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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . . .

For the transition period from to

Commission file number: 1-14852

GRUMA, S.A.B. de C.V.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Calzada del Valle, 407 Ote.
Colonia del Valle
San Pedro Garza García, Nuevo León
66220, México

(Address of principal executive offices)

Investor Relations
Calzada del Valle, 407 Ote.
Colonia del Valle
San Pedro Garza García, Nuevo León
66220, México
Tel: (52) 81 8399-3349
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of exchange on which registered:
Series B Common Shares, without par value	New York Stock Exchange*
American Depositary Shares, each representing four Series B Common Shares, without par value	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

432,749,079 Series B Common Shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

N/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ IFRS ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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* Not for trading but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

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INTRODUCTION

Gruma, S.A.B. de C.V. is a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*) organized under the laws of the United Mexican States, or Mexico.

In this annual report on Form 20-F, references to "pesos" or "Ps." are to Mexican pesos, references to "U.S. dollars," "U.S.$," "dollars" or "$" are to United States dollars and references to "bolivars" and "Bs." are to the Venezuelan bolivar. "We," "our," "us," "our company," "GRUMA" and similar expressions refer to Gruma, S.A.B. de C.V. and its consolidated subsidiaries, except when the reference is specifically to Gruma, S.A.B. de C.V. (parent company only) or the context otherwise requires.

PRESENTATION OF FINANCIAL INFORMATION

This annual report contains our audited consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012. The consolidated financial statements have been audited by PricewaterhouseCoopers, S.C., an independent registered public accounting firm and were approved by our shareholders at the annual general shareholders' meeting held on April 24, 2015.

We publish our financial statements in pesos and prepare our consolidated financial statements included in this annual report in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements of our entities are measured using the currency of the main economic environment where the entity operates (functional currency). The audited consolidated financial statements are presented in Mexican pesos, which corresponds to our presentation currency. Prior to the peso translation, the financial statements of foreign subsidiaries with functional currency from a hyperinflationary environment are adjusted for inflation in order to reflect changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the closing rate at the date of the most recent balance sheet. To determine the existence of hyperinflation, we evaluate the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by IFRS, including an accumulated inflation rate equal or higher than 100% in the past three years.

In December 2014, we concluded the sale of our wheat flour operations in Mexico (the "Wheat Milling Transaction"). The results and cash flows generated by these wheat flour operations in Mexico for the periods presented in our audited consolidated financial statements, for the years ended December 31, 2014, 2013 and 2012 and in this annual report for the years ended December 31, 2011 and 2010, were reported as a discontinued operation. As required by IFRS the presentation as a discontinued operation was applied retrospectively for the periods presented in these financial statements. Additionally certain other disclosures herein have also been updated to segregate amounts between continuing and discontinued operations and therefore differ from those included in our annual report on Form 20-F for the year ended December 31, 2013. See Notes 2 D and 26 A to our audited consolidated financial statements. See "Item 3. Key Information—Risk Factors—Our Financial Information Presented in Previous Filings May Not Be Comparable Because of the Accounting Treatment as Discontinued Operations of our Venezuelan Operations and Mexican Wheat Flour Operations."

We ceased to consolidate the financial information of MONACA and DEMASECA (collectively referred to as the "Venezuelan Companies") as of January 22, 2013 and derecognized the assets and liabilities of these companies from the consolidated balance sheet. For disclosure and presentation purposes, we consider these subsidiaries as a significant segment and therefore, applying the guidelines from IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", MONACA and DEMASECA are presented as discontinued operations. Therefore, the results and cash flows generated by these Venezuelan companies for the periods presented in our audited consolidated financial statements, for the years ended December 31, 2014, 2013 and 2012, and in this annual report for the years ended December 31, 2011 and 2010, were reported as discontinued operations. See Notes 26 B and 28 to our audited consolidated financial statements. See "Item 3. Key Information—Risk Factors—Our Financial Information Presented in Previous Filings May Not Be Comparable Because of the Accounting Treatment as Discontinued Operations of our Venezuelan Operations and Mexican Wheat Flour Operations."

MARKET SHARE

The information contained in this annual report regarding our market positions is based primarily on our own estimates and internal analysis and data obtained from AC Nielsen. Market position information for the United States is also based on data from Technomic. For Mexico, information is also based on data from *Información Sistematizada de Canales y Mercados* or "ISCAM", *Asociación Nacional de Tiendas de Autoservicio y Departamentales* (National Supermarkets and Department Stores Association) or "ANTAD", *Asociación Nacional de Abarroteros Mayoristas* (National Groceries Wholesalers Association) or "ANAM" and reports

from industry chambers. For Europe, information is also based on data from Symphony IRI Group. While we believe our internal research and estimates are reliable, they have not been verified by any independent source and we cannot ensure their accuracy.

