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Walmart
y Centroamérica

Corporate governance



Our Company is established on the foundations of integrity and the highest standards of ethics, ensuring unwavering adherence to any and all applicable legislation in all the countries where we operate. The structure and responsibilities of our Board of Directors, the Statement of Ethics and, overall, all our activities are performed under the umbrella of the best practices of Corporate Governance.

Board of Directors

The Board of Directors must meet a minimum of 4 times a year

Our Company's management is overseen by a Board of Directors.

Membership:

- The members are appointed each year by the shareholders in their General Ordinary Assembly meeting.
- Independent Directors must represent a minimum of 25% of total Directors.
- Minority shareholders, whose shares are at least 10% of Company shares, that is, owners' equity, have the right to choose a Director and the corresponding Alternate Director, who may be removed only when other Board Directors are removed.
- The Board of Directors must meet a minimum of 4 times a year.

Primary duties:

- Electing the CEO.
- Serving as consultant/ advisor to Top Management.
- Working actively with the CEO to develop general strategies for the Company and for any and all subsidiaries.

- Supervising performance of relevant executives.
- Approving policies on information and communication with shareholders and the market.

Other practices:

- The Board evaluates the performance of each Director.
- Independent directors must have experience in the overall business of the Company.
- The Board has access to independent consultants.
- The Chairman of the Board may neither serve as Secretary nor preside over any Board committees.

The Board of Directors is supported by 3 committees, whose job is to analyze subjects of their competence in detail and make recommendations to the Board so that it may review the information and make any decisions that result in creating value for our shareholders.

Note: Wal-Mart de México, S.A.B. de C.V. held its Annual General Ordinary Shareholders' Assembly on March 24, 2015, where the members of the Board of Directors were ratified and the addition of Richard Mayfield as proprietary Board member was approved.

The Audit and Corporate Practices Committees and the Executive Committee support the Board of Directors



Associates are responsible for understanding and complying with our Statement of Ethics

Audit and Corporate Practices Committees

These are comprised by 3 Directors, all of them independent.

Primary duties:

- Selecting the independent auditor for the Company and determining fees.
- Ensuring that the internal control scheme for the Company is appropriate; that any and all applicable accounting and legal provisions are strictly followed; and reviewing operations with related parties that the Company conducts.
- Reviewing the financial statements and ensuring they are a true reflection of the financial standing of the Company. There is also a procedure for receiving, keeping and responding to claims regarding accounting controls and audit-related matters. These committees have the authority and the necessary resources to retain legal counsel and any other independent consultant needed in the fulfillment of their duties.
- Reducing the risk of conducting operations that may be disadvantageous for Company wealth or that could provide an added advantage for any specific group of shareholders.
- Approving policies for the use of property pertaining to Company assets.
- Authorizing transactions with related parties, wages, and benefits for the CEO and policies governing wages and benefits for relevant executives.
- Assisting the Board of Directors in the preparation of reports on accounting practices.
- Holding closed meetings and receiving periodic reports from Internal Audit, Legal, and Ethics.
- Calling to meeting of the Shareholders' Meeting, and ensuring the order of business includes those points deemed pertinent.

Primary requirements and practices:

- All members must be Independent Directors, with expertise in finance.
- Independent auditors may not provide consultancy services to the Company.
- The partner from the independent audit firm who renders a decision on the Company financial statements audited must be periodically rotated.

Members of the Audit and Corporate Practices Committees:

Adolfo Cerezo (Chairman)
Ernesto Cervera (Alternate)
Roberto Newell
Blanca Treviño

Executive Committee

Among its duties is the strategic planning for the Company.

Executive Committee Members as of January 2, 2015:

David Cheesewright
Enrique Ostalé

Statement of Ethics

The values that set us apart from others –integrity, respect for the individual, service to our customers, and the search for excellence- are the cornerstone of our Culture, and we categorically reiterate that under no circumstances are they negotiable. Associates in all areas and all levels of our business are held responsible for understanding and complying with our Statement of Ethics. Therefore, we are always vigilant that our activities are governed by our basic beliefs and values.

