

## 1. Purpose

Establish general guidelines to ensure associates' salaries and benefits meet the local market average.

## 2. Scope

This policy applies to the leaders of salaried associates working in any of Grupo Bimbo's companies, except those located in the United States of America and Canada. Those countries where macroeconomic conditions or labor laws require granting increases more frequently or outside of what is established in this policy should present the case to the Evaluation and Results Committee to define specific plans.

## 3. Definitions

**Administrative level positions:** Those whose associates perform assistance and support functions in the different areas of the company.

**Director level position:** These are the so-called "Directors", to whom other directors, managers or executives report.

**Manager level positions:** These are the so-called "Managers" or "Executives", to whom supervisors report.

**Position in range:** Compensation measurement used to determine in which part of the salary grade the associate's salary is located. It has a width of 30% for all levels. Some position in range examples:

1. Position in range equal to 70: The associate's salary is located at the minimum limit of the salary grade.
2. Position in range equal to 85: The associate's salary is located at the middle part of the salary grade.
3. Position in range equal to 100: The associate's salary is located at the maximum limit of the salary grade.

**Salaried Associates:** who are not subject to a collectively bargained agreement with administrative level and above

**Supervisory level positions:** Those who are leaders of associates at an administrative level, or hourly associates or professionals without exercising headship.

**VP level positions and Steering Committee positions:** Those the CEO of Grupo Bimbo defines in attention to the responsibilities of the particular position and the performance and seniority of the occupant.

## 4. Responsibilities

**CEO and Executive Vice President of Grupo Bimbo:** Authorize any movement in the grade system, either in the value table or in the location of posts; authorize the grade and level of each VP and Director level position, as well as the number of positions at these levels and authorize the conditions, frequency, and amount for salary increases.

**President:** Authorize the grade, level of each position, and the number of positions at the **manager**, supervisory and administrative levels, as well as submit this structure to the CEO of Grupo Bimbo for approval every six months.

**People Area:** Provide each President with information on the positions it is responsible for administering, with the minimum and maximum salary amounts for each grade, whenever the CEO of Grupo Bimbo and

the Executive Vice President or President authorize their modification, as well as to communicate the conditions, frequency and amount for salary increases.

**Global Compensation Area:** Update the compensation system, based on the parameters issued by the CEO of Grupo Bimbo, authorize any increase motivated by reasons other than a change of position, level, grade or those specified in this policy, as well as hire suppliers that specialized in the information necessary to confirm this policy is fulfilled.

**VP Functional and President:** Review once a year the correct application of this policy in the Business Units and Functional Areas under their charge, as well as to provide the executives who report to them with the necessary information for each manager to monitor and manage their associates' salaries in accordance with the categories and guidelines set forth herein.

## 5. General Guidelines

### Compensation system

Non-operational associates of Grupo Bimbo are grouped by hierarchical level, according to their authority and responsibility, as follows:

| Level   | ID. |
|---|-----|
| CEO   | 14  |
| Executive Vice President  | 13  |
| President BBU   | 12  |
| President, BM and President BL  | 11  |
| Global Finance or People or Transformation Chief Officers               | 10  |
| Steering Committee and Presidents of BC, LAC, LAS, BB, BQ Organizations | 9   |
| Functional VP and VP for BUK, BI, EG, BCN and RM                        | 8   |
| Functional VP and General Managers                                      | 7   |
| Director  | 6   |
| Managers  | 5   |
| Supervisory   | 4   |
| Administrative  | 2   |

- The hierarchy level determines the conditions of the benefits, according to the market and the local legislation.
- Since salaried associates have an employment contract with the company, associates occupy a specific position with a grade that defines the following:
  - The minimum and maximum salary for the specific position;
  - **The position in range**
- To determine the grade of each position, Global Compensation Area reviews the area's vertical congruence, the horizontal congruence with other areas, and the market average of the specific position.

### General aspects

- Every associate's salary must be at least in the minimum of their **grade**, except for the entrance salaries, of associates hired for a specific period of time (in case this modality of hiring exists), which are 5% less than this minimum. When the associate signs a permanent contract, their salary must be at the minimum level of the grade.
- Administrative or supervisory level positions with similar functions or requirements are placed in the same grade, regardless of the size or complexity of the Business Unit where they are located. In several of the positions where the generic function is similar, the name is simplified (e.g. administrative "A" or "B") without mentioning the specific function or area to which they are dedicated.