EXCHANGE RATE

This annual report contains translations of various peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from pesos (i) as of December 31, 2014 at the exchange rate of Ps.14.7180 to U.S.$1.00, which was the rate established by *Banco de México* on December 29, 2014 and (ii) as of March 31, 2015 at the exchange rate of Ps.15.1542 to U.S.$1.00, which was the rate established by *Banco de México* on March 27, 2015.

OTHER INFORMATION

Certain figures included in this annual report have been rounded for ease of presentation. Percentage figures included in this annual report are not all calculated on the basis of such rounded figures; some are calculated on the basis of such amounts prior to rounding. For this reason, percentage amounts in this annual report may vary from those obtained by performing the same calculations using the figures in our audited consolidated financial statements. Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

All references to “tons” in this annual report refer to metric tons. One metric ton equals 2,204 pounds. Estimates of production capacity contained herein assume the operation of relevant facilities on the basis of 360 days a year, on three shifts, and assume only regular intervals for required maintenance.

FORWARD LOOKING STATEMENTS

This annual report includes “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the statements about our plans, strategies and prospects under “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” Some of these statements contain words such as “believe,” “expect,” “intend,” “anticipate,” “estimate,” “strategy,” “plans”, “budget”, “project” and other similar words. Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that these plans, intentions or expectations will be achieved. Actual results could differ materially from the forward-looking statements as a result of risks, uncertainties and other factors discussed in “Item 3. Key Information—Risk Factors,” “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk.” These risks, uncertainties and factors include: general economic and business conditions, including changes in exchange rates, and conditions that affect the price and availability of corn, wheat and edible oils; potential changes in demand for our products; price and product competition; and other factors discussed herein.

PART I

ITEM 1 Identity of Directors, Senior Management and Advisors.

Not applicable.

ITEM 2 Offer Statistics and Expected Timetable.

Not applicable.

ITEM 3 Key Information.

SELECTED FINANCIAL DATA

The following tables present our selected consolidated financial data as of and for each of the years indicated. The data as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 are derived from and should be read together with our audited consolidated financial statements included herein and “Item 5. Operating and Financial Review and Prospects.”

In accordance with IFRS, we concluded that we lost control of our Venezuelan subsidiaries, MONACA and DEMASECA, on January 22, 2013. As a result of such loss of control, we ceased the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013. Therefore, the results and cash flows generated by these Venezuelan companies for the periods presented are reported as discontinued operations.

In December 2014, we concluded the sale of our wheat flour operations in Mexico. As a result of the sale, the results and cash flows generated by these wheat flour operations for the periods presented are reported as discontinued operations.

	2014	2013	2012	2011 (1)	2010 (1)
	(thousands of Mexican Pesos, except per share amounts)				
Income Statement Data:					
Net sales	Ps. 49,935,328	Ps. 49,035,523	Ps. 49,270,534	Ps. 43,845,962	Ps. 37,038,647
Cost of sales	(31,574,750)	(32,265,587)	(33,548,061)	(29,510,028)	(24,410,770)
Gross profit	18,360,578	16,769,936	15,722,473	14,335,934	12,627,877
Selling and administrative expenses	(12,040,402)	(11,937,116)	(13,040,182)	(11,919,634)	(10,356,602)
Other expense, net	(297,262)	(193,069)	(73,198)	(199,883)	(480,608)
Operating income	6,022,914	4,639,751	2,609,093	2,216,417	1,790,667
Comprehensive financing cost, net	(1,105,403)	(987,625)	(880,390)	(623,296)	(990,224)
Equity in earnings of associated companies	—	—	—	—	590,869
Gain from divestment in associated company	—	—	—	4,707,804	—
Income before income tax	4,917,511	3,652,126	1,728,703	6,300,925	1,391,312
Income tax expense	(1,059,583)	(195,361)	(905,280)	(1,628,761)	(801,696)
Consolidated income from continuing operations	3,857,928	3,456,765	823,423	4,672,164	589,616
Income (loss) from discontinued operations	598,852	(146,796)	880,336	1,143,658	49,870
Consolidated net income	4,456,780	3,309,969	1,703,759	5,815,822	639,486
Attributable to:					
Shareholders	4,287,310	3,163,133	1,115,338	5,270,762	431,779
Non-controlling interest	169,470	146,836	588,421	545,060	207,707
Per share data(2):					
Basic and diluted earnings per share:					
From continuing operations.	8.38	7.28	0.82	7.92	0.71
From discontinued operations	1.53	(0.12)	1.18	1.43	0.05
From continuing and discontinued operations	9.91	7.16	2.00	9.35	0.77

