



achieving
considerable progress

improving
our business

investing
continuously

operating with
greater efficiency

creating
opportunities

environmental
sustainability

commitment to
the **community**

corporate
governance



corporate governance





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Our Company is built on the foundations of integrity and the highest standards of ethics, and we always guarantee strict adherence to the legislation in force in all the countries where we operate. The structure and responsibilities of our Board of Directors, the Statement of Ethics and all the activities undertaken by the Company are in compliance with the best practices of Corporate Governance.



THE MEMBERS OF THE
AUDIT AND CORPORATE
PRACTICES COMMITTEES
ARE INDEPENDENT

WE HAVE A TEAM OF
EXPERTS ACROSS THE
14 COMPLIANCE AREAS

WE UPDATED OUR
STATEMENT OF ETHICS,
BASED ON OUR VALUES

- ▶ BOARD OF DIRECTORS
- ▶ AUDIT AND CORPORATE PRACTICES COMMITTEES
- ▶ STATEMENT OF ETHICS
- ▶ COMPLIANCE
- ▶ BOARD OF WALMART DE MÉXICO FOUNDATION
- ▶ CORPORATE RESPONSIBILITY COMMITTEE



BOARD OF DIRECTORS

The management of the Company is overseen by the Board of Directors.

Membership and frequency:

- Members are appointed each year by the General Ordinary Shareholders' Assembly
- Independent directors should make up a minimum of 25% of all directors
- Minority shareholders, whose shares represent a minimum of 10% of owners' equity for the Company, have the right to choose a Director and the corresponding Alternate Director, both of which may only be removed when the other members of Board of Directors are also removed
- The Board of Directors meets at least four times a year

Other practices:

- The Board evaluates the performance of each Director
- Independent Directors are experienced in the main line of business of the Company
- The Board has access to independent advisers
- The Chairman of the Board is neither allowed to act as Secretary nor to preside over any Board Committees





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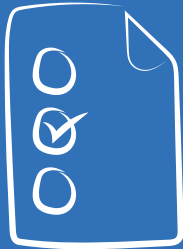
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Primary responsibilities



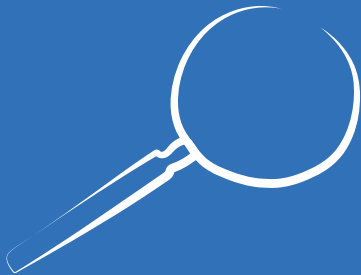
Choosing the
Chief Executive Officer



Acting as
adviser/consultant
for top management of
the Company



Working actively with top
management to develop
overall strategies for the Company
and any that the latter controls



Overseeing performance
of Company officers



Approving
information policies and communication
with shareholders and the market

