



# REPORT OF THE AUDIT AND CORPORATE GOVERNANCE 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.

### DEAR DIRECTORS:

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of 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 December 31st, 2023.

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

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings during 2023, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

#### I. Audit matters:

- a) The status of the internal control system and were informed in detail of the programs and development of internal and external audits.
- b) The main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company’s Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the necessary requirements for intellectual and economic independence of action, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2023, no services other than the external audit of Financial Statements were retained by this firm.
- d) The Company’s quarterly and annual Financial Statements and recommended, at the appropriate time, their approval by the Board of Directors for its publication.



- e) The accounting policies approved and applied during the fiscal year ended on December 31st 2023.
- f) The follow-up to all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) The follow-up to agreements made by the Shareholders in the General Meeting and by the board of directors of the Company.
- h) The legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) The progress regarding cybersecurity matters.
- j) The progress of the Enterprise Risk Management (ERM) established by the Company.
- k) Lastly, on Ethics and Compliance matters and the measures adopted by the Company to reinforce those aspects.

## II. Corporate Governance affairs:

- a) Performance evaluation processes for relevant officers.
- b) The transactions with related parties, during the reporting period, that may have occurred during the annual period ending December 31st, 2023, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) Emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.

- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2023 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent 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 submits to the General Annual Shareholders Meeting, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2023.

**Sincerely,**

**Ernesto Cervera**

**Presidente /Chair  
Audit and Corporate Governance Committees.**

Mexico City, February 14<sup>th</sup>, 2024.