

1. Purpose

Establish the general guidelines for the granting of conditions and permanent commercial discounts to clients.

2. Scope

This policy applies to all associates of the Sales, Revenue Growth Management, Marketing and Finance Departments and areas of all Grupo Bimbo Business Units, as well as those responsible for granting permanent commercial discounts to clients, through annual contracts.

3. Definitions

Additional permanent exhibitions: Discount agreed with the client, for secondary exhibitions, outside the regular space assigned to our products in the store.

Category management: Discounts or contributions granted to customers for their contribution in the performance of SKU's or category management projects. Includes exchange of information (data) and development of studies for these purposes.

Growth bonuses: Discount that is granted to the client when reaching a defined level of growth, either relative, which can be a percentage of total sales or market share; or absolute, which can be in unit volume or dollar sales.

Last mile profit pool: It is the profit expressed as a variable marginal contribution that both, Grupo Bimbo and the retail client (retailer), obtain from their business relationship; it represents a source or arguments to negotiate the best terms with clients and for the internal annual review.

Logistical efficiencies in sales: Discount granted to the client for savings in secondary distribution, through the cross-dock system, where the client has to perform this function.

New product launching discount: Discounts or contributions that the client requests for the entry of new products. Includes additional space or shelf space allocated to the new product

No returns: Discounts granted to the client for not handling returns.

Openings and remodeling: Contributions, through cash payments or via discounts, granted to the client for the opening or remodeling of new points of sale or distribution centers.

Permanent commercial conditions: It is a fixed discount, in percentage terms, granted to the customer and applicable to a SKU or a category, with the understanding that any purchase of such SKU or category will include this discount, which makes it permanent and unconditional.

Shelf space: Discounts or charges requested by the customer in exchange for a specific number of product facing on the shelf, for several days of inventory in store or share of space and / or position on the standard shelf for display in store.

4. Responsibilities

Account manager: Ensure operational compliance with the guidelines hereby established and propose, to the VP or Sales Manager of their Business Unit, the alignment of Grupo Bimbo's objectives with those of the clients. Formalize the commercial conditions and the annual plan with clients. Ensure the benefits that Grupo Bimbo will receive in exchange for the commercial condition granted (counterparts) and the

fulfillment of the annual plan.

VP and Sales Director of a Business Unit: Approve the strategy for commercial conditions and annual plans with the clients. Align the Business Unit's objectives with the commercial conditions and annual plans per client. Establish the roadmap for implementing the commercial conditions and the annual plan. Sign contracts with the clients. Monitor the performance and compliance of the agreements and, where appropriate, authorize the corresponding payments.

President of the Business Unit: Establish the permanent commercial discounts strategy at a high level. Participate with clients in the definition of the Joint Business Plan (JBP). Ensure that all areas comply with the provisions established in this policy.

VP or Director of Finance and Management of the Business Unit: Monitor business conditions per client. Validate that the payments to customers, regarding commercial conditions or permanent discounts, are in accordance with the Business Unit's commercial discount strategy.

VP or Director of Marketing: Align the strategy of commercial conditions or permanent discounts to the brand and/or category strategies. Voice their opinion when consulted in the process of building the JBP per client.

VP or Director of Revenue Growth Management: Assess that the commercial conditions, last mile profit pool and annual contracts per client, the commercial conditions opportunity (long list), the risks and calibration, and business opportunities are aligned with the Business Unit objectives. Monitor the performance of key indicators (sales, variable contribution margin, management profit, market share) of products, categories and brands, at different discount levels. Store and keep up to date the contracts database. Coordinate annually and in a holistic way, with the Sales, Marketing and Finance areas, the strategy for commercial conditions or permanent discounts per client.

5. General guidelines

The following guidelines must be met in order to grant clients permanent commercial discounts:

Permanent commercial conditions

- The trade terms contracts must be revised:
 - Annually, internally and with the clients.
 - Taking into account the guidelines established in **GGB-011 Global Antitrust Policy**.
- Before establishing a permanent commercial scheme, those responsible must:
 - Run a last-mile profit pool position analysis per client.
 - Settle on an agreement that does not exceed a term of a year.
 - If the client does not have visibility of the commercial condition, perform the last-mile profit pool position analysis at each price change to seek to improve Grupo Bimbo's position.
 - Have written agreements that establish the benefits that Grupo Bimbo will receive in exchange for the commercial condition granted (counterparts).
 - Have the authorizations of the Vice President, Director, or the highest ranking official in the Sales, Finance, Marketing and Revenue Growth Management areas of the Business Unit.

Additional permanent exhibitions

The following guidelines must be met in order to grant clients this kind of discounts:

- Ratify the payments in an annual agreement, signed by the customer, in which the stores, where the additional displays will be placed, and their location are indicated.
- Prior to signing the agreements, have an evaluation of the return on investment (ROI) or strategic justification, validated by the Revenue Growth Management area.

- Evaluate agreement compliance, during the JBP and annual plan presentation period with the client.
- The increase in the cost of rent should not exceed 0.5 inflation of the basket of goods reported by the central bank of each country, unless there is an analysis of the justification for it performed by the Revenue Growth Management area and validated by the Sales area.
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales and Revenue Growth Management areas of the Business Unit.

Shelf space

The following is needed for these types of agreements:

- Have an annual contract and a positive business case validated by the Revenue Growth Management and Sales areas of the Business Unit.
- Follow up internally and with the client to the agreed key performance indicators (KPIs).
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales and Revenue Growth Management areas of the Business Unit.

Openings and remodeling

The following is needed for these types of discounts:

- Have the details of the portfolio and the target position of our products and brands at the new points of sale.
- Have an annual agreement signed by the client.
- Have a positive business case validated by the Revenue Growth Management and Sales areas, along with the last-mile profit pool position analysis.
- Make payments once the entry of the product portfolio to the point of sale and compliance with the contract agreements have been verified.
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales and Revenue Growth Management areas of the Business Unit.

Category management

These types of agreements must:

- Be renewed annually and contractually if they report economic benefits.
- Align to the last-mile profit pool target position of the country-business unit.
- Have the authorization of the Vice President, Director or highest ranking official in the Sales and Revenue Growth Management areas of the Business Unit.

New product launching

These types of agreements must:

- Be renewed annually and contractually if they report economic benefits and compliance with agreements.
- Have an execution report with the scope within the client's sales points.
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales, Revenue Growth Management and Marketing areas of the Business Unit.

Growth bonuses

These types of agreements must:

- Have a signed agreement, valid for no longer than a year.
- Have a positive business case validated by the Business Unit's Revenue Growth Management, Sales and Finance areas and with a last-mile profit pool position analysis.
- Have the authorization for the payments, of the Vice President, Director or the highest ranking official in the Finance, Sales and Revenue Growth Management areas of the Business Unit.

Logistical efficiencies in sales

These types of agreements must:

- Be revised and agreed on, annually or in shorter terms if necessary, by the Sales, Logistics, Finance and Revenue Growth Management areas.
- Have a business case showing an economic benefit for Grupo Bimbo, validated by the Sales, Revenue Growth Management and Finance areas.
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales, Finance and Revenue Growth Management areas of the Business Unit.

NO returns

These types of permanent discounts should:

- Never exceed the authorized amount of returns in the Business Unit.
- Be renegotiated with clients during annual planning periods or sooner if needed.
- Be based on an agreement signed annually.
- Have the authorization of the Vice President, Director or the highest ranking official in the Sales and Revenue Growth Management areas of the Business Unit.

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 Internal Control and Risk Management Department, the Steering Committee and CEO.

7. Updates

The changes implemented in between versions are described below:

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