According to the salary market, the geographic distribution of operations and cost of living in some countries, a differentiation by zone is applied on the economic values of salary grades.

- Directors or VP level positions with the same name may have different **grades**, since the position is influenced by the size or complexity of the Business Unit, region or functional area, as applicable. **At these levels, the grouping of the grades by zones depends on the region; if, due to cost of living factors, the Grupo Bimbo CEO authorizes a cost of living adjustment, this will not be added to the grade, but will be paid as a salary supplement.**

## Salary Increase

To change any associate's salary, the following guidelines must be complied:

- Salary increases have two components:
  - General increase to the grades. Global Compensation Area defines it in accordance with the macroeconomic conditions and the increases granted in each country. In all cases, it is necessary to carefully ensure wages are always higher than or equal to the country's legal minimum wage.
  - Performance Evaluation. In accordance with **FGB-HR-06 Global Policy on Performance Evaluation**, this evaluation has the following three aspects:
    - Individual Contribution: Individual results, measured in terms of contribution to the Business Plan, with 5 rating ranges that are independent of those used for the potential rating, namely:
      1. Unsatisfactory
      2. Needs improvement
      3. Meets expectations
      4. Exceeds expectations
      5. Outstanding

The distribution must comply with the percentages set out in **FGB-HR-06 Global Policy on Performance Evaluation**.
    - Behaviors: Measured according to the observable behaviors aligned with Grupo Bimbo's Beliefs and whose rating is a number between 1 and 5, using the following scale:
      1. Unsatisfactory
      2. Needs improvement
      3. Meets expectations
      4. Exceeds expectations
      5. Role Model
    - Functional Domain: Made up of technical expertise (knowledge and skills required to perform the job), level of experience and maturity in its function or role within the company, and technical authority. It is not measured by a numerical evaluation but should be considered at the time of the evaluation.
- Associates with an individual contribution evaluation:
  - 1 and 2 will not receive an increase by general or performance increase, even if they comply with their improvement plan and remain with the company.
  - 3 or 4, in addition to the general increase, the manager, with authorization from their line manager and in agreement with the People Area, may use the range gradually, up to 2.5 additional points per year.
  - 5 will obtain the maximum increase authorized for their Business Unit.
- The number of people defined in each annual business plan contribution rating resulting from the performance calibration with which the bonus was paid must be exactly the same for the application of these increases.
- Each associate's new salary shall not exceed the maximum salary of the grade of the position, except for associates qualified in Outstanding, whose salary increases shall not be capped by salary structures.

- Associates with no permanent contracts and those that from January, of the year in which the increase will be granted, have been hired or promoted must receive the General Increase.
- If the behavior rating is 1 or 2, the associate will not receive an increase in the year to which such evaluation corresponds (does not apply to Colombia nor Brazil according to the labor law and by collective agreement).
- The average of the increases applied to all associates must not exceed the average authorized for the Business Unit (to determine the country average, positions reporting to Corporate Management, international assignments and provisional transfers are excluded).

## Promotions

- The change of grade or position of an associate of administrative, supervisory or manager level, will have to be authorized by the VP of the area, and in previous agreement with the People Area, based on the authorized structure of the Organization.
- The change of grade or position of an associate of Director level will have to be authorized by the Functional Area (Corporate and Organization) and the President and People Head. This process should be coordinated by Global Talent Management.
- Director level promotions at VP level must be authorized by the CEO of Grupo Bimbo.
- If an associate is promoted for training, they must continue with their previous range until they take over the responsibilities of the new position.
- When the associate has taken on the full responsibilities of the position, their salary must be within the grade of the new position, and their benefits will correspond to those of the level of the position they assume.
- In the event that the promotion represents a salary increase of more than 30%:
  - The manager shall prepare a quarterly increases plan of 30%, as many as are necessary to bring the associate to the minimum salary of the grade, no later than one year after taking on the new responsibility.
  - If the final increase is greater than 30%, it must be authorized by the President, if it corresponds to a promotion of a non-operational associate; by the General Manager or the Functional VP, if it corresponds from an operational to administrative or supervisory level.
  - In no case shall the final increase exceed the minimum salary of the new grade.
  - For VP level positions, the People Chief Officer and the Global Compensation VP must be involved in the decision.
- In cases where it is considered that successive increases do not ensure the associate will remain in Grupo Bimbo or their income will be substantially lower than that of their peers in the new position, the President may authorize the application of the total increase required to bring the promoted associate's new salary to the minimum salary in the new grade.