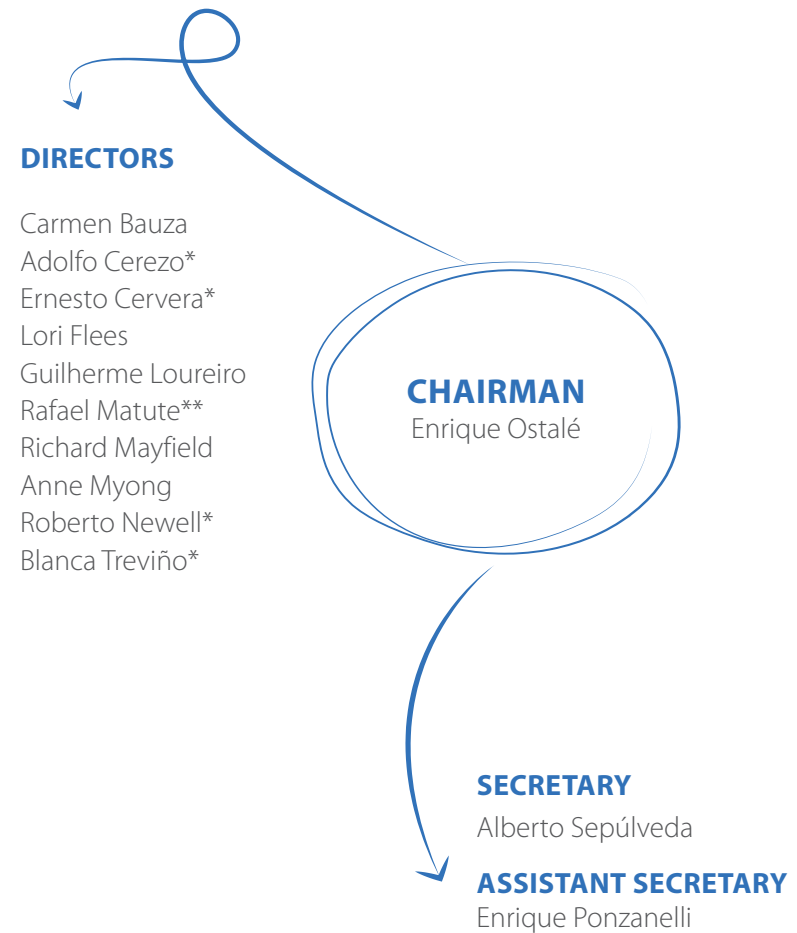
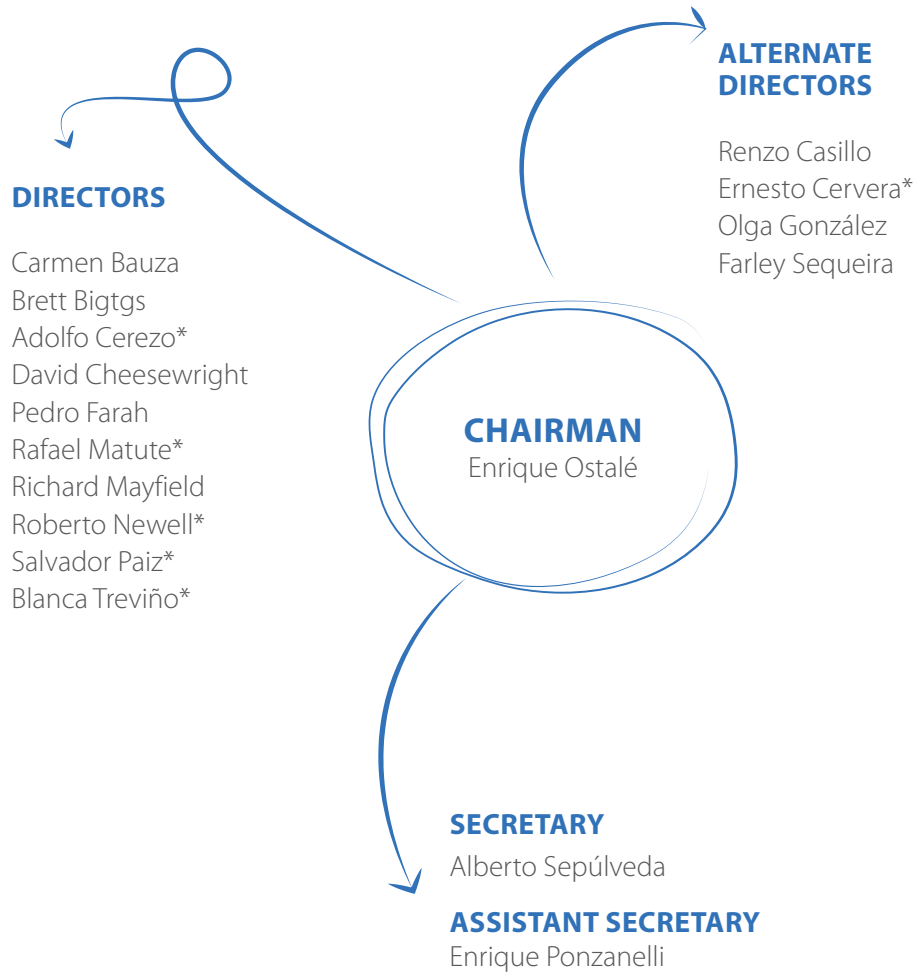


Ensuring that overall strategy is
in line with the Company's
principles of Corporate Responsibility



The Board of Directors obtains the support of two Committees for its duties; said committees must conduct in-depth analysis of subjects pertaining to its field of expertise and offer recommendations to the Board so it may study the information and make the right decision, creating value for our shareholders and stakeholders.

Note: Wal-Mart de México, S.A.B. de C.V. held its Annual General Ordinary Shareholders' meeting on March 31, 2016 and the integration of the new Board of Directors was determined with no alternate directors:



Board of Directors at December 31, 2015

* Independent Director

* Independent directors

** Will be considered as independent director starting July 1, 2016.



AUDIT AND CORPORATE PRACTICES COMMITTEES

It is comprised of three independent directors and one alternate director, all of them independent.

