1. Purpose

To establish guidelines on the practices and commercial relations of Grupo Bimbo's associates, to ensure that the legal provisions regarding free competition in the markets in which we participate are strictly complied with.

2. Scope

This policy is applicable to all associates of the companies, affiliates and subsidiaries of Grupo Bimbo, in its different locations and functions.

3. Definitions

Absolute monopolistic practices (*): It refers to pricing, restriction of supply or demand, division of markets, coordination of positions and/or exchange of information that has the purpose or effect of any of the abovementioned actions.

Relative monopolistic practices (*): They refer to those arrangements by economic operators with substantial power in a relevant market whose object or effect is to displace other economic agents of the market in an unduly manner; substantially inhibit access to them, or establish exclusive advantages in favor of one or more persons, without the gains in efficiency derived from the practice, exceeding their anticompetitive effects.

(*) They are defined and exemplified with more detail in Attachment A of this policy.

Economic agents: It refers to other persons, partnerships, companies or public or private entities.

4. Responsibilities

The associates of Grupo Bimbo must comply with all the established in the present policy and look for guidance of the Global Legal Department, whenever they:

- Receive or have access to sensitive information from competitors;
- Are contacted by the competition authorities for any reason or procedure;
- Identify anticompetitive practices by other partners, suppliers or other agents in the market;
- Have doubts about the language used in Grupo Bimbo documents;
- Require training on any subject related to competition; and
- Whenever they have doubts about the legality of any behavior in general.

5. General guidelines

In Grupo Bimbo and all its subsidiaries (“Grupo Bimbo") we must compete in the market vigorously, independently, legitimately and legally in order to win customers and the preference of consumers, based on the quality and price of our products, pre-and post-sale services, our offer of value and the reputation of our brands, respecting at all times the practices of commerce for the benefit of consumers. Therefore, it is established that every associate:

- Must at all times take care of the language used in his conversations and negotiations, verbal or written, and in all documents, avoiding at all costs, the use of phrases that are exaggerated and, among others, the terms “control”, “domination”, “power”, “conquer”, “blocking”, “eliminate”, “displace”.
- Must always obtain market information, from independent sources, never from competitors; when using it, he should cite the source of such information and always put the caption "confidential" in documents with sensitive information.

- If, at any meetings of associations, chambers or in any other forum, commercially sensitive issues are mentioned as absolute or relative monopolistic practices, the associate should object to the conversation and, if this does not cease, he should leave the meeting making sure that his departure and the reasons for the same, are duly recorded in the corresponding minute.

a) Absolute monopolistic practices or collusion

A basic principle of competition is that "all economic agents involved in a given market must act independently from one another". In compliance with this principle:

- Grupo Bimbo must act independently from other companies or economic agents, whether or not competitors, and under no circumstances enter into agreements, pacts or treaties with competitors, whether verbal or written, that limit or affect the process of free competition and free concurrence.
- The exchange of information between competitors is prohibited, even if it does not result in a contract or document, as it may constitute an absolute monopolistic practice or collusion. Depending on the circumstances in which it is carried out, it is immediately considered illegal, i, e it is not subject to any analysis of its effects or reasons in order for it to be punishable by the authorities.

b) Relative monopolistic practices or anticompetitive practices

It is prohibited for Grupo Bimbo and its associates, in the categories in which it holds a market share around 40% or more, or in the case of markets where Bimbo does not have that participation by itself, but together with another competitor it does, to perform relative monopolistic practices. To comply with this principle, its associates must NOT:

- Carry out practices that may have the objective or effect of unduly displacing other economic agents with substantial power in a relevant market.
- Prevent substantially the access to the market or establish exclusive advantages in favor of one or more economic agents.
- Apply coercive measures as a bargaining tool or participate in concerted actions that have such effect, nor impose undue conditions on customers, suppliers and/or distributors.

c) Sanctions

If Grupo Bimbo has the presumption or evidence that the associate is in breach of this policy and/or any other legal provision and given the actual and potential repercussions to which such behavior may result, Grupo Bimbo will support the associate as long as the latter cooperates with the former to clarify the situation. Notwithstanding the foregoing, Grupo Bimbo may take such actions as may be deemed necessary, ranging from a warning and admonition to the termination of the employment relationship of those responsible, as well as initiating the legal actions deemed necessary, in accordance to the valid legislation.

