

1. Purpose

Establish the general guidelines for sale and foreign trade products and brands with external clients (third parties) in specific markets.

2. Scope

This policy applies to associates from all Grupo Bimbo Business Units, affiliates and subsidiaries (all referred to Business Unit – “BU”-) involved in export, import and product trade process of Grupo Bimbo.

3. Definitions

Negotiated agreement: Agreed and signed document physically or electronically, by mutual agreement between the foreign trade team representatives of the BU and the external client, containing, among other things, sold products description, price, quantity, minimum purchase, conditions of sales, logistics conditions, compliance time, validity, cancelation conditions, etc.

External client: Dealers or third parties that are not part of Grupo Bimbo and purchase products of BU Sellers for the Distribution and sell or direct sell to final consumers.

Foreign trade: Foreign trade activities (e.g. sale of goods and services) between members of two countries. It is done using currencies and it is subject to additional regulations established by the participants in the Exchange and the governments of their origin countries. Involves recruitment, attention and development of the clients.

Distribution contract: Voluntary agreement, agreed with those external clients that are dealers for sale and Distribution for products, which must be supplied and endorsed by the Legal area of the selling Business Unit (See annex II).

Incoterms: Standard foreign trade terms established by the International Chamber of Commerce (ICC). Are part of the negotiation with the external client and must be include in the negotiated agreement and in the distribution contract (See annex I).

Trade plan: Established plan by mutual agreement with the external client and with the approval of the area of Marketing, for the trade of products with external clients in specific markets. Guide all the elements that are part of the value chain for the product placement on the market and depending on this, the manufacturing and export business plan of the BU seller is established.

Payment term: Time given to the external client for the payment of the products purchased.

Retail price: It is the price, referenced by Marketing area of the BU seller, which is expected to sell the product to the public in a market or determined geography.

Investment budget: Authorized amount to invest in an external client or market intended for promotion of the brands and products, in return for a benefit or business condition granted for the external client.

Transfer or transit time: Time it takes to ship the product, since it is delivered to the agreed transport, until it is delivered and received by the external client.

4. Responsibilities

Business Unit, Functional and area VP's: Responsible to distribute and comply with the established in the policy.

BU Trade VP's: Review and authorized annually the trade conditions of each external client (e.g., discounts, payment terms, investment budget, etc.). Review and adjust the structures of the foreign trade teams according to the sales plans and the market penetration that are established, considering the attention requirements with the external client.

Global Sales Department (Corporate foreign trade team): Establish and promote the policies, criteria and required references to boost foreign trade. Coordinate the required activities to boost the sale and benefit the brands of Grupo Bimbo to international level, generate synergies, replication of good practices and collaboration between areas and BU. Keep up to date a global consolidated of the Grupo Bimbo third parties' exports.

Local foreign trade executives and teams (seller BU): Manage the relationship with the external clients. Negotiate and follow the negotiated agreements and distribution contracts to comply with the sales objective, rentability, collaboration and service. Comply with the investment budget. Promote brands, products, reputation and current business of Grupo Bimbo protection. Notify to the Global Sales Department the products and export markets that are being promoting with the external clients.

Global Marketing Department: Collaborate with new products area for the definition of global formulas and international or multinational packaging / labeling for marketed products at global level. Advise the international, local and Corporate trade teams, for proper promotion of the image of the brands and products of Grupo Bimbo (packaging, brand use and category expansion) and in events or international activities. Have visibility on the use of brands globally, in packaging and designs.

Marketing areas of BU seller: Develop the commercial and marketing export plan with external clients. Notify the Global Marketing Department the products and exporting markets that are being promoted with the external clients.

Seller BU Operational areas (production): Produce the products to be purchased by the external clients at the lowest possible cost, under the established specifications and in accordance with the transit times, under the current ordering scheme in the BU, as well as comply with the certifications and export standards required.

Seller BU cost areas: Develop and communicate to the foreign trade teams the costs and analysis that determine the price of the products according to the current legal rules and the negotiated considerations with the external clients. Review the fixed prices and communicate to the foreign trade teams the necessity to modify the prices for the external clients when it is necessary. Establish, together with the foreign trade teams, a price scheme update with the external clients, as needed.

Pricing areas BU seller: Fix the market prices (public sale) of the sold products, considering the competitive, public price scale, the possible future production of the product in the destination geography and other variables of the brand and product, typical of the Marketing strategy. Communicate these prices to the foreign trade teams and to marketing to validate the implications with the external clients.

Logistic areas (Supply) BU seller: Supply the products on the agreed upon time, according to the negotiated agreement. Communicate to the foreign trade teams the advances and compliance of the service and supply levels. Coordinate with the Sales and Marketing areas of the BU seller and with the procurement area of the external client the placement of the orders to avoid over-inventories and/or missing in the supply chain.

Procurement areas of BU seller: Search with input providers for possible purchase tiers, to offer options of sales volumes to be competitive and expand the sales options for external clients.

New products area of BU seller: Review the products formulations to comply with the regulations and practices of the countries of the external clients. Review and determine the labeling implications and, in case, communicate them to the Marketing area to modify the packaging when its necessary.

Legal areas of each BU seller: Review the negotiated agreements and/or Distribution contracts and other documents that apply, according to the strategic and tactical necessities of the foreign trade, with external clients. Offer the best alternatives, from the legal perspective, for the exportation to selected geographies.

