

1. Purpose

Establish the guidelines to recognize and measure the cash management and marketable securities in Grupo Bimbo.

2. Scope

This policy applies to the associates responsible for the management and accounting record of cash and securities of the Global Treasury, Finance & Cash Flow Management, and Controllership Departments, and to the responsible of the Finance & Administration areas in each Grupo Bimbo subsidiary.

3. Definitions

Cash: It refers mainly to bank deposits and petty cash balances.

Fair Value: It refers to the price that would be received for selling an asset or that would be paid for transferring a liability, in an agreed transaction, between market participants, on a specific date.

Marketable securities: Are those investments realized in short-term instruments, with an expired date up to three months from its acquisition date and exposed to low-risk changes.

4. Responsibilities

Global Treasury Department: Approve the financial institutions for investments in securities. Regulate the management of cash holdings in subsidiaries, considering the market, credit, liquidity, consolidation, and counterparty risks, among others. Monitor and support the Finance & Administration areas of each subsidiary in the management of investments and cash surpluses. Establish the guidelines for cash flow management and monitor the liquidity levels of each subsidiary on a monthly basis.

Global Controllership Department: Define the accounting accounts for the recording of cash and marketable securities, either generally or specifically, for all subsidiaries.

Responsible for the management and recording of cash and marketable securities: To comply with each of the guidelines established in this policy.

5. General guidelines

The responsible for the management and accounting records of cash and marketable securities of each subsidiary of Grupo Bimbo should consider the following:

General

- Petty cash must be used only for buying or reimbursing for minor and occasional expenses. The value and concept of these should be established by the Controller or the Finance & Administration Manager.
- Investments in marketable securities should be made in instruments of government debt with daily expiration, or in some others authorized by the Global Treasury Department.
- Cash surplus must be daily deposited on financial institutions located in the country of the subsidiary.
- All bank accounts will require at least 2 authorized signatures.

Recognition and measurement

- Cash must be recognized at notional value and marketable securities at fair value.
- Accounting balance at the month-end should never be opposite of the nature of the account.

- Bank reconciliations must be performed to control transactions pending to account, collect or pay.
- Accounts in foreign currency should be exchanged into local currency using an official exchange rate of the closing period.
- Any value fluctuations, due to official exchange rates, will be recognized on profit & loss.
- Returns on marketable securities, as well as commissions charged by banking institutions, should be recognized in the income statement as they accrue.

Presentation

Cash and marketable securities are part of Short-Term Asset in the Balance Sheet.

Disclosure

The financial statements must disclose the amounts of the cash categories and marketable securities such as petty cash and banks, cash local and foreign currency, as well as a relation of marketable securities contracted with its main features.

References

- International Accounting Standards - N° 1. Presentation of financial statements.
- International Financial Reporting Standards - N°13. Fair value measurement.

6. Responsibility / Ownership

The Global Controllershship Department is the assigned owner of this policy and is primarily responsible for its content, updating and monitoring compliance, as well as submitting it for approval to the Global Internal Control and Risk Management Department, the Steering Committee and the General Management.

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				