

# Corporate Governance

GRI 102-18

Our company is built on the foundations of integrity and the highest standards of ethics, and we always guarantee strict observance to the applicable legislation in all the countries where we operate.



# Board of Directors

GRI 102-22

<b>Chairman:</b>	Enrique Ostalé	<b>Member since:</b> 2013
GRI 102-23		
<b>Consejeros:</b>	Adolfo Cerezo*	2012
	Ernesto Cervera*	2014
	Kirsten Evans	2018
	Lori Flees	2016
	Guilherme Loureiro	2016
	Roberto Newell*	2014
	Chris Nicholas	2019
	Eric Pérez-Grovas *	2018
	Blanca Treviño*	2006

Members as December 31, 2019

GRI 405-1

\* Independent directors



## Makeup and Frequency

GRI 102-24, 102-28

- The Board of Directors is comprised only by statutory members.
- Members are appointed each year by the General Ordinary Shareholders' Assembly.
- Independent directors should make up a minimum of 25% of the total amount; currently, as December 31, 2019, 50% of all Directors are independent.
- Minority shareholders, whose shares represent a minimum of 10% of owners equity for the Company, have the right to choose a Director, who may only be removed when the other Board members are also removed.
- To date, 29.49% of Company shares are traded among the investor public.
- The participation of officers of the Company and its subsidiaries is limited, and only the CEO is a member of the Board.
- The Board of Directors meets at least four times a year; during 2019 there were seven sessions held. The average attendance at meetings was 81.82%.

## Other practices:

- Independent Directors are experienced in the core 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.

✦ 30%  
of Directors are women

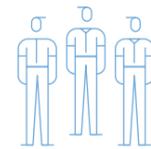
✦ 50%  
of Directors are independent



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

**Primary responsibilities:**

GRI 102-26, 102-27, 102-29



Choose the President and CEO of the Company



Act as adviser/consultant for top management of the Company



Oversee the management of the Company and its subsidiaries



Ensure that overall strategy is in line with the company's principles of Corporate Responsibility



Approve information policies and communication with shareholders and the market



Work actively with Top Management to develop overall strategies for the Company and its subsidiaries

## Enrique Ostalé

---

Executive vice president, president and CEO of Walmart Latin America, UK and Africa as well as chairman of the board of directors of Walmart Mexico and Central America, and Walmart Chile.

Commercial Engineering, Major in Business Administration (Adolfo Ibáñez University, Chile) and MSc in Accounting and Finance (London School of Economics (LSE)).  
Appointed 24 February 2016.

Enrique Ostalé assumed his expanded role in February 2016 after serving as president and CEO of Walmart Mexico, Central America and Latin America. From 2006 to February 2013, Enrique served as president and CEO of Walmart Chile. His experience in this latter post included his leadership of the successful transition of the D&S chain, acquired by Walmart Stores Inc. in 2009, into today's Walmart Chile. Part of his work involved imprinting the seal of Walmart's corporate culture on the organization, adopting along with his team the mission of "helping people save money so they can live better" and incorporating the promotion of sustainability as one of the operational pillars of the business.

Ostalé joined D&S in 1989, serving initially as manager of its financial division, then of its merchandising division and subsequently as manager of its Lider format before becoming its CFO. In 2000, he left the company to take up a position as CEO of Emol, the online service of the El Mercurio newspaper. Between 2002 and 2006, he was dean of the Business School of the Adolfo Ibáñez University before returning to D&S as its general manager, president and CEO.

In 2012, he received the "Executive of the Year" prize awarded by Ernst & Young and the El Mercurio newspaper.

## Adolfo Cerezo

---

Studied Chemical Engineering at the National Autonomous University of Mexico and holds a Master's degree in Business Administration by the IPADE Business School. He has also studied postgraduate courses at the University of Southern California's Future Research Center and the Harvard Business School.

He worked for TELMEX as Chief Finance Officer since 1991 until August 2011, when he retired. Before holding this position, he held several positions since joining TELMEX in 1978, including Treasurer and Financial Analysis Manager.

He has been a member of Banco Inbursa's Board of Directors, a member of the Executive Committee for all TELMEX subsidiaries, a World Bank's Consultant, Chairman to the Mexican Stock Exchange Issuers' Committee, Teaching Professor at the National Polytechnic Institute's master's courses and a speaker at various finance and telecommunications forums.

