

Report by the Audit Corporate Practices Committees

Wal-Mart de México, S.A.B. de C.V.

Annual Report

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

Present.

To Whom It May Concern:

In compliance with article 43 of the Securities Market Law (LMV) and the internal regulations of the Committees I oversee, with approval from the Board of Directors for Wal-Mart de México, S.A.B. de C.V. (which together with its subsidiaries hereinafter is the Company), we hereby inform you of the activities undertaken during the reporting period ending on Dec. 31, 2017.

Throughout the work conducted, in addition to that stipulated under the LMV, we have always abided by that contained under the Code of Best Corporate Practices, issued by the CEC (Coordinating Business Council); the Company Code of Ethics; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

In compliance with our oversight process the Audit and Corporate Practices have conducted quarterly regular meetings to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and supplementing our participation in said meetings

throughout the year with the office of the CEO, Legal, Finance and Internal Audit are the reports presented by the principal officers of the Company as requested by us, in addition to special meetings held to cover specific matters, as needed, such as the following:

I. Corporate Practices:

- a. We were kept informed by the management of the Company, with no observations made, on the following:
 1. Evaluation processes for relevant officers and their authorized succession plans, which include but are not limited to Olga González Aponte in his position of Senior Vice President of Administration and Finance for Walmart Mexico and Central America, effective as of 1st of July 2017, replacing Pedro Farah.
 2. The processes followed to determine integrated compensation for the CEO and the integrated compensation packages for the other relevant officers -mentioned under note 13, paragraph c) of the consolidated financial statements for Wal-Mart de México,

S.A.B. de C.V. and Subsidiaries, at Dec. 31, 2017 (hereinafter the “financial statements for the Company”).

3. The policies and procedures followed during the reporting year, with regards to operations with related parties and the corresponding investigation on transfer prices, the concepts of which are discussed under note 13 of the financial statements.
 4. The operations related to the sale of the apparel store -Suburbia- which is mentioned under note 8 of the financial statements.
- b. During the 2017 period, the Company management kept us informed of the progress made regarding the investigations on alleged corrupt practices that the Audit Committee of Wal-Mart Stores, Inc. (“Wal-Mart”) has been conducting with the assistance of independent lawyers and other advisors and the measures that the Company has taken, reinforcing the internal organization, training Directors, executives and associates: and strengthening the processes, thus becoming a leader in compliance worldwide such as that explained in detail

under note 15, paragraph c) of the Company financial statements. In addition, we continue believing that our cooperation with the aforementioned investigations is in the best interest of the Company and its shareholders, with no distinction whatsoever.

- c. The Board of Directors granted no dispensation whatsoever to any Director, executive, or anyone with a position of authority, as indicated under article 28, section III, paragraph f) of the LMV.

II. Audit:

- a. We analyze the status of the internal control system, and were informed in detail of the programs and development of internal and independent audit work done, as well of the primary aspects requiring improvement and follow-up on the preventive and corrective measures implemented by Management. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- b. We evaluated the performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company financial statements and their adherence to International Financial Information Standards. With regards to the same, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality and independence of intellectual and economic action, thus they were recommended as examiners and issuers of the report

on the Company financial statements. On the other hand, the additional or complementary services that the aforementioned auditors rendered for the Company throughout 2017, did neither impair their independence nor were they substantial.

- c. We attended different meetings to review the quarterly and annual financial statements for the Company and, at the time, we recommended publishing said financial information.
- d. We were informed about the accounting policies that were approved and put into practice throughout 2017 and its modifications, the elimination of the accounting policies of Suburbia, S. de R.L. of C.V. and other companies related to Suburbia clothing stores as a result of their sale.
- e. Follow-up was given to any and all relevant observations made by the shareholders, directors, relevant officers, employees and any third party in general, regarding the accounting, internal controls, and subjects related to internal or independent audits.
- f. Follow-up was also given to all agreements made by shareholders and members of the board of directors for the Company.
- g. Information was provided on the progress made regarding investment plans and the impact on the results sent to the Mexican Stock Exchange, as a result of adjustments made to store-opening processes.
- h. Information was provided on the legal contingencies to which the Company is exposed, and which are

recognized in the financial statements as per the probability of occurring,

- i. Lastly, information was periodically presented on the situation faced by the Company regarding Ethics and Compliance and the measures adopted by the Company to reinforce these aspects.

Based on the work completed and the opinion issued by outside auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company's financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors present the financial statements for Wal-Mart de México, S.A.B. de C.V. and subsidiaries for the period ending Dec. 31, 2017, to the General Annual Shareholders Assembly for their approval.

Sincerely,



Adolfo Cerezo

Chairman of the Audit and
Corporate Practices Committees

Mexico City, February 15, 2018