

Privileged and Confidential Information

**REGULATIONS OF THE AUDIT
AND BEST CORPORATE
PRACTICES COMMITTEE**



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OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS
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REGULATIONS OF THE AUDIT AND BEST CORPORATE PRACTICES COMMITTEE

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1. Composition.

1.1. In order to perform its functions, the Board of Directors, shall have the help of the Committees that the Board of Directors itself constitutes.

1.2. The Audit and Best Corporate Practices Committee (the “Committee”) shall be composed by a minimum of 3 (three) Independent Members of the Committee appointed by the Board of Directors itself or by the Shareholders’ Meeting. The members of the Committee shall not have alternates.

1.3. The Chairman of the Committee shall be appointed by the Shareholders’ Meeting and shall not be the chairman of Board of Directors.

1.4. In cases where the minimum number of members of the Committee was to be absent, the Board of Directors shall appoint temporary members of the committee in order to comply with the minimum requirement mentioned in paragraph 1.2 herein. The ratification or appointment of a new member shall take place in a Shareholders’ Meeting which shall take place following the event wherein one of the members of the Committee was to be absent.

2. Function.

2.1. The Committee shall meet at least 4 (four) times a year, with the authority to hold extraordinary meetings as required by the circumstances.

2.2. The agenda for each meeting shall be drafted and provided by the Secretary of the Meeting to the members of the Committee at least 3 (three) business days prior to the date established for the meeting.

2.3. The attendance of the majority of the members of the Committee shall be required, and the attendance of other persons whose presence is deemed convenient may be requested.

2.4. The Committee shall adopt resolutions through a majority of votes of the members in attendance.

2.5. The Chairman of the Committee shall cast the deciding vote in the event of a tie.

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2.6. The resolutions adopted by unanimous vote of all the members of the Committee outside a Meeting of the Committee shall have the same validity as if the aforesaid had been adopted during a Meeting of the Committee, if and when the aforementioned resolutions are confirmed in writing.

2.7. The Chairman of the Committee shall preside over the Meetings and, in the absence of the Chairman, the Meetings shall be chaired by one of the members of the Committee, appointed by a majority of votes of the members in attendance.

2.8. The members of the Committee shall appoint the persona who shall act as Secretary of the Meetings. The minutes of each Meeting of the Committee shall be signed by the persons acting as Chairman and Secretary of each Meeting, as well as by the members of the Committee in attendance who wish to do so.

2.9. The members of the Committee shall invariably be constituted as a collegiate entity and the powers of said parties shall not be delegated to individuals such as Directors, Managers, Members of the Board, Delegates or Legal Representatives or other equivalent persons.

Likewise, the Committee shall be authorized to delegate the execution of concrete and individual acts on the part of individuals, in compliance with the decisions adopted by the Committee.

2.10 The Committee shall provide reports on its activities to the Board of Directors at least annually and at any time following the occurrence of matters or events that are transcendental for the Company and which, in the opinion thereof, warrant a Meeting.

2.11. All information received by the members of the Committee shall, at all times, be the property of the Company and the subsidiaries thereof and consequently, said information shall not, in any manner, be disclosed to third parties without prior compliance with the Company's policies on disclosure of information and the prior authorization of the Chairman of the Board.

2.12. The members of the Committee who may have a conflict of interest of any nature or an interest that is different to the interests of the Company shall abstain from all discussions and resolutions regarding said conflict of interest and shall state the aforesaid to the other members of the Committee.

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3. Opinions of the Committee for the Board of Directors.

3.1. Opinions. The Committee shall issue an opinion to the Board of Directors regarding matters that are within its purview, as established in the Stock Market Law (“LMV”) (LMV for its acronym in Spanish) including, in matters of **Auditing**:

3.1.1. Unusual and Relevant Transactions. The transactions executed, either simultaneously or successively, which due to their characteristics can be considered as a single transaction and which are intended to be carried out by the Company or its subsidiaries, in the course of a fiscal year, when the aforesaid are unusual or non-recurring, or, the amount represents, based on figures corresponding to the close of the immediately preceding quarter under any of the following scenarios:

- (a) The acquisition or disposal of assets with a value equal to or greater than 5% (five percent) of the consolidated assets of the Company.
- (b) The granting of guarantees or the assumption of liabilities for a total sum that is equal to or greater than 5% (five percent) of the consolidated assets of the Company.