	2014	2013	2012	2011 (1)	2010 (1)
	(thousands of Mexican pesos, except per share amounts and operating data)				
Balance Sheet Data (at period end):					
Property, plant and equipment, net	Ps. 17,814,336	Ps. 17,904,972	Ps. 20,917,534	Ps. 20,515,633	Ps. 17,930,173
Total assets	40,636,730	42,608,640	49,460,402	44,542,618	38,927,394
Short-term debt(3)	1,437,108	3,275,897	8,018,763	1,633,207	2,192,871
Long-term debt(3)	9,324,052	13,096,443	11,852,708	11,472,110	15,852,538
Total liabilities	22,552,484	28,181,780	35,126,685	26,829,834	28,205,120
Common stock	5,363,595	5,363,595	5,668,079	6,972,425	6,972,425
Total equity(4)	18,084,246	14,426,860	14,333,717	17,712,784	10,722,274
Other Financial Information:					
Capital expenditures	1,719,379	1,408,730	2,384,731	2,272,687	965,277
Depreciation and amortization	1,460,450	1,569,376	1,522,778	1,395,190	1,331,616
Net cash provided by (used in):					
Operating activities	6,730,000	6,679,431	1,806,136	1,751,314	3,291,138
Investing activities	1,995,588	(1,524,901)	(3,455,629)	6,779,129	(802,208)
Financing activities	(8,591,246)	(5,112,396)	1,817,675	(7,429,059)	(4,234,431)

(1) The financial information as of and for the years ended December 31, 2011 and 2010 is derived from our audited consolidated financial statements and adjusted to conform to the current presentation adopted in the financial statements included in this Form 20-F. See Note 26 to the audited consolidated financial statements.

(2) Based upon the weighted average of outstanding shares of our common stock (in thousands), as follows: 432,749 shares for the year ended December 31, 2014, 441,835 shares for the year ended December 31, 2013, 558,712 shares for the year ended December 31, 2012, 563,651 shares for the year ended December 31, 2011 and 563,651 shares for the year ended December 31, 2010. Each of our American Depositary Shares represents four Series B Common Shares.

(3) Short-term debt consists of bank loans, the current portion of long-term debt and debentures. Long-term debt consists of bank loans, our 4.875% Notes due 2024, our senior unsecured perpetual bonds and debentures.

(4) Total equity includes non-controlling interests as follows: Ps.1,521 million as of December 31, 2014, Ps.1,454 million as of December 31, 2013, Ps.3,032 million as of December 31, 2012, Ps.4,282 million as of December 31, 2011 and Ps.3,778 million as of December 31, 2010.

	2014	2013	2012	2011	2010
			(thousands of tons)		
Operating Data:					
Sales volume:					
Gruma Corporation (corn flour, tortillas and other)(1)	1,653	1,651	1,596	1,478	1,395
GIMSA (corn flour, and other)	1,798	1,780	1,899	1,876	1,813
Gruma Centroamérica (corn flour and other)	200	198	207	229	201
Production capacity:					
Gruma Corporation (corn flour, tortillas and other)	2,400	2,406	2,499	2,482	2,314
GIMSA (corn flour, and other)(2)	2,823	3,046	2,965	2,965	2,965
Gruma Centroamérica (corn flour and other)	319	323	323	350	343
Number of employees	17,845	19,202	21,974	21,318	19,825

(1) Net of intercompany transactions.

(2) Includes 333 thousand tons of temporarily idled production capacity as of December 31, 2014

Dividends

Our ability to pay dividends may be limited by Mexican law, our *estatutos sociales*, or bylaws, and by financial covenants contained in some of our credit agreements. Because we are a holding company with no significant operations of our own, we have distributable profits to pay dividends to the extent that we receive dividends from our subsidiaries. Accordingly, there can be no assurance that we will pay dividends or of the amount of any such dividends. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness."

Pursuant to Mexican law and our bylaws, the declaration, amount and payment of dividends are determined by a majority vote of the holders of the outstanding shares represented at a duly convened shareholders' meeting. The amount of any future dividend would depend on, among other things, operating results, financial condition, cash requirements, losses for prior fiscal years, future prospects, the extent to which debt obligations impose restrictions on dividends and other factors deemed relevant by the board of directors and the shareholders.

In addition, under Mexican law, companies may only pay dividends:

- from earnings included in year-end financial statements that are approved by shareholders at a duly convened meeting;
- after any existing losses applicable to prior years have been made up or absorbed into shareholders' equity;
- after at least 5% of net profits for the relevant fiscal year have been allocated to a legal reserve until the amount of the reserve equals 20% of a company's paid-in capital stock; and
- after shareholders have approved the payment of the relevant dividends at a duly convened meeting.

