

## **AUDIT AND CORPORATE PRACTICES COMMITTEE**

The New Mexican Securities Law contemplates the existence of an Audit and Corporate Practices Committee to assist the Board of Directors in the performance of its duties.

The Board of Directors of the Company appointed an Audit and Corporate Practices Committee composed of four independent directors:

- √ José Luis Salas Cacho, as President;
- √ Luis Martínez Argüello
- √ Ignacio Rodríguez Rocha
- √ José Luis Ávalos del Moral (Financial Expert)

### **The main Audit responsibilities include, among others:**

- ❖ Overseeing the accounting and financial reporting processes of the Company; discussing the financial statements of the Company with all parties responsible for preparing and reviewing such statements, and advising the Board of Directors on their approval thereof;
- ❖ Overseeing compliance with legal and regulatory requirements and overseeing audits of the financial statements of the Company;
- ❖ Evaluating the performance of the Company's external auditor and its independent status;
- ❖ Advising the Board of Directors on the compliance of the Company's or any of its subsidiaries' internal controls, policies and in-house auditing, and identifying any deficiencies in accordance with the bylaws of the Company and applicable regulations;
- ❖ Providing sufficient opportunity for a private meeting between members of our internal and external auditors and the Audit Committee, who may also request additional information from employees and legal counsel;
- ❖ Providing support to the Board of Directors in supervising and reviewing the Company's corporate accounting and disclosure policies and discussing guidelines and policies to govern the process of risk assessment with management;
- ❖ Advising the Board of Directors on any audit-related issues in accordance with the bylaws of the Company and applicable regulations;
- ❖ Assisting the Board of Directors in the selection of the external auditor (subject to approval by vote of the shareholders);
- ❖ Reviewing the financial statements and the external auditor's report. The Committee may request that the external auditor be present when reviewing such reports in addition to the Committee's mandatory meeting with the external auditor at least once a year;
- ❖ Preparing the Board of Director's opinion on the Chairman's annual report and submitting it at the Shareholders Meeting for its approval; and

- ❖ Overseeing compliance by the Company's chief executive officer duly honors the agreements resolved in a Shareholders Meeting or a in a Board of Directors meeting.

**The main Corporate Practices responsibilities include, among others:**

- ❖ Requesting an opinion from independent experts as the Committee might see fit, in accordance with applicable regulations;
- ❖ Calling Shareholders Meetings and reviewing the agenda;
- ❖ Supporting the Board of Directors in preparing its reports in accordance with the bylaws of the Company and applicable regulations;
- ❖ Suggesting procedures for hiring the Company's chief executive officer, chief financial officer and senior executive officers;
- ❖ Reviewing human resources policies, including senior executive officers' performance evaluation policies, promotions and structural changes to the Company;
- ❖ Assisting the Board of Directors in evaluating senior executive officers' performance;
- ❖ Evaluating executive officer's compensation. The Company is not required under Mexican law to obtain shareholder approval for equity compensation plans, it is the Board of Directors who is required to approve the Company's policies on such compensation plans;
- ❖ Reviewing related party transactions; and
- ❖ Performing any activity set forth in the Mexican Securities Law.

## **BIOGRAPHIES**

### **José Luis Salas Cacho**

Mr. Salas was born on May 31, 1954. Throughout his professional career he has founded several real estate, telecom and energy companies. Additionally Mr. Salas has a political background, having served as the general coordinator of the presidential campaigns of Manuel J. Clouthier in 1988, and Diego Fernández de Cevallos in 1994 and as the strategic coordinator of Vicente Fox's presidential campaign in 2000. Additionally, he is Chairman of Grupo Servicón, Corporación Saca and Corporación Sama. Mr. Salas holds a master's degree in Business Administration from the Instituto Panamericano de Alta Dirección de Empresas ("IPADE").

### **Luis Martínez Argüello**

Mr. Martínez was born on January 1, 1941. Since February 2003, Mr. Martínez has been the CEO of Servicio Global de Asesoría y Cabildeo, S.C. and of San Lucas Trading Co., S.A. de C.V. From 1972 to January 2003, Mr. Martínez worked in the Mexican cement industry. In 1972 he worked at Cemex, S.A. de C.V. as Corporate Director of Strategic Planning, leaving in 1982 to work at Cementos Apasco, S.A. de C.V. as the Commercial and International Corporate Director until 1990, when he returned to Cemex, to serve as Corporate Director of Special Projects. He holds a degree in Business Administration from the Universidad Iberoamericana and a postgraduate degree in Administration from Harvard University.

### **Ignacio Rodríguez Rocha**

Mr. Rodríguez was born on July 13, 1936. He has been an attorney in private practice since 1960. He is a member of the Board of Automotriz México, S.A. de C.V and Diesel de Toluca, S.A. de C.V. Mr. Rodríguez is currently a partner of Rodriguez Rocha, S.C.

### **José Luis Ávalos del Moral**

Mr. Ávalos del Moral was born on September 4, 1943. In 2003 he began his own firm offering consulting services in connection with corporate governance, finance, strategic planning and human resources. Early in his career, Mr. Avalos was Senior Auditor at PricewaterhouseCoopers and then held several high-level managerial positions in the Finance and Planning divisions at IBM, both in Mexico City and New York. He previously worked at Banco Nacional de Mexico where he held the position of Comptroller, among others. He is a member of the Board as well as President of the Auditing Committee of Hispano, S.A. Graphic Arts. In 1967 he graduated with honors as a Public Accountant from the Universidad Nacional Autónoma de México (“UNAM”). Mr. Ávalos also holds a master degree in Business Administration from Pace University of New York.