Mexican Stock Exchange and general provisions derived from the LMV.

In order to comply with our supervisory process, the Audit and Corporate Governance Committees have held quarterly meetings to analyze the company’s most relevant accounting, legal, operating and ethical issues in broad terms, supplemented by our involvement in the monthly meetings held with the Chief Executive Officer and Legal areas, and by reports provided by the company’s top officers upon our request, and highlights are as follows:

I. As to Corporate Governance:

a) We were informed by the company’s Management of the following:

1. Performance evaluation processes for relevant executive officers and authorized replacement plan including, but not limited to Scot Rank Crawford’s resignation to his position as President and Chief Executive Officer of the company and the appointment of Enrique Ostalé Cambiaso to take over his position as of January 1 2015 and, particularly, an analysis of multiple roles to be performed by Mr. Ostalé, with no observations noted.
2. A policy to consider business opportunities between the company and Wal-Mart Stores, Inc. (“Wal-Mart”) and its subsidiaries, with no observations noted.
3. Processes followed to define a comprehensive compensation for the Chief Executive Officer and comprehensive compensation packages for other relevant executive officers, referred to in paragraph c), Note 10 to the financial statements of the company, with no observations noted.

4. Processes followed along the year to conduct transactions with related parties and relevant transfer price study, whose descriptions are referred to in Note 10 to the financial statements of the company, with no observations noted.

5. Transactions related to the sale of Wal-Mart de México S.A.B. de C.V.’s restaurant division referred to in paragraph b), number II, Note 1 to the financial statements of the company, and the sale of Banco Walmart Adelante, S.A. referred to in paragraph b), number III, Note 1 to the above mentioned financial statements, with no observations noted.

6. Lastly, we were periodically informed of the company’s situation in terms of Ethics and Compliance and of measures taken by the company to reinforce these areas, with no observations noted.

b) The Board of Directors granted no exemption to any director, relevant executive officer nor any person with power as stated in LMV, art. 28, Section III, paragraph f).

c) During 2014, the company’s management has been continuously informing us of the progress of the investigations conducted by the Walmart Stores, Inc.’s Audit Committee with support from independent lawyers and other advisors, on corrupt practices and of all measures taken by the company to reinforce its internal organization by training directors, managing executives and associates and strengthening processes to be leaders in compliance globally, as explained in detail in paragraph b), Note 1 to the financial statements of Wal-Mart de México, S. A. B. de C.V. and Subsidiaries as of December 31, 2014. Additionally, it is our belief that cooperating with the above mentioned investigations is in the best interest of the company and every shareholder, without distinction whatsoever.

II. As to Auditing:

- a) We analyzed the status of the internal control system and were informed in detail of the internal and independent audit programs and work developed in this regard, as well as of the main aspects requiring to be improved and follow-up on preventive and corrective measures implemented by management. Therefore, it is our opinion that effectiveness requirements have been properly met for the company to operate under an overall control environment
- b) We evaluated the performance of the independent auditors who are responsible for rendering an opinion on the reasonability of the company's financial statements and their compliance with International Financial Reporting Standards. We consider that the partners at Mancera, S.C. firm (a member of EY Global) meet the necessary requirements of professional qualifications and independence for intellectual and financial action and we, therefore, recommended them to be appointment to examine, and issue a report on, the financial statements of Wal-Mart de México, S. A. B. de C.V. and Subsidiaries as of December 31, 2014. On another subject, any additional or complementary services provided to the company by the above mentioned auditors during 2014 did not interfere with their independence and were not substantial.
- c) We attended several meetings to review the annual and quarterly financial statements of the company and recommended to release such financial information at that time.
- d) We were informed of the accounting policies approved and followed during 2014 and any amendments, and it is important to mention the policy on assets and liabilities for sale and discontinuous transactions, which was included as a result of the sale of the restaurant division and Banco Walmart whose effects are described in Note 7 to the financial statements of the company.
- e) We followed up on relevant observations made by shareholders, directors, relevant executive officers, associates and overall, any third party in regards to accounting, internal controls and matters related to internal and external audits.
- f) We followed up on the agreements reached during the company's Shareholders and Board of Directors meetings.
- g) We became aware of progress made in the investment plan and of any impacts on the results submitted to the Mexican Stock Exchange.
- h) We were informed of the contingency and business continuity plans implemented by the company which in our opinion are reasonable based on its operating environment.

Based on performed work and an opinion from the independent auditors, it is our conclusion that the accounting and reporting policies and criteria followed by the company are adequate and sufficient, and have been consistently applied. As a result, the information submitted by the Chief Executive Officer reasonably reflects the company's financial position and results.

Therefore, we recommend the company's Board of Directors to submit for approval before the annual shareholders' meeting, the financial statements of Wal-Mart de México, S.A.B. de C.V. and Subsidiaries for the year ended December 31, 2014.

Sincerely,

Adolfo Cerezo, Eng.
Chairman Audit and Corporate Governance Committees

Mexico City, February 17, 2015.