Holders of our American Depositary Receipts, or ADRs, on the applicable record date are entitled to receive dividends declared on the shares represented by American Depositary Shares, or ADSs, evidenced by such ADRs. The depositary will fix a record date for the holders of ADRs in respect of each dividend distribution. We pay dividends in pesos and holders of ADSs will receive dividends in U.S. dollars (after conversion by the depositary from pesos, if not then restricted under applicable law) net of the fees, expenses, taxes and governmental charges payable by holders under the laws of Mexico and the terms of the deposit agreement.

The ability of our subsidiaries to make distributions to us is limited by the laws of each country in which they were incorporated and by their constitutive documents. For example, in the case of Gruma Corporation, our principal U.S. subsidiary, its ability to pay dividends in cash is prohibited upon the occurrence of any default or event of default under its principal credit agreements. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness."

On April 24, 2015, GRUMA approved a cash dividend in the amount of Ps.692 million, payable on July 8, 2015. During 2014 we paid a cash dividend in the amount of Ps.649.12 million, or Ps.1.50 per common share, and during 2013, 2012, 2011 and 2010 we did not pay any dividends to shareholders.

Exchange Rate Information

Mexico has had a free market for foreign exchange since 1994, when the government suspended intervention by the *Banco de México*, and allowed the peso to float freely against the U.S. dollar. There can be no assurance that the government will maintain its current policies with regard to the peso or that the peso will not depreciate or appreciate in the future. See "Item 3. Key Information — Risk Factors—Risks Related to Mexico—Devaluations of the Mexican Peso May Affect our Financial Performance."

The following table sets forth, for the periods indicated, the high, low, average and period-end noon buying rate in New York City for cable transfers in pesos published by the Federal Reserve Bank of New York, expressed in pesos per U.S. dollar.

	Noon Buying Rate (Ps. Per U.S.$)			
Year	**High (1)**	**Low (1)**	**Average (2)**	**Period End**
2010	13.1940	12.1556	12.6222	12.3825
2011	14.2542	11.5050	12.4270	13.9510
2012	14.3650	12.6250	13.1539	12.9635
2013	13.4330	11.9760	12.7584	13.0980
2014	14.7940	12.8455	13.3022	14.7500
October 2014	13.5727	13.3940	13.4795	13.4825
November 2014	13.9210	13.5360	13.6148	13.9210
December 2014	14.7940	13.9355	14.5205	14.7500
2015				
January 2015	15.0050	14.5640	14.6972	15.0050
February 2015	15.1025	14.7480	14.9170	14.9390
March 2015	15.5815	14.9330	15.2245	15.2450

(1) Rates shown are the actual low and high, on a day-by-day basis for each period.

(2) Average of month-end rates.

On April 24, 2015, the noon buying rate for pesos was Ps.15.3825 to U.S.$1.00.

RISK FACTORS

Risks Related to Our Company

Fluctuations in the Cost and Availability of Corn and Wheat May Affect Our Financial Performance

Our financial performance may be affected by the price and availability of corn and wheat. Corn and wheat flour represented 40% and 8%, respectively, of our cost of sales in 2014. Mexican and world markets have experienced periods of either over-supply or shortage of corn and wheat as a result of different factors such as weather conditions, some of which have caused adverse effects on our results of operations. Additionally, because of this volatility and price variations, we may not always be able to pass along our increased costs to our customers in the form of price increases. We cannot always predict whether or when shortages or over-supply of corn or wheat will occur. In addition, future Mexican or other countries' governmental actions could affect the price and availability of corn or wheat. Any adverse developments in domestic and international corn or wheat markets could have a material adverse effect on our business, financial condition, results of operations, and prospects.

To manage these price risks, we regularly monitor our risk tolerance and evaluate the possibility of using derivative instruments to hedge our exposure to commodity prices. We generally hedge against fluctuations in the costs of corn and wheat, in particular at our U.S. operations, using futures and options contracts and fixed price supply contracts according to our risk management policy, but remain exposed to losses in the event of non-performance by counterparties to the financial instruments or the supply contracts. In addition, if corn or wheat prices decrease below the levels specified in our various hedging agreements, we would lose the value of a decline in these prices.