Investments in debt securities or in banking instruments shall be exempt, provided the aforesaid are executed in adherence to the policies approved by the Board of Directors.

3.1.2. Internal Control and Internal Audit. The guidelines of the Company and its subsidiaries for matters of internal control and internal audit.

3.1.3. Accounting Policies. The accounting policies of the Company that are adjusted to the accounting principles that are recognized, or issued, by the National Banking and Securities Commission. As well as the relevant changes in the application of the aforesaid accounting policies and criteria.

3.1.4. Financial Information. The Company’s financial statements and other financial information.

3.1.5. Hiring of the External Auditor. The hiring of the legal entity that shall provide the services of external audit and, where appropriate, of services that are additional or complementary to those of external audit.

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With regard thereto, the Committee shall carefully consider that the external auditor is honorable, that said party meets the personal and professional requirements established in the general provisions of the National Banking and Securities Commission and that the aforementioned is a member of a legal entity that provides professional auditing services for financial statements and meets the requirements of quality control requirements established for said purposes by the National Banking and Securities Commission itself in the aforementioned provisions.

In addition, the external auditors, the legal entity of which they are partners and the partners or persons who are a part of the audit team, shall not incur in any of the assumptions regarding lack of independence established by the National Banking and Securities Commission.

- 3.1.6. *Advisory Body*. The Committee shall function as an advisory body for the Board of Directors in all matters related to the functions that correspond thereto. Likewise, the Committee shall coordinate related activities with the other Committees in the Company, in cases where the aforesaid is applicable.

In matters regarding the opinions that shall be issued by the Committee, in cases when the determinations of the Board of Directors are not in accordance with the opinions provided by the Committee, the Committee shall instruct the Chief Executive Officer to reveal such circumstance to the investing public.

With regard to the issue of the aforementioned opinions, the Committee shall listen to the relevant officers and, in the case of a difference of opinion with the latter, the Committee shall include said differences in the aforementioned opinions.

- 3.2. The Committee shall provide the Board of Directors with an opinion on the matters under its purview, as established in the LMV, including an opinion on the matter of ***Related Parties***:

- 3.2.1. *Transactions with Related Parties*. Each individual transaction, with related parties, that the Company intends to execute or with the legal entities that the Company controls.

The transactions that are mentioned below shall not require the approval of the Board of Directors, if and when the aforesaid are in adherence with the policies and guidelines that are approved by the Board of Directors:

- (a) Transactions that as a result of the amount thereof are irrelevant for the company or the legal entities that the Company controls.
- (b) The transactions between the Company and the legal entities that the Company controls or in which the Company bears a Significant Influence, or among any of the aforesaid, if and when: (a) they are of the ordinary or habitual course of the business; and (b) they are

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transactions that are regarded as having been executed at market prices or supported on valuations executed by specialist external agents.

- (c) Transactions that are carried out with employees, provided that they are carried out under the same conditions as with any other client or as a result of general employment benefits.

3.2.2. Pursuant to the LMV, the following are considered Related Parties of the Company:

- (a) Persons who Control or have a Significant Influence in a legal entity that is part of a Business Group or Consortium that the Company belongs to, as well as the members of the Board or administrators and the Relevant Senior Officers of the entities that are members of the aforementioned Business Group or Consortium.
- (b) Persons with Executive Authority in a legal entity that is part of a Business Group or Consortium to which they belong.
- (c) The spouse, concubine, non-spouse and persons who are related by consanguinity or adoption up to the fourth degree or within the third degree of affinity, with individuals who are within any of the assumptions stated in the paragraphs above, as well as partners of and joint owners with the individuals mentioned in the aforementioned paragraphs with whom they maintain a business relationship.
- (d) The individuals that are members of a Business Group or Consortium that the Company belongs to.
- (e) Legal entities over which some of the persons mentioned in paragraphs (a) and (c) herein have Control or Significant Influence.

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Definitions:

Consortium: the set of legal entities persons linked by one or more individuals who, composing a Group of Persons, have control over the former.

