

February 18, 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
Lomas de Chapultepec
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' Audit Committee for the 2020 fiscal year, in accordance with the provisions of the Article 43, Section II of the Securities Market Law.

In the development of our work we have taken into consideration the regulations contained in the Securities Market Law, the General Provisions 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 provisions of the Audit Committee Rules, as well as the Annual Program issues to be considered.

During the reporting period, the Committee punctually held the scheduled meetings, and the Agenda with the issues to be discussed and the respective Minutes were in turn 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 and which in turn were favorably recommended for the approval of the Board of Directors, as appropriate, were as follows:

1. Reported Financial Statements as of December 31, 2019, with consolidated figures and their respective Notes were duly analyzed.

Considering its relative significance the information of the subsidiary Herdez Del Fuerte, S.A. de C.V. which includes the operation of Megamex Foods, LLC, and its subsidiaries in the United States of America was also analyzed.

In accordance with the regulations of the National Banking and Securities Commission, the financial information has been prepared and submitted under the International Financial Reporting Standards, and the audit was carried out in compliance with the International Auditing Standards.

2. We have analyzed the Report on the Internal Control Assessment performed by the society's external auditor, during the normal course of the revision for the 2019 fiscal year audit.

The Report indicates that certain audit procedures have been applied to the internal controls regarding determined areas for the identification of controls, control design and implementation, operative efficacy testing and the conclusion regarding the audit purpose. It is mentioned that coming out from its work, no differences were identified that would have made it necessary to substantially modify the originally planned audit approach. We have learned about improvement areas and follow up has been given to their implementation.

3. We have learned about the 2020 Quarterly Financial Statements, and we have issued our recommendation for its submission to the Mexican Stock Exchange.
4. We have analyzed and approved the Work Plan of the Internal Audit area for the 2020 fiscal year. Due follow up has been done to its development, and we have learned about its findings and the implementation of its recommendations.
5. The new International Financial Reporting Standards used during the 2020 fiscal year, as well as those already in force, were consistently applied with no significant effect.

A detailed analysis was carried out in which the advantages of having a single firm of external auditors for all the companies of the Group were observed.

In this way, it was agreed to recommend to the Board of Directors the appointment of EY Mancera, who already carried out the external audit of the two most important components, as external auditors for all the companies of the Group for the financial year 2020.

6. Additional services to those of auditing provided by the society's external audit firm during 2020, were related to transfer prices, local contributions, tax-financial advisory and social security report, for an amount of 4.1 million pesos.
7. Provisions of the so-called Auditors Unique Circular have been analyzed, and we have learned about the Schedule prepared by the Company's Administration for its compliance in 2020 by each and every party involved.
8. We have learned and assessed the activities of the Risks Committee, including the mechanisms for the identification, analysis, management and control of the strategic risks to which the society is subject to, as well as the established criteria for their appropriate disclosure.

9. In every meeting we have been informed about the complaints received due to lack of observance of the Ethics Code, the way in which they have been addressed and the protection given to the informants.

We have learned about and follow up has been given to the outstanding tax and legal matters, as well as to the adequate implementation of the Securities Market regulatory authorities provisions, and the Shareholders' and the Board of Directors' resolutions.

10. Tomamos conocimiento y dimos seguimiento a los asuntos fiscales y jurídicos pendientes, así como la implementación adecuada de las disposiciones de las autoridades reguladoras del mercado de valores y los acuerdos de la Asamblea de Accionistas y del Consejo de Administración.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roberto Danel Díaz', with a horizontal line underneath the name.

Roberto Danel Díaz

Chairman of the Audit Committee