Some of the primary subjects covered in our Statement of Ethics:

- Non-discrimination
- Conflicts of Interest
- Gifts Policy
- Confidentiality of Privileged and Trade Information
- Inappropriate Behaviors
- Harassment on the Job
- Proper Use of Company Assets
- Sexual Harassment
- No Repercussions
- Fair Trade
- Financial Integrity
- Anticorruption

We have an Ethics area that reports directly to the Executive Vice President of General Counsel and Institutional Affairs for Mexico and Central America. This area is charged with the responsibility of disseminating and promoting a culture of ethical behavior and strict adherence to all legal regulations in the matter, which we consider one of the most important principles. In addition is the responsibility of handling all inquiries and ethics-related cases. The Audit Committee receives periodic reports from this area.

Compliance

Convinced as we are that our values are of utmost importance in Walmart de México y Centroamérica, we make great efforts in cultivating trust and transparency among all our stakeholders. This is a recurring theme at all levels of leadership because our ongoing success depends on having the commitment of one and all to always do the right thing for our customers, among ourselves, and for the wellbeing of our business.

This year we reinforced our *Compliance* program, focusing on the most important subjects, in terms of their impact and in alignment with international standards:

The 14 areas comprising the *Compliance* program include:

- Responsible Sourcing
- Anticorruption
- Anti-Money Laundering
- Antitrust
- Trade
- Food Safety
- Licenses and Permits
- Environment
- Privacy
- Consumer Protection
- Health and Wellness
- Health and Safety
- Product Safety
- Labor and Employment

The Vice President for Compliance reports to the Vice President of Compliance for Latin America and to the Vice President of Compliance –International. The area has a dedicated team of experts for each of the 14 primary subjects listed above. There is also a monitoring area that covers 100% of the business units, which also provides training, follow-up, and designs the remediation plans.

The Matrix of Responsibilities for Compliance, e-certification, and constant training for all associates working in the Company are fundamental aspects towards ensuring the success of the program. This year, compensation for the top executives of the Company is tied to the accomplishment of compliance objectives.

Anticorruption continues to be a primary focus of the Compliance program. The Anticorruption team is led by a Director who reports directly to the Senior Director for Global Anticorruption Compliance, and to the Vice President for Compliance in Mexico. This team is in charge of conducting due diligence, developing and offering anticorruption training, and supervising the implementation of Company policies and procedures. The

training offered covers the principles and policies that are part and parcel of the Global Anticorruption Policy, and its procedures. In 2014, courses and workshops were taken by more than 23 thousand associates and 773 suppliers.

Compliance risk assessment was performed, and the resulting information is being used to create a new list of compliance improvements, a priority for 2015.

Corporate Responsibility Committees

In Mexico the Direction of Corporate Responsibility is in charge of the Executive Vice President of General Counsel and Institutional Affairs for Mexico and Central America. In Central America the Corporate Responsibility area is in charge of the Direction of Corporate Affairs, which reports directly to the head of Central America.

Corporate Responsibility Management is aimed at:

1. Involving top management in the accomplishment of stated objectives, the analysis of challenges, in defining plans, and in leading the generation of value.
2. Establishing a long-term vision and strategic priorities.
3. Supporting the consolidation of structural changes, policies, and procedures.
4. Implementing a Corporate Responsibility indicator on the individual performance of top management in their performance evaluations, and that it have an effect on pay raises awarded.

Members of the Committees for Corporate Responsibility:

Mexico	Central America
Karina Awad	Carlos Arroyo
Renzo Casillo	Ana Teresa Concepción
Todd Harbaugh	Jorge Cordero
Mónica Loaiza	José Alberto Montiel
Rafael Matute	José Manuel Rodríguez
Enrique Ostalé	
Alberto Sepúlveda	
Adriana Velázquez	

For information on Materiality for Walmart de México y Centroamérica, as well on the vision, strategy, primary results achieved in 2014, and the indicators best describing the scope and performance of our Company in each subject, please turn to the *Materiality* chapter.