Primary responsibilities:

- Selecting the independent auditor for the Company and establishing fees.
- Ensuring the existence of the proper internal control scheme for the Company that meets any and all applicable accounting and legal provisions, and reviewing Company transactions with related parties.
- Reviewing financial statements and ensuring that they properly reflect the financial situation of the Company. They must also contain procedures to receive, keep, and respond to claims related to accounting practices and controls and to auditing matters. Moreover, the Committees have the necessary authority and resources to hire independent lawyers and advisers needed to fulfill their responsibilities.
- Reduce the risk of conducting operations under conditions that could affect the worth of the Company or granting favored conditions to any one group of shareholders.
- Approving policies for the use of properties pertaining to the net worth of the Company.
- Authorizing transactions with related parties, remuneration for the Chief Executive Officer, and remuneration policies regarding relevant Company officers.
- Serving as support for the Board of Directors in producing reports on accounting practices.
- Holding private meetings and receiving periodic reports from Internal Audit, Legal, Compliance, and Ethics.
- Calling the shareholders to meetings and ensuring that the order of business includes all the points deemed necessary.

Primary requirements and practices:

- All members must be independent Directors, experts in finance.
- Independent auditors are forbidden from providing consultancy services to the Company.
- The partner from the independent auditing firm that renders the opinion on the financial statements must be rotated periodically.

Members:

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

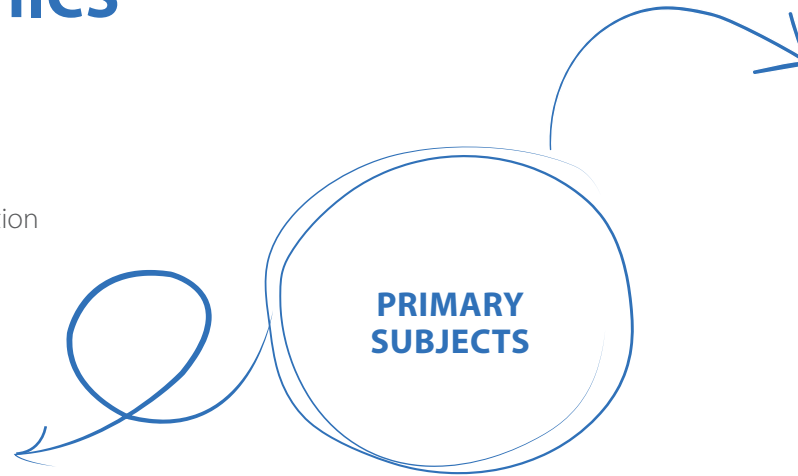
* Independent Director





STATEMENT OF ETHICS

- Alcohol & drug free workplace
- Discrimination & harassment prevention
- Inappropriate conduct
- Wage & hour
- Conflict of interests
- Financial investments
- Gifts & entertainment



- Correct use of Company assets
- Fair competition & fair dealing
- Financial integrity
- Restrictive trade practices
- Anticorruption
- Anti-money laundering
- Environmental responsibility
- Protecting personal & business information

Our values -Integrity, Respect for the Individual, Customer Service, and the Strive for Excellence- set us aside from the rest and are the cornerstone of our culture. We are firmly committed to these values and under no circumstances are they negotiable. All our associates companywide, regardless of level, are responsible for understanding and complying with our Statement of Ethics, which is based on these values. **G4-HR9**

The Ethics Office in our Company reports to the EVP and General Counsel for Legal and Institutional Affairs for Mexico and Central America, and its primary duty is to disseminate and promote a culture of ethical behavior, of strict compliance with legal provisions that govern us, and handling any and all ethics-related inquiries and cases received. The Audit Committee receives periodic reports.

We are committed to maintaining a work atmosphere that encourages our associates to express their concerns

regarding possible violations of our Statement of Ethics, and we forbid reprisals against anyone who does so. There are different internal communication mechanisms such as the Open-Door Policy, which is the most direct way of raising concerns with the leader; our Global Ethics Line is available for all associates worldwide, 24-7, and is equipped to serve the majority of local languages spoken. This line is operated by personnel from an organization independent of the Company.

G4-HR6, SO11

In 2015, 1,850 cases were reported in Mexico, of which none were concerning the violation of human rights of indigenous communities. The disciplinary measures enforced may vary from verbal coaching for improvement to the dismissal of those involved, depending on the decisions reached. All ethics issues reported are confidentially investigated to determine if any law, policy or the Statement of Ethics has been violated. **G4-HR3, HR7, HR8, HR12**

During the year we also gave Statement of Ethics courses to our Operations and Staff associates, covering 70% and 91%, respectively, which represents 246,397 hours of training. Associates from Loss Prevention are continuously receiving training on policies, procedures, Walmart Culture, ethics, and anticorruption, thus raising their awareness and reinforcing the proper way to comply with all human rights issues. Security personnel subcontracted by Walmart are obligated to include clauses that are in line with the principles of human rights and they cover, among other things, anticorruption and compliance with all laws in force. What is more, the agreements signed by and between Walmart and our suppliers have a clause regarding being informed on our Statement of Ethics. **G4-HR2, HR3, HR7, HR8, HR12, SO11**

[Read our Statement of Ethics](#)



COMPLIANCE

Convinced that our values are of the utmost importance, at Walmart de México y Centroamérica we make an effort to convey confidence and transparency among our stakeholders. This is a fundamental subject of leadership because our continued success hinges on everyone's commitment to do the right thing for our customers, for ourselves, and for the well-being of our business.

