

1. Purpose

To establish guidelines and general rules for cash flow management.

2. Scope

This policy is applicable to all Management and Finance areas of all Business Units and subsidiaries of Grupo Bimbo.

3. Definitions

Liquidity risk: The risk of an entity not having sufficient funds to meet its financial obligations in a timely manner.

Cash flow: Tactical tool used to manage the cash position in the short term; it is a daily control of cash inflows and outflows.

Fund flow: Strategic tool used to manage liquidity in a directional manner in the medium and long term; it allows to determine the capacity of the company to generate cash, starting from certain items of the Balance Sheet and the Income Statement.

4. Responsibilities

Global Treasury Department, through the Cash Flow Management area:

- To understand the nature and level of liquidity risk of each subsidiary.
- To establish guidelines and general rules for cash flow management, and to develop the necessary tools to comply with said management.
- To ensure that those responsible for managing the financial resources in each Business Unit comply with the established guidelines.
- To monitor liquidity levels in each subsidiary monthly.

Management and Finance areas, through the treasury heads of each entity:

- To monitor internal and external events that may affect the liquidity of the relevant entity.
- To keep the Global Treasury Department informed about the liquidity position monthly.
- To monitor and report the ways in which working capital affects cash flow and its impact on profitability.

Units and Business areas: Contributing to cash flow projections to ensure that all liquidity risk sources are identified.

5. General guidelines

In order to institutionalize cash flow – in a standardized manner – as a fundamental management tool, develop forecasting and budgeting discipline capabilities to efficiently manage cash, influence operational and corporate management decisions, and maximize the interaction between the functional and business units, the following guidelines are established:

Cash flow

The heads of treasury of each entity must:

- Have a solid understanding of business operations and be aware of cyclical or seasonal factors that may cause fluctuations in working capital needs.
- Prepare a cash flow with daily visibility to manage and monitor the short-term cash position, which shall include consolidated views by date and by currency.

- Always include a projection of at least twelve months in the cash flow and keep said projection available for the Global Management and Finance, Treasury, and Financial Planning Departments.
- Consider realistic assumptions, based on the factors of the business itself, when preparing cash flow projections and be aligned with the fund flow information that appears in the Financial Information package defined by the Global Financial Planning Department.
- Evaluate, monthly, the validity and precision of the projection or, when there are drastic changes in the operation, compare the current results with the original projections.
- If resources are required, abide by the section on Financing, leases, other sources of liquidity and guarantees, or, in case surpluses are predicted, invest them according to the section on Investments and cash surpluses, both sections contained in the **FGB-TR-01 Global Treasury Policy**.
- Understand that the fund flow is a strategic tool, whereas the cash flow is a tactical tool; and that, thus, both tools must be used to ensure sufficient resources at the right time and place in the required currency.

In the Treasury compendium, a manual is included on how to prepare a historical and projected cash flow.

6. Responsibility / Ownership

The Global Risk Management and Renewable Energy 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. Updates

The changes made between versions are described.

Revision / History of the revision				
Version	Date of review:	Updated by:	Approved by:	Main changes
1				