Increases in the Cost of Energy Could Affect Our Profitability

We use a significant amount of electricity, natural gas and other energy sources to operate our corn flour plants and processing ovens for the manufacture of tortillas and related products at our facilities. These energy costs represented approximately 5% of our cost of sales in 2014. In addition, considerable amounts of diesel fuel are used in connection with the distribution of our products. The cost of energy sources may fluctuate widely due to economic and political conditions, government policy and regulation, war, weather conditions or other unforeseen circumstances. An increase in such costs would increase our operating costs and, therefore, could affect our profitability.

The Inadvertent Presence of Genetically Modified Corn Not Approved for Human Consumption in Our Products May Have a Negative Impact on Our Results of Operations

As we do not grow our own corn, we are required to buy it from various producers in the United States, Mexico and elsewhere. Although we only buy corn from farmers and grain elevators who agree to supply us with approved varieties of corn and we have developed a protocol in all our operations to test and monitor our corn for certain strains of bacteria and chemicals that have not been approved for human consumption, we may unwittingly buy genetically modified corn that is not approved for human consumption, and use such raw materials in the manufacture of our products. This may result in costly recalls, subject us to lawsuits, and may have a negative impact on our results of operations.

In the past, various allegations have been made, mostly in the United States and the European Union, that genetically modified foods are unsafe for human consumption, pose risks of damage to the environment and create legal, social and ethical dilemmas. Some countries, particularly in the European Union, as well as Australia and some countries in Asia, have instituted a partial limitation on the import of grain produced from genetically modified seeds. Some countries have imposed labeling requirements and traceability obligations on genetically modified agricultural and food products, which may affect the acceptance of these products. The movement for labeling of genetically modified organisms ("GMO") in the United States has gathered momentum over the last several years. While ballot initiatives have failed, several states, such as Connecticut and Maine, have passed qualified GMO labeling bills that will impose labeling requirements on food products containing GMO if several other states pass similar laws. Vermont recently passed the first non-qualified GMO labeling law. If it survives legal challenges, it will impose GMO labeling requirements in 2016, which may affect the acceptance of these products. To the extent that we may unknowingly buy or may be perceived to be a seller of products manufactured with genetically modified grains not approved for human consumption, this may have a significant negative impact on our financial condition and results of operation.

Regulatory Developments May Adversely Affect Our Business

We are subject to regulation in each of the territories in which we operate. The principal areas in which we are subject to regulation are health, environmental, labor, taxation and antitrust. The adoption of new laws or regulations in the countries in which we operate may increase our operating costs, impose restrictions on our operations or impact our growth opportunities which, in turn,

may adversely affect our financial condition, business and results of operations. Further changes in current regulations may result in an increase in compliance costs, which may have an adverse effect on our financial condition and results of operations. See “Item 4. Information on the Company—Regulation.”

Economic and Legal Risks Associated with a Global Business May Affect Our International Operations

We conduct our business in many countries and anticipate that revenues from our international operations will account for a significant portion of our future revenues. There are risks inherent in conducting our business internationally, including:

- general political and economic instability in international markets;
- limitations in the repatriation, nationalization or governmental seizure of our assets, including cash;
- direct or indirect expropriation of our international assets;
- varying prices and availability of corn and wheat and the cost and practicality of hedging such fluctuations under current market conditions;
- different liability standards and legal systems;
- developments in the international credit markets, which could affect capital availability or cost, and could restrict our ability to obtain financing or refinance our existing indebtedness at favorable terms, if at all; and
- intellectual property laws of countries that do not protect our international rights to the same extent as the laws of Mexico.

We have expanded our operations to several countries, including Ukraine, Russia, Turkey and Spain. Our presence in these and other markets could present us with new and unanticipated operational challenges. For example, we may encounter labor restrictions or shortages and currency conversion obstacles, or be required to comply with stringent local governmental and environmental regulations. Any of these factors could increase our operating expenses and decrease our profitability.

Our Business May Be Adversely Impacted By Risks Related to Our Derivatives Trading Activities

From time to time, we enter into commodities, currency and other derivative transactions, pursuant to our risk management policy, that cover varying periods of time and have varying pricing provisions. We may incur losses in connection with potential changes in the value of our derivative instruments as a result of changes in economic conditions, investor sentiment, monetary and fiscal policies, the liquidity of global markets, international and regional political events, and acts of war or terrorism. See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources,” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Rate Risk.”

We Cannot Predict the Impact that Changing Climate Conditions, Including Legal, Regulatory and Social Responses Thereto, May Have on Our Business

Various scientists, environmentalists, international organizations, regulators and other commentators believe that global climate change has added, and will continue to add, to the unpredictability, frequency and severity of natural disasters (including, but not limited to droughts, hurricanes, tornadoes, freezes, other storms and fires) in certain parts of the world. In response to this belief, a number of legal and regulatory measures as well as social initiatives have been introduced in an effort to reduce greenhouse gas and other carbon emissions which some believe may be chief contributors to global climate change. We cannot predict the impact that changing climate conditions, if any, will have on our results of operations or our financial condition. Moreover, we cannot predict how legal, regulatory and social responses to concerns about global climate change will impact our business in the future.

