

Mexichem, S.A.B. de C.V.

**Report of the Chairman of the Corporate Practices Committee to the Board of Directors of
Mexichem, S.A.B. and Subsidiaries**

April 2016-February 2017

Pursuant to article 43, Section I of the Securities Market Act, I hereby present the report on activities in my capacity as Chairman of the Corporate Practices Committee of Mexichem, S.A.B. de C.V.

This report has been presented to the Corporate Practices Committee of the Society, and has been validated in content, scope and conclusions to be submitted to the consideration and validation of the Board of Directors and the Annual General Meeting of Shareholders of Mexichem, S.A.B. de C.V. to be held in April, 2017 as pursuant to Article 28, Section IV, paragraph a) of the Securities Market Act.

The Annual and the Extraordinary General Shareholders' Meeting of the Society of April 28, 2016 under advice from the Board of Directors ratified the undersigned as Chairman of the Corporate Practices Committee.

During the year being reported, the Committee met during the course of the year on the following dates: (i) April 25, 2016; (ii) July 25, 2016; (iv) October 25, 2016; (v) February 21, 2017. It should be duly noted that in the first two meetings, this social entity met in its capacity of Audit and Corporate Practices Committee, and since its meeting in October, 2016 it sessions exclusively as Corporate Practices Committee.

All meetings have been attended by the Chairman of the Board of the society.

The resolutions adopted by the Committee, have been opportunely reported and submitted to consideration of the Board of Directors in the respective report presented to the latter superior social entity at its corresponding meetings. The activities and resolutions passed were documented in the respective minutes with the previous approval of the committee. A file has been compiled from the minutes and documentation of every session.

I. Transactions with related parties

At every one of the Committee sessions, we reviewed the report by Senior Management regarding the Society's balance of active and passive accounts with related parties in the period under consideration. We analyzed the characteristics and circumstances of the significant operations and recommended to the administration the measures that the committee deemed to be most adequate under the prevailing circumstances, and requested the elimination of inter-company account balances whenever possible.

II. Stock performance / Repurchase fund

We periodically followed the performance of the company's stock at the Mexican Stock Exchange, as well as the analysis of the prevailing circumstances and the intervention of the Repurchase Fund of the Society.

III. Compensation for Executive Officers

The Committee reviewed the comprehensive compensation package of the Chief Executive Officer and other relevant members of senior management.

IV. Related parties

During the reported period, the Corporate Practices Committee did not receive or had knowledge of any request by any related parties for waiver of business benefits corresponding to the Society and/or to its subsidiaries.

V. Self-regulatory policies

During the period considered, the Committee did not receive any proposals for updating the self-regulatory policies of the society.

VI. Others

The Internal Rules of the Corporate Practices Committee were approved; they define its integration, operating rules, functions and attributions.

VII. Conclusions

During the period reported, the Corporate Practices Committee did not receive from Shareholders, Board Members, relevant directors, employees and in general from third parties, any observations regarding themes of its competence, different than those of the Administration during the preparation or revision of the respective documentation; nor were there any complaints about incidents considered irregular by Senior Management.

In view of the aforementioned, it can be concluded that during the period reported, the Corporate Practices Committee complied with the duties assigned to it by Article 42, Section I of the Securities Market Act.

Mexico City, February 20, 2017

Respectfully,

Eugenio Santiago Clariond Reyes Retana
Chairman of the Corporate Practices Committee
Mexichem, S.A.B. de C.V.