

## **Appendix II. Export sales distribution contract with third parties**

**Elements to consider in foreign trade with external clients when there is a distribution contract with a third party. The elements of the contract that are defined with the external customer, will be validated by the Legal Department and suitable for the destination country legal' s situation.**

### **Contracts Title:**

Food products non-exclusive distribution contract that "Grupo Bimbo" and "the distributor" who subscribe it in the signature section, whom will be called the "parties" or, individually and indefinitely, the "party", to the following:

### **Statements:**

- Distributor's capacity and will statement.
- Non-limited selling products by Grupo Bimbo statement.
- Grupo Bimbo's desire statement of distribution development through a distributor.
- Grupo Bimbo's brands and products property protection statement.
- Distributor's required capacity statement.

### **Clauses:**

- Have clause specification for:
  1. Object and territory.
    - a. An exclusivity clause from Grupo Bimbo to define distribution schemes.
    - b. Product delivery clause from Grupo Bimbo.
    - c. Required faculty clause from Grupo Bimbo to give recommendations to operations and distributors obligations for its compliance. Physical verification for complete satisfaction also required clause.
  2. Sale, receiving, orders and defective product handling.
    - a. No payment default by the distributor condition clause.
    - b. Have a suitable supply scheme clause for Grupo Bimbo, acknowledgment of receipt, granting of a bill of lading, use of negotiated Incoterm, responsibility for loss of products, handling and solution for defective product and product destruction.
    - c. Having a limited supply liability clause by Grupo Bimbo.
  3. Preservation of products with distributor.
    - a. Have an obligation clause by the distributor for conservation, rotation and maintenance of enough sale inventories.
  4. Orders, sale, delivery and products distribution.
    - a. Have a clause for making orders for the supply by Grupo Bimbo, assurance of sale of product inventories and hygienic and appropriate handling of the same.
  5. Additional obligations to the distributor.
    - a. Maintain clause with additional obligations of the distributor: not grant third parties distribution, demand of efforts to achieve sale, due care of territory, conservation and insurance of vehicles and warehouses, storage and proper handling of products, withdrawal of products from the market prior to the date of expiration, due operation permits, compliance with tax and applicable obligations, sharing billing and sale information to Grupo Bimbo, not distributing products from Grupo Bimbo competitors and compliance with applicable general regulations.
  6. Billings and price.
    - a. Have a billing and product liability clause.
    - b. Have a clause on sales prices to the distributor, discounts to the client and their allocation at the discretion of Grupo Bimbo, payments from the distributor to invoiced products,

delinquencies and applicable interests and exclusion of price affectation and discount conditions for acceptance of Grupo Bimbo payments overdue from the dealer.

7. Contract term.
  - a. Maintain the contract term clause, condition of renewal and exclusion of any claim for termination without affecting the settlement of outstanding balances.
8. Advertising.
  - a. Maintain advertising management clause, advertising materials, image and use of appropriate brands and conditions of their use, property of exclusive Grupo Bimbo brands and collaboration with Grupo Bimbo in the event of commercial incidents due to Grupo Bimbo brands.
9. Independence and autonomy of the parties.
  - a. Have an independence and autonomy clause between Grupo Bimbo and the distributor in the legal, labor and other responsibilities involved.
10. Additional legal obligations.
  - a. Have a confidentiality and information control clause to avoid misuse, dissemination to third parties and protection of the information property of Grupo Bimbo.
  - b. Have a personal data protection clause.
  - c. Have an obligation clause for a distributor of legal compliance and ethical conduct.
  - d. Have a distributor obligation clause to maintain conduct against corrupt and unlawful practices.
  - e. Have possibility clause for certifications required from the distributor.
  - f. Having a clause on appropriate forms of work and with dignified and respectful treatment of their own workers
11. Remission without cause.
  - a. Have a contract withdrawal clause if necessary, without prejudice to the parties with assurance of delivery of inventories and equipment.
12. Resolution for non-compliance.
  - a. Have a resolution clause for breach of contract in case of anticipated or immediate need.
13. Equipment loan.
  - a. Have an equipment loan clause if there is one with the distributor.
14. Previous agreements cancellation.
  - a. Having a nullity clause from previous agreements under the existence of the current contract.
15. Agreements modifications.
  - a. Have a condition clause for the modification of agreements to the present contract.
16. Powers of control over distributor.
  - a. Have a Grupo Bimbo right clause to request and obtain the necessary information for auditing purposes and market supervision to fulfill the contract.
17. Non-waivability of rights.
  - a. Having an inalienable clause of rights and / or provisions contained in the contract.
18. Eventual divisibility due to invalidation of contract provisions.
  - a. Have a clause of divisibility of rights and / or provisions contained in the contract.
19. Applicable jurisdiction laws.
  - a. Have clause of applicable jurisdiction and adjust to the case of locality or country where the distribution contract is agreed and signed.
20. Acceptance.
  - a. Required acceptance clause that must be signed by both parties for its applicability and requirement. It must be dated with the signature.