



1. Purpose

Establish corporate management's role in relationship to business units and the latter's relationship to the former, ensuring operations based on a group's correlated model, as well as establishing the interaction model between the business units and corporate functional areas to guarantee the application of the Grupo Bimbo Model, the exchange of best practices, complementarity and synergies.

2. Scope

The current policy applies to all Grupo Bimbo business units and its associates.

3. Definitions

Centralized Services: Functions and/or processes centralized within corporate management that capture the advantages of our scale and benefit Grupo Bimbo's productivity, **avoiding duplication and overlaps.**

4. Responsibilities

Business units and Corporate Functional Areas: Maintain, promote and improve collaborative work, as well as share objectives to ensure Grupo Bimbo's full expansion.

Chief Executive Management: Define which services will be handled centrally from corporate management.

Business units Executive VPs: Communicate corporate management's functions and lead the relationship between the coordinating business units and corporate functional managements.

Executive VPs: Resolve the controversies that could arise from applying this policy.

Associates: Comply with the current policy through their role and responsibilities associated with their specific work responsibilities to maintain, promote and improve collaborative work within a network between corporate management and business units.

5. Roles of corporate management

The roles performed by the Grupo Bimbo corporate management are as follows:

- **Safeguard: Corporate management is the integrator of the Grupo Bimbo strategy and responsible for its governability.** Therefore, its function is to protect, promote and communicate its identity and culture, and maintain the Group's global vision. The functions are focused on respecting the philosophy, as well as the code of ethics, policies, plans and standards. It must carry out independent and periodic revisions of the complete operation, called functional reviews, to ensure the execution of the model as well as its compliance with local laws.
- **Corporate functions, assistance and support of the business units:** Corporate management acts to accelerate competitive benefits. Its role is to strengthen the business units' skills; define the necessary guidelines and norms in order for these to comply with the Group's strategy and vision; increase the value of its brands and its reputation; create synergies; establish criteria, indicators and consolidate the relevant global information; coordinate the Functional Boards; to advise, develop processes and support problem-solving. To achieve this goal, it develops four main roles:
 - **Advise and support the business units:** Provides specialized advice; supports solving complex service requirements; responds to the needs of the business units; executes some services for the latter. Knows and disseminates the best internal and external practices.

- **Regulator:** Establishes the necessary norms to ensure that the business units comply with the defined processes, methodologies and procedures. Issues the pertinent recommendations aligned with the objectives established in the strategic plan to adapt and watch out for its comprehensive fulfillment.
- **Strategic guidance:** Permanently revises operative processes in order to innovate, optimize or standardize. Identifies opportunities for continued improvement as well as transformation programs. Coordinates the transformational objectives through monitoring and control. Monitors the performance indicators and is globally responsible for the Talent Development Program through functional management, which includes professional training.
- **Strategic control:** Systematically supervises the operative processes for innovation and optimization, to evaluate the performance and fulfillment of the work process. Through these functional reviews, supports defining action plans to correct deviations. Verifies the legal compliance of business units in the areas in which they operate.
- **Centralized services:** Corporate management takes on this responsibility as an operator, to centrally absorb operations defined by the Chief Executive; amongst these, it is responsible for the following:
 - Audit the Operation.
 - Finances, liquid assets and relationship with investors; relationships with governments; fiscal strategy; legal strategy; preventing business risks; acquisitions that strengthen entering new markets, technologies and categories.
 - Relationship with global clients; business analysis services; operating shared services; innovation and development, as well as investment in new businesses.
 - Supply and acquire machinery and equipment; strategic negotiation and supply; planning, designing, building and installing industrial technological innovations, plants, buildings, sales and distribution centers, new production lines; supervising and managing real estate.
 - Purchase and negotiate commodities, raw materials, packaging, indirect materials and global and regional services.
 - Identify, evaluate and apply new information technologies and define technological infrastructure; operate shared services.
 - Manage internal communication tools; manage donations; establish compensation and benefits policies; authorize and control the basic picture; coordinate the international training and mobility programs; the functioning of the GB University.

6. The Role of the Business Units

The roles performed by the business units are:

- **Operator:** Business units are responsible for managing the business, building leading brands, deeply understanding the consumer, making categories grow, generating high quality products and guaranteeing their availability at any time and place, serving their clients, executing at point of sales with excellence, maintaining and improving low expenses structure, counting on trained, developed and committed people; taking care of the environment and generating results through optimizing the resources assigned to them. Therefore, they are responsible for generating profits and for the sustainability of the company.

The business units also have a "corporate" role within their regions or countries and must comply with the advice, support and strategic control roles in their regional surroundings.

- **Ambassador:** The business units are responsible for deploying the corporate strategy and the operational and leadership Grupo Bimbo Model; protecting, promoting and communicating its identity, culture and global vision. Their role is focused on respecting the philosophy, as well as complying with the code of ethics, policies, plans and standards, and applying the Grupo Bimbo's philosophy as a whole.



Global Policy on the Role of Corporate Management and Business Units

Global Corporate Management Department

FGB-CM-01

7. Matrix structure among the business units and corporate management

A matrix structure is established between business units and corporate management's functional areas.

Each business unit's functional head will have an immediate leader, or a hierarchical leader and a corporate functional leader:

- Business unit hierarchical leader: is the owner of the position's integral performance and the person to whom explanations of all work activities will be given, as well as reporting on management issues (vacations, loans, etc.).
- Functional leader: is the person to whom explanations are given regarding compliance with the area's norms and sharing the progress on strategies, projects and indicators regarding the function.

The functional leader may request that specific goals be included for the evaluation of a business unit associate's performance in complying with projects aligned with Grupo Bimbo's global strategy.

8. Responsibility / Ownership

The Global Corporate Management 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 Assessment Department, the Steering Committee and CEO.

9. Updates

The changes implemented in between versions are described below:

Revision / Revision Log				
Version	Revision Date	Updated by:	Approved by:	Main Changes
2	August, 2016	Corporate Management		Adjustment to the format of the new Policy Manual model. Update of the Nomenclature of Strategic Initiative to Transformational Objectives.