6. Responsibility / Ownership

The Global Legal 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 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				

Attachment A

a) Absolute Monopolistic Practices, definition and examples:

	Absolute Monopolistic Practices	Definition	Example
1.	Price fixing	Collusion (illicit agreement) to increase, decrease or stabilize prices.	Competitors agree on the percentage increase in the price they will apply to their products.
2.	Restriction of supply or demand	Agreements to reduce levels of production or accumulation of inventories.	Competitors agree on the levels of the used capacity that they must observe in a determined period.
3.	Division of markets	Segmentation of markets either by customers, suppliers, time or spaces.	Competitors decide to be present each in only a certain region of the country in order not to compete with each other.
4.	Coordination of stands	Agreements on prices or products between applicants in tenders or competitions.	Competitors agree on the price levels that are going to tender a bid, or they agree to participate in only a few tenders due to the product, in order not to compete with each other.
5.	Exchange of information that has as purpose or effect any of the abovementioned behaviors.	The exchange of information is illegal if it is carried out with the purpose(s) or effect(s) listed as absolute monopolistic practices.	Exchanging costs, prices, business plans, business strategies or other sensitive information in association meetings where competitors are attending.

b) Relative Monopolistic Practices, definition and examples:

	Relative Monopolistic Practice	Definition	Example
1.	Vertical division of distribution markets	It is an agreement between two or more Economic Agents, located in different stages of a production chain, for the distribution of geographic markets, by customers and time period.	Designate exclusive distributors of certain products for a particular region of the country.
2.	Imposition of prices and sale conditions to distributors	Imposition of prices or other conditions that a distributor or supplier must observe when marketing or distributing goods or providing services.	The issuance of lists of "suggested prices" of products to the shopkeeper or point of sale if its compliance is monitored and their breach is sanctioned.
3.	Tied sales	Forcing a distributor or supplier to sell or buy a good or service, conditioning its sale, the purchase or sale of	Sell products from the cookie line to a distributor under the condition that they also purchase products from the snack line.

		another, on a basis of reciprocity.	
4.	Exclusivity	To subject the sale of a product to the condition of not using, acquiring, selling, marketing or providing the goods or services of a third party.	Sale of products to convenience stores subject to not selling competitive products on their shelves.
5.	Refusal of dealing	Decision not to sell, market or provide to certain persons, goods or services available and normally offered to third parties.	Refusing to supply products to a particular distributor without justifiable cause.
6.	Boycott	It is the agreement or invitation to economic agents with the purpose of pressure on a third party to dissuade him from a particular conduct, to retaliate or to force him to act in a certain way.	If the company pressured its distributors not to sell to certain retail outlets.
7.	Predatory price-cutting	Systematically sell goods or services below the average total price or occasionally sell below the variable average cost, in order to get other competitors out of the market. Once the competitor has been displaced, prices are increased to amortize losses.	Decision to lower the price of product X below its cost, to stay with the market and then raise the price to recover losses.
8.	Discounts for loyalty or conditional transactions	Grant discounts or incentives by producers or suppliers to buyers with the condition not to use, acquire, sell, market or provide goods or services produced, processed, distributed or marketed by a third party.	Discount program to distributors that are only valid if they do not sell products of the competition.
9.	Cross-subsidizing	Use profits obtained by a good or service to finance losses due to the sale, marketing or provision of another.	Promoting the sale of a product by artificially lowering the price by thinking of recovering that loss through the high price of a leading product.
10.	Discrimination	Establishing different prices or conditions of sale or purchase to different buyers or sellers on equal terms.	Sell two wholesale distributors at different prices without any justification for different treatment.

11.	Raising the costs of a competitor	Action that has the purpose or effect of increasing the costs of a rival, obstruct the productive process, or reduce the demand of competitors.	Whenever the sellers of a company destroy the displays or advertising of a competitor in a point of sales.
12.	Refusal of access to an essential input	To not allow an economic agent to gain access, or grant a discriminatory access, to an essential input within the production chain of another good.	A pharmacy having control of an active ingredient which the authority determines is an essential input for the manufacture of certain medicines, sells the active ingredient to other pharmacies at a price such that the margin between that price and the retail price of the pharmacy that holds the ingredient is very small.
13.	Narrowing of margins by essential input	The reduction of the margin between the price at which a company sells an essential input and the final price to the consumer of the product that is produced using that input.	It becomes relevant with vertically integrated companies.