Control: the capacity of one person or Group of Persons for the execution of any of the following acts:

- (a) Impose, directly or indirectly, decisions in the general meetings of shareholders', partners or equivalent entities, or the appointment or removal of most of the members of the board, senior officers or the equivalent thereof in a legal entity.
- (b) Maintain ownership of rights that permit, directly or indirectly, the exercise of a vote regarding more than 50% of the capital stock of a legal entity.
- (c) Directly or indirectly steer the management, strategy or principal policies of a legal entity, either through ownership of shares, contract or by any other means.

Relevant Senior Officers: the chief executive officer of a company, as well as the individuals who by holding a job, post or commission therein or in the legal entity or entities that control the aforementioned company, who adopt decisions that bear a significant impact on the managerial, financial, operational or legal situation of the company itself or of the Business Group to which the aforesaid company belongs, with the members of the Board of the aforementioned company being excluded from this definition.

Group of Persons: the persons who have agreements, of any nature, to take decisions focused on the same objective. It shall be assumed, unless proven otherwise, that the persons mentioned below constitute a group of persons:

- (a) The persons who are related by consanguinity, affinity or adoption up to the fourth degree, spouses, concubines and non-spouses.

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- (b) The companies that are a part of the same Consortium of Business Group and the person or set of persons who have control over the aforementioned companies.

Business Group: the set of legal entities organized under direct or indirect capital stock participation frameworks, wherein the company itself maintains Control of the aforementioned legal entities. Likewise, the financial groups constituted pursuant to the Law for the Regulation of Financial Groups shall be considered Financial Groups.

Significant Influence: the ownership of rights that directly or indirectly allow the exercise of a vote on at least 20% (twenty percent) of the capital stock of a legal entity.

Executive Authority: the ability in fact to decisively influence the resolutions adopted at the shareholders' meetings or meetings of the Board of Directors of an issuer or legal entities controlled thereby or over which it has Significant Influence. It shall be assumed that the persons holding the offices mentioned below shall have executive authority, unless proof to the contrary is evidenced:

- (a) Shareholders who have Control.
- (b) Individuals who have connections with a company or the legal entities that compose the Business Group or Consortium to which the aforesaid belongs, through lifetime, honorary or any other analogous or similar title to the previous ones.
- (c) Persons who have transferred Control of the legal entity under any title and free of charge or at a value below market or accounting value, in favor of individuals to whom they are related by blood, affinity or adoption to the fourth degree , their spouse, concubine or non-spouse.
- (d) Persons who instruct advisors or Relevant Officers of the legal entity in matters of decision making or the execution of transactions in a company or individuals controlled by the legal entity.

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- 3.2.3. Company Assets. The policies and guidelines for the use or enjoyment of the assets that compose the assets of the Company and the subsidiaries thereof by related parties.
- 3.2.4. Mutuums. The Committee shall grant opinions on the policies for the granting of mutuums, loans or any other types of credits or guaranties to related parties.
- 3.2.5. Waivers. Waivers in order for a member of the board, Relevant Officer or Party with Executive Authority, take advantage of business opportunities that correspond to the Company or to the legal entities that it controls or in which it has a Significant Influence for themselves or in favor of third parties. Waivers for transactions the amount of which is less than 5% (five percent) of the consolidated assets of the Company in one quarter, may be delegated to the Audit and Best Corporate Practices Committee.
- 3.3. The Committee shall grant its opinion to the Board of Directors regarding any matters under its purview including **Corporate** matters, pursuant to what is established in the LMV:
- 3.3.1. Chief Executive Officer. The appointment, election and, if applicable, destitution of the Chief Executive Officer of the Company and integral payment thereof, as well as the policies for the appointment and integral payment of other Relevant Officers shall be, nevertheless and with the understanding, that the opinion of the Committee shall be based on the information, reports and recommendations that are provided by Senior Management or the Evaluation and Results Committee of the Company.
- 3.3.2. Takeover Bids. In the event of the execution of takeover bids in percentages below the percentage established in Article 98 in the aforementioned Law, where justified, the Audit and Best Corporate Practices Committee shall issue an opinion to the Board of Directors, taking into consideration the rights of all Shareholders, especially minority shareholders.

Issue an opinion to the Board of Directors when payment of control premiums is made, offers that impose positive or negative covenants for the benefit of the offeror or of the Company pursuant to the provisions established in the LMV.