Our Business and Operations May Be Adversely Affected by Global Economic Conditions

The global macroeconomic environment has not fully recovered from the downturn commencing in 2008. Subsequent years were characterized by instability in the financial markets and the threat of a continued global economic downturn, primarily as a result of the ongoing sovereign debt crisis and general economic outlook of the Eurozone, the high degree of unemployment in certain countries and the level of public debt in the United States and certain European countries. Those developments adversely affected the economy of the United States, Europe and many other parts of the world, including Mexico, and had significant consequences

worldwide, including unprecedented volatility, significant lack of liquidity, loss of confidence in the financial markets, disruptions in the credit sector, reduced business activity, rising unemployment, decline in interest rates and erosion of consumer confidence. It is uncertain how long the effects of this global macroeconomic instability will continue and how much of an impact it will have on the global economy in general, or the economies in which we operate in particular, and whether slowing economic growth in any such countries could result in our customers and consumers reducing their spending. As a result, we may need to lower the prices of certain of our products and services in order to maintain their attractiveness, which could lead to reduced turnover and profit or a decline in demand for our products. Any such development could adversely affect our business, results of operations and financial condition and lead to a drop in the trading price of our shares.

Our Current or Future Indebtedness Could Adversely Affect Our Business and, Consequently, Our Ability to Pay Interest and Repay Our Indebtedness.

We had total consolidated indebtedness of Ps.10.84 billion (US$0.74 billion) as of December 31, 2014. On a stand-alone basis, we had Ps.9.84 million (US$0.67 million) of outstanding indebtedness as of December 31, 2014, none of which was secured indebtedness. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness." Our level of indebtedness may have important consequences, including:

- increasing our vulnerability to adverse general economic and industry conditions, including increases in interest rates, increases in prices of raw materials, foreign currency exchange rate fluctuations and market volatility;
- limiting our ability to generate sufficient cash flow to satisfy our obligations with respect to our indebtedness, particularly in the event of a default under one of our debt instruments;
- limiting cash flow available to fund our working capital, capital expenditures or other general corporate requirements;
- limiting our ability to obtain additional financing on favorable terms to refinance debt or to fund future working capital, capital expenditures, other general corporate requirements and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry.

To the extent that we incur additional indebtedness, the risks outlined above could increase. In addition, our actual cash requirements in the future may be greater than expected. Our ability to make scheduled payments on and refinance our indebtedness when due depends on, and is subject to, several factors, including our financial and operating performance, which is subject to prevailing economic and financial conditions, business and other factors, the availability of financing in the Mexican and international banking and capital markets, and our ability to sell assets and implement operating improvements.

We May be Adversely Affected by Increases in Interest Rates

Interest rate risk exists primarily with respect to our floating-rate peso denominated debt, which generally bears interest based on the Mexican equilibrium interbank interest rate ("TIIE"). In addition, we have additional interest rate risk with respect to floating-rate dollar-denominated debt, which generally bears interest based on the LIBOR. We have significant exposure to interest rate fluctuations due to our floating-rate peso and dollar-denominated debt. As a result, if the TIIE or LIBOR rates increase significantly, our ability to service our debt may be adversely affected.

Downgrades of Our Debt May Increase Our Financing Costs or Otherwise Adversely Affect Us or Our Stock Price

Our long-term corporate credit rating is rated "BBB-" by Standard & Poor's Ratings Services ("Standard & Poor's"). Our Foreign Currency Long-Term Issuer Default Rating and our Local Currency Long-Term Issuer Default Rating are rated "BBB-" by Fitch Ratings ("Fitch"). Our U.S.$400 million 4.875% unsecured senior notes due 2024 bond is rated "BBB-" by Fitch.

If our financial condition deteriorates, we may experience future declines in our credit ratings, with attendant consequences. Our access to external sources of financing, as well as the cost of that financing, could be adversely affected by a deterioration of our long-term debt ratings. A downgrade in our credit ratings could increase the cost of and/or limit the availability of financing, which may make it more difficult for us to raise capital when necessary. If we cannot obtain adequate capital on favorable terms or at all, our business, operating results and financial condition would be adversely affected.