This year we continued to work on the six elements of the Compliance Program: leadership, standards and controls, training, communication, risk analysis, and monitoring and response, all with the purpose of increasing the level of maturity of the areas that are part of the same.

The Mexico and Central America VPs for Compliance, who report to the VPs for Compliance LATAM and International, have a team of more than 470 associates and experts across the 14 program areas. Moreover, Continued Improvement department monitors activity in key business units and provides training, follow-up, and designs remediation plans for the compliance findings identified during the visits made to the units.

The Matrix for Compliance, Annual E-certification, and continuous training of our associates are fundamental mechanisms in the assurance process for said program. We have incorporated certain compliance indicators for top management, which are factors for their performance reviews.

Anticorruption continues to be a primary focus for the Compliance Program. The anticorruption team, which is led by Directors in Mexico and Central America, is charged with developing and executing the principles and processes that are part of the Global Anticorruption Procedure, based on risk analysis. It is also in charge of training our associates as well as third-party intermediaries and commercial partners. In 2015, classroom or online training was received by more than 43,000 associates and more than 1,370 suppliers in Mexico and Central America.

Due diligence was performed on those suppliers having any type of interaction with government agencies so as to verify if said suppliers have been directly or indirectly involved in any form of corruption whatsoever; if this involvement is with a government official, the purpose is to determine if these assumptions could constitute a risk for the Company and any negative social impact. This process must be renewed at least every two years so as to ensure that there have been no significant changes in the supplier structure and that there are no risk factors of corruption that could affect the status of being approved as a supplier. All approved suppliers obtain training in the Anticorruption Policy to guarantee knowledge of the same and to ensure compliance throughout the commercial relationship. **G4-S03, S04, S09, S010**

As a result of our efforts to always do the right thing, and because of the processes, training and controls that we have, we are very proud to be able to categorically state:

- We make no contributions to any political party or to any related institution **G4-S06**
- We have neither incurred in antitrade practices nor acted against free enterprise **G4-S07**
- We received no fines or significant non-monetary sanctions for non-compliance with laws and regulations **G4-S08**
- We received no claims on privacy violation matters and/ or the improper release of customer data **G4-PR8**



[Read our Anticorruption Policy](#)



14 Areas covered by the Compliance Program



1. Anticorruption



2. Antitrust



3. International trade



4. Licenses and permits



5. Environment



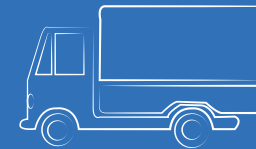
6. Money laundering prevention



7. Privacy



8. Consumer protection



9. Responsible sourcing



10. Health and well-being



11. Health and safety



12. Food safety



13. Product safety



14. Work and employment



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Compliance Program





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BOARD OF WALMART DE MÉXICO FOUNDATION

The Walmart de México Foundation is the not-for-profit organization through which we channel support to our communities. It has a Board of Trustees, comprised of 11 members, of which six are independent.



CHAIRMAN

Enrique Ostalé

TRUSTEES

- Manuel Álvarez
- Mercedes Aragonés*
- Karina Awad
- Roberto Delgado*
- Jorge Familiar*
- Rafael Matute*
- Marinela Servitje*
- Martha Smith*
- José Luis Torres
- Iván Zapién



Board of Walmart de México Foundation at December 31, 2015

* Independent Director



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CORPORATE RESPONSIBILITY COMMITTEE



In Mexico, Corporate Responsibility reports to the VP for Corporate Affairs. In Central America, it reports to the Managing Director of Central America. Overall strategies are reviewed with the Committee for Corporate Responsibility, which consists of the Company's Executive Vice Presidents in conjunction with the key areas of the Company; the strategies are conveyed to the Board of Directors. Moreover, the Committee establishes the action plans, indicators, and policies and procedures, all of which are fundamental to involving everyone in building a Company whose Corporate Responsibility is increasingly stronger and which honors the commitment of doing the right thing always in social, environmental and governance issues.

Corporate Responsibility is aimed at:

- Involving top management in the scope of proposed objectives, analyzing challenges, defining plans, and leading the initiative to generate value
- Establishing a long-term vision and strategic priorities based on what is good for our customers, good for the business, and good for society
- Supporting the consolidation of structural changes, policies, and procedures
- Identifying internal opportunities to improve our performance and lead our Company towards domestic and international trends that will maintain our leadership position