In addition, in the case of takeover bids, the Committee shall issue an opinion to the Board of Directors regarding the price of the offer and the conflicts of interest, if applicable, that could arise for the members of the Board in matters regarding the bid.

With regard to the exception for the execution of a takeover bid, the LMV establishes that the National Banking and Securities Commission shall authorize the aforementioned when, among others, the viability of the Company is at risk as an

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ongoing business and the ordinary shares are acquired as a result of capital increases or company restructuring, if and when the favorable opinion of the Board of Directors has been granted with prior agreement from the Committee.

- 3.3.3. Cancellation of the Registry. In the event of the cancellation of the registry of the securities of the Company in the National Registry of Securities, the National Banking and Securities Commission may authorize the use of a base other than the one provided for in the in the LMV for the establishment of the bid price, in all cases with the approval of the Board of Directors of the Company, with the prior opinion of the Committee which includes all the motives proving the justification for the establishment of a different price, upheld by the report issued by an independent expert.

4. Functions of the Committee.

- 4.1. External Audit. The Committee shall (a) evaluate the performance of the legal entity that provides the external audit services as well as (b) analyze the expert opinion, opinions or reports drafted and signed by the external auditor. The Committee shall require the presence of the aforementioned auditor when it deems it convenient, without prejudice to the fact that shall meet with said auditor at least once a year.
- 4.2. Financial Statements. The Committee shall discuss the financial statements of the Company with the persons responsible for drafting and reviewing said statements and based thereon recommend, or not, the approval thereof by the Board of Directors. The aforementioned shall under no circumstances mean that the members of the Committee are responsible for the preparation of the financial statements of the Company.
- 4.3. Internal Control and Internal Audit. The Committee shall inform the Board of Directors about the situation of the system for internal control and internal audit of the Company la or of the legal entities it controls, including any irregularities it may, where appropriate, detect.
- 4.4. Risks. The Committee shall be responsible for the identification of the risks for the Company, the evaluation of the management policies thereof and for ensuring that there are means for controlling, monitoring and mitigating said risks.
- 4.5. Waivers. The Committee shall have the power to grant waivers for a member of the Board, Relevant Officer or Party with Executive Authority, to take advantage of business opportunities that correspond to the Company or to the legal entities that it controls or in which it has a Significant Influence, for themselves or in favor of

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third parties, for transactions the amount of which is less than 5% of the consolidated assets of the Company.

4.6. Reports. The Committee shall provide the Board of Directors with support for drafting the following reports:

4.6.1. Accounting Policies and Criteria. Report stating and explaining the principal accounting and information policies and criteria adhered to for drafting the financial information which are established in Article 172, Paragraph b) in the General Law of Commercial Corporations.

4.6.2. Activities of the Board. Report on any transactions or activities that the Board of Directors has intervened in, as established in the LMV.

4.7. Vigilance and Investigation.

4.7.1. Relevant Transactions. The Committee shall monitor that transactions with related parties, unusual, non-recurrent transactions, or transactions that are relevant for the amount thereof, established in the LMV, adjusting to the provisions of the aforementioned precepts, as well as to the policies derived from them.

4.7.2. Performance of the Chief Executive Officer. The Committee shall ensure that the Chief Executive Officer complies with the resolutions adopted in the Shareholders' Meetings of the Company, in adherence with, as the case may be, the instructions issued by the Shareholders' meeting itself or the aforementioned Board of Directors.

4.7.3. Internal Mechanisms and Controls. The Committee shall ensure that internal mechanisms and controls are established to verify that the acts and operations of the Company and its subsidiaries are in compliance with applicable regulations and also implement methodologies that make it possible to review compliance with the foregoing.

4.7.4. Possible Cases of Non-Compliance.

The Committee shall investigate possible cases of non-compliance of which it has knowledge in matters of transactions, guidelines and operations policies, internal control system and internal audit and accounting record, either of the Company itself or of its subsidiaries, for which it shall perform an examination of the documentation, records and other evidential materials, to the degree and extent necessary to execute the aforementioned monitoring.

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5. Obligations.