We Expect to Pay Interest and Principal on Our Debt with Cash Generated in Dollars or Pesos, as Needed, But Cannot Assure You That We Will Generate Sufficient Cash Flow in the Relevant Currency at the Required Times From Our Operations

We had approximately 90.62% of our outstanding debt denominated in dollars, 8.13% in Mexican pesos and 1.25% in other currencies as of December 31, 2014. We may not generate sufficient cash in the relevant currency from our operations to service the entire amount of our debt in such currency. A devaluation of certain currencies or a change in our business could adversely affect our ability to service our debt

Our Financial Information Prepared under IFRS May Not Be Comparable to Our Financial Information Prepared Under Mexican Financial Reporting Standards

We adopted IFRS as of January 1, 2011 and prepared our audited consolidated financial statements included in this annual report in accordance with IFRS as issued by the IASB. IFRS differs in certain significant respects from Mexican FRS and U.S. GAAP. As a result of the adoption of IFRS, our consolidated financial information presented under IFRS for fiscal years 2010, 2011, 2012, 2013 and 2014 may not be comparable to our financial information for previous periods prepared under Mexican FRS available in the market.

Our Financial Information Presented in Previous Filings May Not Be Comparable Because of the Accounting Treatment as Discontinued Operations of our Venezuelan Operations and Mexican Wheat Flour Operations

We ceased to consolidate the financial information of MONACA and DEMASECA (the Venezuelan Companies) as of January 22, 2013, therefore, the results and cash flows generated by such Venezuelan companies for the periods presented in our audited consolidated financial statements, for the years ended December 31, 2014, 2013 and 2012 and in this annual report for the years ended December 31, 2011 and 2010 were reported as discontinued operations and may not be comparable to our financial information presented in previous periods.

In December 2014, we concluded the sale of our wheat flour operations in Mexico. Accordingly, the results and cash flows generated by our wheat flour operations in Mexico for the periods presented in our audited consolidated financial statements, for the years ended December 31, 2014, 2013 and 2012 and in this annual report for the years ended December 31, 2011 and 2010 were reported as discontinued operations and may not be comparable to our financial information presented in previous periods.

See Notes 2D and 26 to our audited consolidated financial statements.

Risks Related to Mexico

Our Results of Operations Could Be Affected by Economic and Social Conditions in Mexico

We are a Mexican company with 40% of our consolidated assets located in Mexico and 30% of our consolidated net sales derived from our Mexican operations as of and for the year ended December 31, 2014. As a result, Mexican economic conditions could impact our results of operations.

In the past, Mexico has experienced exchange rate instability and devaluation as well as high levels of inflation, domestic interest rates, unemployment, negative economic growth and reduced consumer purchasing power. These events resulted in limited liquidity for the Mexican government and local corporations. Crime rates and civil and political unrest in Mexico and around the world could also negatively impact the Mexican economy. See “Item 3. Key Information—Risk Factors—Developments in Other Countries Could Adversely Affect the Mexican Economy, the Market Value of our Securities and Our Results of Operations.”

Mexico has experienced periods of slow growth since 2001, primarily as a result of the downturn in the U.S. economy. The Mexican economy grew by 1.5% in 2008 but contracted by 6.1% in 2009. In 2010, 2011, 2012, 2013 and 2014, the Mexican economy grew by 5.5%, 3.9%, 3.9%, 1.1% and 2.1%, respectively.

Developments and trends in the world economy affecting Mexico may have a material adverse effect on our business, financial condition and results of operations. The Mexican economy is tightly connected to the U.S. economy through international trade (approximately 80.2% of Mexican exports were directed to the United States in 2014), international remittances (billions of dollars from Mexican workers in the United States are the country’s second-largest source of foreign exchange), foreign direct investment (approximately 28.9% of Mexican foreign direct investment came from U.S.-based investors in 2014), and financial markets (the U.S. and Mexican financial systems are highly integrated). As the U.S. economy contracts, U.S. citizens consume fewer Mexican imports, Mexican workers in the United States send less money to Mexico, U.S. firms with businesses in Mexico make fewer

investments, U.S.-owned banks in Mexico make fewer loans, and the quality of U.S. financial assets held in Mexico deteriorates. Moreover, a collapse in confidence in the U.S. economy may spread to other economies closely connected to it, including Mexico's. The result may be a potentially deep and protracted recession in Mexico. If the Mexican economy falls into a deep and protracted recession, or if inflation and interest rates increase, consumer purchasing power may decrease and, as a result, demand for our products may decrease. In addition, a recession could affect our operations to the extent we are unable to reduce our costs and expenses in response to falling demand.

Our Business Operations Could Be Affected by Government Policies in Mexico

The Mexican government has exerted, and continues to exert, significant influence over the Mexican economy. Mexican governmental actions concerning the economy could have a significant effect on Mexican private sector entities, as well as on market conditions, prices and returns on securities of Mexican issuers, including our securities. Governmental policies have negatively affected our sales of corn flour in the past and may continue to do so in the future.