## Ernesto Cervera

---

CEO and co-founder of GEA since 1990. Born in Mexico City in 1958. An economist from ITAM (1984), his B.A. dissertation received first place in the Tlacaelel Consulting Award granted by International Consultants, and honors from the Banamex National Economics Award.

In 1986 he received his Master's Degree in Economics and in 1988 advanced to Ph.D. candidacy at UCLA. In 1987-1988 he was awarded the Sloan Fellowship for research on foreign trade.

From January 2006 up to the present he is the CEO of Grupo de Economistas y Asociados (GEA), firm in which he has been partner-consultant since 1990, and where he has participated in more than 200 consulting projects.

## Kirsten S. Evans

---

Executive Vice President, Marketing for Walmart Canada. Kirsten is responsible for leading Walmart Canada's marketing strategy and the Walmart Media Group, along with the Financial Services business unit.

Prior to her international assignment, Kirsten was Senior Vice President, Corporate Marketing in Walmart US where she was responsible for the Walmart brand and media strategies as well as supporting strategic initiatives for Merchandising and omni-channel growth. Kirsten was actively involved in integrating Walmart's enterprise marketing teams to improve customer experience and gain scale in an ever-changing retail environment.

Kirsten was named to Ad Age's 2016 Women to Watch and is an inaugural executive member of the Walmart Entertainment Council, whose charter is to elevate partnerships and opportunities with leading entertainment companies

## Lori Flees

---

Senior Vice President and General Merchandising Manager for Health & Wellness at Sam's Club. In this role, Lori leads the pharmacy, optical and hearing business merchandising and operations within Sam's Club's US locations.

Lori started at Walmart in 2014 as SVP, Corporate Strategy with responsibility for Corporate Strategy, Corporate Financial Planning & Analysis, and Mergers & Acquisitions. Lori also set up the enterprise strategic partnerships organization and framework (including Google and Microsoft) and launched the company's interactive entertainment JV partnership with Israeli start up company, Eko.

Prior to joining Walmart, Lori spent 17 years at Bain & Company where she was a partner in the global strategy consulting firm. Lori started her career in roles at Intel Corporation and General Motors. Lori has a bachelor's degree in management systems from Kettering University (formerly General Motors Institute) and a master's degree in business administration from Harvard Business School.

## Guilherme Loureiro

---

Guilherme Loureiro is Executive President and CEO of Walmart Mexico and Central America since February 2016. He started his career in Walmart in 2012, assuming the role of Executive President and CEO of Walmart Brazil in 2013. He worked for over 20 years for Unilever performing several roles in different markets including Global Head of M&A, CEO México, Global Head of Strategy, Chairman of Unilver Ventures and CFO for Americas.

Guilherme holds a Bachelor degree in Business Administration, a Master Degree and Doctorate in Business Administration by the Universidad Fundação Getulio Vargas in Sao Paulo and has attended the TGMP at Harvard.

## Roberto Newell

---

Vice President and Senior Fellow of the Instituto Mexicano para la Competitividad, A.C., (IMCO), a privately sponsored, independent think-tank located in Mexico City, whose mandate is to analyze and propose policies that will enhance Mexico's competitiveness in the global economy.

During 2003, he served as Deputy Secretary for Agribusiness in Mexico's federal government, having previously served in the same administration as the CEO of the Fideicomiso de las Empresas Expropiadas del Sector Azucarero, a holding company that operated the 27 sugar mills that were taken over by Mexico's government as part of a turn-around program for these failed sugar mills.

Between 1984 and 2001, Mr. Newell worked for McKinsey & Co., Inc., the international consulting firm. He retired as a Director (senior partner) of the Firm. During his years as a consultant, he served clients throughout Latin America, the Caribbean and the United States. His clients included companies in the financial and telecommunications sectors, but Newell also served several national governments on issues of deregulation, privatization and financial sector crisis.

## Chris Nicholas

---

Executive Vice President and Chief Financial Officer of Walmart International. In this complex division of Walmart's operations, Chris leads the International Finance team and has additional commercial responsibilities including International supplier leverage and cost analytics.

Chris joined the company in 2018 as deputy CFO for Walmart International where he partnered with the business to lead key strategic and financial initiatives.