- 5.1. Receipt of Observations. The Committee shall receive observations issued by Shareholders, Members of the Board, Relevant Officers, associates and, in general, by any third party and further execute the actions which, in the opinion thereof, are appropriate with regard to the aforementioned observations.
- 5.2. Meetings with Senior Officers. Call periodic meetings with Relevant Officers and also request the submittal of any type of information related to internal control and internal audit of the Company or the subsidiaries thereof.
- 5.3. Report on Irregularities. Inform the Board of Directors about significant irregularities detected as a result of the exercise of its functions and, where appropriate, of the corrective actions adopted or propose any actions that should be undertaken.

6. Powers.

- 6.1. Hiring Experts. The Committee shall have the right to ask for the opinion of independent experts in cases where it considers this is appropriate, for the proper execution of its functions or when, in adherence with these Regulations, the LMV or any other provision of a general nature requires it; likewise, the Committee shall have the power to request recommendations from the Evaluation and Results Committee on matters of compensation, evaluation and any other issue related to the performance of the Chief Executive Officer and other Relevant Officers.
- 6.2. Require Reports. Require that the Relevant Officers and other associates of the Company or the subsidiaries thereof submit reports on the drafting of financial information, as well as on any other type of information the Committee deems necessary for the exercise of its functions.
- 6.3. Calls to Meetings. Call Shareholders' Meetings and request that the necessary items are included in the Agenda of the aforementioned meetings.
- 6.4. Approval of Policies and Guidelines. The Committee shall submit the policies and guidelines necessary for complying with these guidelines, or any applicable regulations, for the approval of the Board of Directors

7. Reports of the Chairman of the Committee

The Chairman shall draft an annual report on the activities under the purview of the Committee and present it to the Board of Directors. The aforementioned report shall include, as a minimum, the following aspects:

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- 7.1.1. Internal Control and Internal Audit. The state that the internal control and internal audit system of the Company and its subsidiaries is in and, where appropriate, the description of the deficiencies and deviations therein, as well as the aspects in need of improvement, taking into account the opinions, reports, notices and the external audit opinion, as well as the reports issued by the independent experts that may have provided their services during the period covered in the report.
- 7.1.2. Preventive and Corrective Measures. Report and follow-up on the preventive and corrective measures implemented, based on the results of investigations related to non-compliance with operations and accounting record guidelines and policies, either in the Company itself or of any of its subsidiaries.
- 7.3. External Audit Evaluation. Evaluation of the performance of the legal entity that provides the external audit services, as well as of the external auditor in charge of the aforementioned audit.
- 7.4. Additional External Auditor Services. The description and assessment of the additional or complementary services which, where appropriate, are provided by the legal entity in charge of the execution of the external audit as well as those provided by independent experts.
- 7.5. Financial Statements. The main results of the reviews of the financial statements of the Company and subsidiaries thereof.
- 7.6. Accounting Policies. The description and effects of the modifications to the accounting policies approved over the course of the period covered in the report.
- 7.7. Measures Taken on Observations Received. The measures adopted as a result of the observations that are considered as being relevant, received from Shareholders, Members of the Board, relevant officers, associates and, in general, from any third party, that address accounting, internal controls and matters related to internal or external audit, or, derived from complaints on matters that are regarded as irregular by senior management.
- 7.8. Follow-up of Resolutions. Follow-up of the resolutions adopted in Shareholders' meetings and meetings of the Board of Directors.
- 7.9. Transactions with Related Parties. Transactions with related parties, during the fiscal year covered in the report, detailing the characteristics of the significant transactions.
- 7.10. Performance of Relevant Officers. The observations regarding the performance of Relevant Officers, which may be based on the recommendations of the Evaluation and Compensation Committee and of the Chief Executive Officer, as the case may be.

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- 7.11. Remunerations. The emolument packages or integral remunerations of the Chief Executive Officer and other relevant officers, which may be based on the recommendations of the Evaluation and Results Committee of the Company.
- 7.12. Waivers. Waivers for a member of the Board, relevant officer or person with executive authority to take advantage of business opportunities for themselves or for third parties, that correspond to the Company or the legal entities that the Company controls or in which it has a significant influence.

In order to draft the aforementioned report, the Committee shall listen to the relevant officers; in the event of a difference of opinion with said officers, the aforementioned difference shall be included in said report and, as the case may be, shall take the recommendations of the Evaluation and Results Committee and other Relevant Officers under consideration.