

## 1. Purpose

Establish the general guidelines for the recording of intercompany transactions and their disclosure in the notes to the financial statements, in accordance with the International Financial Reporting Standards (IFRS).

## 2. Scope

This policy applies to associates responsible for the accounting treatment of intercompany operations, as well as to those responsible for the financial statement information of all subsidiaries of Grupo Bimbo.

## 3. Definitions

**Holding company:** Entity that controls one or more entities, called subsidiaries.

**Intercompany receivables:** Those accounts where documented transactions on credit are recorded for the sale of products and / or services performed by the holding company with the subsidiaries or the latter with each other.

**Intercompany payables:** Those accounts where documented transactions on credit are recorded for the purchase of products and / or services that the holding company and subsidiaries carry out among themselves or between subsidiaries.

**Documentation:** The necessary information to support the intercompany transaction. In case of exports, it includes the request, invoice and / or any other necessary documentation in accordance with the rules of Foreign Trade. In case of domestic operations, it includes the invoice and / or request.

**Intercompanies:** Two or more entities that belong to the same economic group.

**Manufacturer:** In the sale of manufactured inventories transactions, it is the one who primarily assumes functions, assets and risks for the manufacture of the finished product, which is sold to another subsidiary responsible for carrying out, separately, the activities and functions, among others, distribution, marketing and / or exploitation of brand use in the market, assuming significant risks and assets.

## 4. Responsibilities

**Global Controllershship Department:** Owner who authorizes and maintains this policy.

**Local Controllers:** Owner responsible for: 1) comply with each of the guidelines established in this policy, 2) ensure the timely recording and validation of the purchase / sale transactions, 3) the sending and receiving of the invoices that support the intercompany transactions, as well as establishing a process to reconcile the operations balances to the subsidiary with which it operates.

**Global Services Manager (when applicable):** Responsible to follow the accounting policy for intercompany transactions, prepare the reconciliation and, in coordination with those responsible for accounts receivable, accounts payable, and Controllers, resolve reconciling items.

## 5. General guidelines

In order to comply with the accounting standards that regulate the accounting recognition and disclosure in the financial statements of intercompany receivables and payables, it is the policy of Grupo Bimbo to comply with the following guidelines:

## Recognition and measurement

Those responsible for the accounting treatment of intercompany transactions must register accounts receivable and accounts payable to subsidiaries in accordance with the following:

### On platforms other than Ocloud

- Registration will have to be done directly in GL.
- The selling party must obtain from the buyer, before billing any intercompany transaction not covered by a contract, the purchase order, for the goods or services that it sells, with all the acceptance requirements (price, unit and description of the good or service) covered by persons authorized to perform such transactions.
- At the time of formalizing the sale and / or service conditions, in accordance with IFRS15, that is when the goods or services committed to the subsidiaries, are transferred for an amount that reflects the consideration to which the company expects to be entitled in exchange of such goods or services.
- In all cases, at the time the selling company issues its invoice, regardless of the transfer scheme of the goods or services.
- At its nominal value (total invoice amount).
- Without exception, using the intercompany segment of the company with which the operation is carried out.
- They must adhere to what is established in the procedure **PGB-04-Procedure for Transactions and Balance Reconciliations with Intercompanies**, located in the Controllershship Department Global Handbooks.

### On the Ocloud platform.

In both companies they must:

- Execute all operations, whether of services or products, with invoice, in *Ocloud's* Intercompany operations module or in the inventory control module, as the case may be. (the system does not allow issuing invoices or registering these operations in the AR / AP modules).
- Cancel the provisions, in GL during the first 5 calendar days of the following month of the one they were created.
- Consult, in case of doubt, the details of the design and operation of the Inter-company operations module or *Ocloud* inventories, the procedure, business rules and flow diagrams located in the Controllershship Department Global Handbooks.

### Under any of the two platforms mentioned above

- Consider that, for all service transactions, current account interests, leases, corporate fees, royalties and any other services not listed here, they must:
  - Perform the calculations no later than the 15th day of each month.
  - Send the invoices and documents, within two business days following the calculation, to the counterparties to be recorded.
  - Correspond invoices no later than the 22nd of each month, so there should be no reconciling items for this reason at the end of the month.
- Consider that, for the finished product, the manufacturers:
  - Will have the last day of the month as the deadline for recording their operations, as such, until that day they can send their invoices.
  - Must send, at the latest, on the 1<sup>st</sup> day of the following month of the closing period, all documentation for the buyer to record the inventory in transit, to eliminate the reconciling items.
- Ensure that goods in transit, are no older than 30 days, otherwise, they must proceed to their investigation and, when appropriate, to cancel or justify them.

### Settlement terms

The time in which accounts receivable and accounts payable will remain pending collection and payment, respectively, will depend on the term established in the **FGB-TX-01 Global Transfer Pricing Policy** for each of the subsidiaries of Grupo Bimbo.

### Interests

Although these operations are not expected to generate interest payments, but to be settled within the established terms, those accounts receivable from subsidiaries that are past due, a monthly default interest will be applied according to the provisions of the **FGB-TX-01 Global Transfer Pricing Policy**, which will have to be billed at the end of the month or at the time of collection, whichever comes first, and sent to the subsidiary in the periods previously referred to in this policy.

### Presentation and disclosure

- Short-term intercompany receivables will be presented in the Balance Sheet within current assets and long-term accounts within non-current assets.
- Short-term intercompany payables will be presented in the Balance Sheet within the short-term liabilities and the long-term accounts within the long-term liabilities

### 6. Responsibility / Ownership

The Controllership department is the owner of this policy and responsible for its content, update, and presentation for approval before Internal Control 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	Update by	Approved by:	Main Changes
1				
2	June 23rd, 2020	Vicente Alberto Roldán Delgado	Eutimio Quevedo Rivera	The guidelines for accounting recognition and measurement were integrated for Inter-Company operations, carried out between companies that operate with the Inter-Company operations module of Oracle Cloud or inventory control.