Global Normative Compliance Management: Communicate the international, local and Corporate teams, the foreign trade restrictions and implications for the alignment of the trade agreements, customer service and markets penetration. Previously at the end of the negotiations with the external clients, validate the background and reliability of these (*background check*). In case of determining a high risk due to the relationship with the external client, inform the correspondent internal trade team, about the non-provenance of business with this.

5. General Guidelines

In order to take advantage of existing brands, products and capacities, where Grupo Bimbo doesn't have plants, its own sales team and comply with the sales, profitability, growth and efficiency principles, as well as the promotion and care of the brands and reputation of Grupo Bimbo, it is policy that, in operations of foreign trade between BU Sellers and external clients, the following guidelines are fulfilled:

General

- In case the market price of a product is define, this must be agreed with the external client and must include it in the negotiated agreement and in the distribution contract.
- If necessary, as it happens to the products of global brands and "crown jewels", the sales price for public must be part of the negotiated agreement with the external clients, so that it is preserved the price tier established by Marketing.
- The sale prices to the external clients must guarantee the profitability according to the sales prices for public determined by Marketing.
- The modifications of the price depend on the change in inflation of the country of the BU seller.
- Exclusivities cannot be granted to external client, unless the consideration obtained justifies it. In any case, any exclusivity granted must limit the time and geography that the BU seller consider.
- The authorized signatures, for the agreed upon negotiated agreements or Distribution contracts, will be those of the legal representatives of the external client and the BU seller, the latter can name additionally the own sales representatives with ability to sign agreements.
- In its case, the external clients must pay the correspondent royalties established by Grupo Bimbo for the use of their brands, so they must be considered in the sale price established in the negotiated agreement or in the Distribution contract, as applicable.
- The trade plan negotiated agreement and Distribution contact are the guiding documents for the Exchange of products and business monitoring with the external clients.
- The realization of the market supervisions must be included in the negotiated agreement or in the correspondent distribution contract.
- The Sales, Marketing and Operations area of the BU seller, must do the required planning for the attention and saturation of the destined market in the agreed geography with the external client.

Collaboration between foreign trade teams (Corporate and Business Unit)

- Corporate and local foreign trade teams must work together to achieve the established goals on the trade plan.

- Such collaboration must be led by the Corporate team, or if it is the case, by the local team, to ensure the achievement of the local and global results, in order to prevent the individual uncoordinated action of the teams.
- The negotiations of sales and service with external clients can be done by the international Corporate trade team, as long as, they have the agreement and approval from the local foreign trade teams.

BU seller

The BU Sellers must:

- Define and implement the necessary team structure to manage, work, attend and develop the existing and planned client portfolio.
- Know the structure and procedure of the external clients to give a better attention, with the purpose of strength the relationship between them and develop the business between both parts.
- Keep record, guard and have signed the negotiated agreements, distribution contract, management procedures and other documents implicated in the trade relation with the external clients.
- Improve the business with the external clients through the joint analysis of the following items:
 - Sales Budget compliance.
 - Negotiated agreement and distribution contract compliance.
 - Sold products portfolio.
 - Returns of the product in the destination market.
 - Key performance indicators (e.g. sales, inventories, orders, orders compliance, market supply, market presence, competence, etc.).
 - Knowledge of the products situation of the brands of Grupo Bimbo in the sales point.
 - Obtained profitability of the trade relationship with the client.
 - Discount trade conditions and payment terms granted to client, in case there are.
 - Credit payment situation granted to the client.
- Ensure the external clients comply with:
 - All agreed upon obligations in the negotiated agreement concluded with the BU seller, including those related with the validity and the payment of the agreed consideration.
 - Each and every obligation under the contract concluded with the BU seller, in case the external clients are dealers.
 - The required relationship protocol of the administration of the negotiated agreement, distribution contract and, in general, trade relationship.

Market

The BU Sellers must do market reviews, separately or together with external clients, to value the execution, development and compliance of the negotiated agreements and distribution contracts, these reviews must conclude with a plan to attend the identified opportunity areas.

Payment terms

- The agreed upon payment terms, in the negotiated agreement or in the distribution contract, according to the case, must consider the transfer and receival reception time of the external client for the start of these terms.
- The first 5 sale transactions with an external client must be paid prior to shipping the commodity to prevent risks of no-pay.
- After the fifth purchase, and a request of the external client, the General Management of the BU seller can authorize a payment term.
- The credit requirements must be included in the negotiated agreement or in the distribution contract of the external client, according to the case, and must be approved by the Administration and Finance areas of the BU seller.

- In the event of a default, the BU seller must limit or cancel subsequent sales and investments with the external client and must manage with this, the immediate payment.

Export customer service process

Exporting products must comply with the following basic phases:

- Preparatory
- Background validation and detection and attention of necessities.
- Negotiation and agreement closing
- Management and delivery monitoring
- Continuity and client development

Consult the **PGB-SL-02 Global Large Modern Channel Customers Policy.**

Demand and supply planning

- The sales and operations planning process (S&OP) must govern the creation of supply plans and comply with the guidelines established on the **FGB-OP-05 Global Policy for Sales and Operations Planning.**
- The leader of the process S&OP of the BU seller must collaborate with the counterpart of the external client to establish the required demand plans.

6. Responsibility / Ownership

The Global Sales Department is the assigned owner of this policy and is primarily responsible for its contents, updating, monitoring of its compliance and submission for approval before the Global Internal Control and Risk Management Department, the Steering Committee, and CEO.

7. Appendices



Appendix I



Appendix II

8. Updates

The changes implemented in updated versions are described below:

Revision / History of the revision				
Version	Revision Date	Updated by	Approved by	Main Changes
1				