

March 19, 2021

Mr. Héctor Hernández-Pons Torres  
Chairman of the Board of Directors  
Grupo Herdez, S.A.B. de C.V.  
215 Monte Pelvoux, 5th Floor  
México, D.F. 11000

Dear Mr. Hernández-Pons:

I am herein submitting to your attention the Annual Report on the activities of the Board of Directors' Corporate Practices Committee corresponding to 2020 fiscal year, referred to in Article 43, Section I of the Securities Market Law.

In developing our work, we have observed the regulations contained in the Securities Market Law, the General Rules Applicable to Securities Issuers and Other Participants of the Securities Market, the Mexican Stock Exchange Internal Rules, the Principles and Best Practices on Corporate Governance Code's recommendations, the Committee Rules and the Annual Program with the issues to be considered.

During the reporting period, the Committee punctually held the called meetings; and agenda based on the issues to be discussed and the respective minutes were prepared for each meeting. The meetings were attended by the designated directors and invitees.

A report was submitted to the Board of Directors with the issues discussed in every meeting of the Committee.

The relevant issues discussed, which in turn were recommended for approval to the Board of Directors, were as follows:

1. We have learned the policies for designation and for integral compensation of the Chief Executive Officer and other relevant executives.
2. We have learned about the mechanism to measure and disclose the observations on the performance of the relevant executives. During the year, the performance of the relevant executives was considered to be adequate, having been determined based on the approved policies.
3. We have learned about the integral remuneration package of the Chief Executive Officer and other relevant executives.

4. We have analyzed the external auditor Report on operations with related persons, as part of the agreed procedures referred to in the applicable standard. In this report, it was concluded that: i) no situations were observed indicating that transactions performed with persons or related parties were other than the business line; ii) transactions have been found to be duly recorded in the accounting records; iii) results are consistent with those obtained by independent third parties in comparable transactions under similar circumstances.

Such transactions have included export and material sales, sales and administrative services, maquila, royalties, freight services, materials acquisition, fees, fuels, storage, real estate and transportation equipment leasing, finished products sale, strategic and personnel services, absent investor returns and other, amounting to a total of 7,927 million pesos.

5. There were no exemptions granted to allow a director, a relevant executive, or an individual with decision-making power to take advantage of his/her own benefit, or in favor of a third party from business opportunities corresponding to the society or to the legal entities under its control, or over which they have significant influence.

The franchises of the subsidiary Nutrisa granted to related persons are in agreement with policies approved by the Board of Directors

6. Management of derivative financial instruments, which is mainly focused on certain raw materials coverage, is being carried out in accordance with the policies that have been approved and established by the Board of Directors.

Sincerely,



Roberto Daniel Díaz

**Chairman of the Corporate Practices Committee**