He has more than 17 years of experience in retail and spent the last decade serving in leadership roles with Tesco, The Salling Group; and most recently the Coles Group, where he held a combined position of Finance Director and Merchandise Director, and played a key role in leading the Coles business through unprecedented change within the Australian Supermarket industry.

He graduated from the University of Manchester Institute of Science and Technology with a Bachelor of Science (Hons) in Management Science and is a Chartered accountant (ACMA).

## Eric Pérez-Grovas

---

Co-founder and managing partner of Jaguar Ventures, an investment fund created by Mexican e-commerce entrepreneurs dedicated to investing in Internet-based business models.

He graduated with honors in Industrial Engineering, specializing in Finance at the Technological Institute of Monterrey. He also holds a master's degree in Business Administration and Public Administration from Stanford University. In that university, Eric was elected co-president of the Association of Latin American Students of the School of Business and vice-president of the Association of Mexican Students in Stanford.

Prior to the founding of Jaguar, Eric acquired experience in electronic commerce starting in 1999, when he opened and directed Mercado Libre Mexico. Since then he has served as executive director, investor and adviser in various Internet companies. Currently part of the advice of sites such as Aventones.com, Gaudena.com, Viajamex.com, Yaxi.mx, Conekta.io or Yogome.com. He also provides support to entrepreneurs as a mentor to Endeavor Mexico. Eric Pérez-Grovas worked in the Strategic Consulting department of the companies McKinsey & Co. and Bain & Co. In these firms he collaborated in various strategic planning projects for companies in Mexico, the US and South America. In addition to his consulting experience.

## Blanca Treviño

---

Blanca Treviño is Co-Founder, President and CEO of Softtek, a global company dedicated to helping organizations evolve through digital technology. Under her leadership, Softtek has become the top IT services company in and from Latin America, having earned recognition from Gartner and Forrester Research as the only non-Indian provider to pose serious competition for the U.S. market. Throughout her 30-year career at Softtek, Blanca has gained international recognition as a promoter of the IT services industry in and from emerging countries—and most prominently from Mexico, with the rise of the Nearshore model.

She has spoken at conferences for the World Economic Forum, World Bank, Inter-American Development Bank, Kellogg School of Management, Harvard Business School and Fortune. In 2019, WITI inducted Blanca into the Women in Technology Hall of Fame, and in 2018 she received the “Education Leadership Award” from Educando (formerly, Worldfund), for her contributions and influence towards improving education in Mexico.

Blanca serves as the Vice President of the Mexican Business Council, is a member of the MIT School of Engineering Advisory Council, and board member of Walmart Mexico, the Americas Society and Council of the Americas, the Iberoamerican Council for Productivity and Competitiveness, Grupo Lala, The Mexican Stock Exchange, as well as universities, including her alma mater, Tecnológico de Monterrey (ITESM).

# Audit and Corporate Practices Committees

<b>Chairman:</b>	Adolfo Cerezo
<b>Members:</b>	Ernesto Cervera
	Roberto Newell
	Eric Pérez-Grovas
	Blanca Treviño

These committees have four statutory members, all of them independent

Members as December 31, 2019  
GRI 405-1



## Primary responsibilities:

GRI 102-20, 102-22, 102-36

- Selecting the independent auditor for the Company and establishing fees.
- Ensuring the existence of a 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 the financial statements and ensuring they are a true and accurate reflection of the financial situation for the Company. They also have a set procedure for receiving, retaining, and responding to claims concerning accounting practices and controls, and any audit issues. Moreover, said committees have the necessary resources for, and are authorized to retain the services of counsel and/or any other outside adviser needed to perform their duties.

- Reducing the risk of conducting operations such that could affect Company worth or could result in the granting of 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, 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 Shareholders to meetings and ensuring that the order of business includes all points deemed necessary.

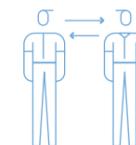
## Primary requirements and practices:



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

# Walmart de México Foundation Board

GRI 102-20, 102-22



## Trustees, at December 31, 2019 GRI 405-1

<b>Trustees:</b>	Eduardo de la Garza
	Roberto Delgado Gallart*
	Jorge Familiar Haro*
	Julie Gehrki
	Guilherme Loureiro
	Kathleen McLaughlin
	Alberto Sepúlveda
	Marinela Servitje *
	José Luis Torres*
<b>Alternate:</b>	Mariano Fiscella
	Adriana Velázquez



\* Independent directors