## Changes in salary due to change of position or Business Unit

- Associates should only be proposed as candidates in exchange for a factory or Business Unit in another city when the grade of the position is higher, at least two grades higher than that of the post held.
- Changes in the residence of supervisory or administrative levels should be applied when the difference in grades is greater than or equal to two categories.
- As an exception, if an associate is required to change their place of residence and the grade of the position in destination does not allow for an increase, the associate will receive a bonus of 2 (two) months' salary for the change of residence, in addition to the household allowance and the payment of the relocation.
- In a change of position, factory or Business Unit, the associate's salary must be at least the minimum of the new grade once they assume the responsibilities of the new position.
- When the change of position implies a grade increase within the same level, the associate may receive a salary increase to a maximum of twice the last average annual percentage increase

authorized for the country where the position is located, without being higher than 20%, unless the salary falls below the minimum of the grade for the new position; furthermore, the position in range in the new position cannot be neither higher than the position in range of the previous position nor higher than 95.

- When the change of position implies an increase of responsibilities but not a grade change, the associate must receive a salary increase of maximum the last average annual percentage increase authorized for the country where the position is located, without being higher than 10% and without her/his new position in range being higher than 95.

### **Associates whose salary exceeds the maximum of their grade**

In cases where a person's salary exceeds the maximum of the authorized grade for the position they hold, salary increases shall be subject to the following rules:

- If the associate occupies a position that is lower than that which they came to occupy as a result of a change in the structures or because of the needs of the company, and their evaluation is:
  - 5, will obtain the maximum increase authorized for their Business Unit.
  - 3 or 4, their manager may grant them an increase between 0.5 and the general increase (this point does not apply to Colombia nor Brazil since by collective agreement it is not possible to have an increase lower than the agreed one).

These associates must be considered as priority candidates for promotion.

- If due to poor performance, the associate occupies a lower position than the one they once had and this new position was offered to them as an opportunity to continue in Grupo Bimbo, they will not receive a salary increase until their salary is within the limits of the corresponding category (this does not apply to Colombia nor Brazil by collective agreement).
- Associates whose salary exceeds the maximum in their category will only receive the general increase if their performance is in line with expectations.
- Associates with outstanding performance will receive the maximum increase, regardless of their salary position in range.

## **6. Responsibility / Ownership**

The Global Compensation Department is the assigned owner of this policy and main responsible for its content, update, monitoring of its compliance, and the submission for approval to the Global 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                                  | December 2018 | Global Internal Control Department | Trinidad Carrandi | Format update authorized by GICD |

|   |                |                                |                  |   |
|---|----------------|--------------------------------|------------------|---|
| 2 | April, 2020    | Trinidad Carrandi              | VP Committee     | <ul style="list-style-type: none"> <li>• Change of name. Syndicated for non-operational.</li> <li>• Salaries must always be greater than or equal to the legal minimum wage of the country.</li> <li>• The increases average excludes positions that report to the corporation and international assignments.</li> <li>• People Area is included as an approver of some points of the policy.</li> <li>• Approvals for changes in operational and VP positions.</li> <li>• Changes in the residence of supervisory levels will be applied only when the difference in categories is greater than or equal to two categories.</li> <li>• Exceptions were included for Colombia and Brazil by collective agreement.</li> </ul> <p>Points on increases for associates who exceed the maximum of their category and for associates with outstanding performance</p> |
| 3 | September 2023 | Pamela Magdalena Rocha Jimenez | Gerardo Gordillo | <ul style="list-style-type: none"> <li>• “Position in range” definition was added.</li> <li>• The CEO and Executive Vice President of Grupo Bimbo responsibility of category definition and position level for Directors.</li> <li>• The President responsibility for definition of number of positions for manager.</li> <li>• China and India were added in the specification of economic values of the categories of the administrative and supervisor levels where are grouped by zones, considering the salary market and life cost.</li> <li>• For Executive and VP level, its group of categories by zones depending of the country.</li> <li>• The specifications about the first and second Executive level were added in the “Promotions” section</li> <li>• The specifications about increasing categories or responsibilities in the</li> </ul>     |



Global Compensation Policy for  
**Salaried Associates**  
Global Compensation Department

FGB-CS-03

“Changes in salary due to change of  
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