We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. Furthermore, we cannot provide any assurances that political developments in Mexico, over which we have no control, will not have an adverse effect on our business, results of operations, financial condition and prospects. Mexico has recently experienced periods of violence and crime due to the activities of organized crime. In response, the Mexican government has implemented various security measures and has strengthened its police and military forces. Despite these efforts, organized crime (especially drug-related crime) continues to exist in Mexico. These activities, their possible escalation and the violence associated with them may have a negative impact on the Mexican economy or on our operations in the future. The social and political situation in Mexico could adversely affect the Mexican economy, which in turn could have a material adverse effect on our business, results of operations, financial condition and prospects.

The Mexican government supports the commercialization of corn for Mexican corn growers through the Agricultural Incentives and Trade Services Agency (*Apoyos y Servicios a la Comercialización Agropecuaria*, or ASERCA). This program and others may affect our business.

The level of environmental and competition regulations and enforcement in Mexico has increased in recent years for all companies. We expect the trend toward greater regulation and enforcement to continue and to be accelerated including as a result of international agreements between Mexico and the United States. The promulgation of new and more stringent regulations or higher levels of enforcement could adversely affect our business condition and results of operations.

The Approved Amendments to Mexican Tax Laws May Adversely Affect Us

On December 11, 2013, certain reforms to Mexican tax laws were published in the Official Gazette of Mexico, which became effective as of January 1, 2014. While the corporate income tax rate, which had previously been scheduled for reduction, remained at 30%, the tax reforms resulted in several amendments to corporate tax deductions including, among other things, (i) elimination of deductions that were previously allowed for related-party payments to certain foreign entities and narrowing tax deductions on salaries paid to employees, (ii) imposition of a 10% withholding income tax on dividends paid by the corporation to Mexican individuals or foreign residents, (iii) an increase in the value-added tax in certain areas of Mexico, (iv) requirement of the use of electronic invoices and new monthly tax reports to be provided to governmental tax authorities and (v) imposition of a 10% income tax payable by individuals on the sale of stock listed on the BMV.

Our business, financial condition and results of operations may be adversely affected as a result of increased taxes on salaries and increased costs due to additional compliance measures.

Devaluations of the Mexican Peso May Affect our Financial Performance

Because we have significant international operations generating revenue in different currencies (mainly in U.S. dollars) and debt denominated in various currencies (mainly in U.S. dollars), we remain exposed to foreign exchange risks that could affect our ability to meet our obligations and result in foreign exchange losses. We posted a net foreign exchange gain of Ps.412 million in 2010, a gain of Ps.44 million in 2011, a loss of Ps.83 million in 2012, a gain of Ps.46 million in 2013 and a gain of Ps.72 million in 2014. Major devaluation or depreciation of the Mexican peso may limit our ability to transfer or to convert such currency into U.S. dollars for the purpose of making timely payments of interest and principal on our indebtedness. The Mexican government does not currently restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert pesos into U.S. dollars or to transfer other currencies out of Mexico. The government could, however, institute restrictive exchange rate policies in the future.

We May Not Be Able to Make Payments in U.S. Dollars

In the past, the Mexican economy has experienced balance of payments deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican Pesos to foreign currencies, including U.S. Dollars, it has done so in the past and could do so again in the future. We cannot assure you that the Mexican government will not implement a restrictive exchange control policy in the future. Any such restrictive exchange control policy could prevent or restrict our access to U.S. Dollars to meet our U.S. Dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Mexican economy.

High Levels of Inflation and High Interest Rates in Mexico Could Adversely Affect the Business Climate in Mexico and our Financial Condition and Results of Operations

Mexico has experienced high levels of inflation in the past. The annual rate of inflation, as measured by changes in the National Consumer Price Index was 4.40% for 2010, 3.82% for 2011. 3.57% for 2012, 3.97% for 2013 and 4.08% for 2014. From January through March 2015, the inflation rate was 0.51%. On April 21, 2015, the 28-day CETES rate was 2.96%. While a substantial part of our debt is dollar-denominated at this time, high interest rates in Mexico may adversely affect the business climate in Mexico generally and our financing costs in the future and thus our financial condition and results of operations.

Developments in Other Countries Could Adversely Affect the Mexican Economy, the Market Value of Our Securities and Our Results of Operations

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, economic conditions in Mexico have become increasingly correlated to economic conditions in the United States. Accordingly, the slow recovery of the economy in the United States, and the uncertainty of the impact it could have on the general economic conditions in Mexico and the United States could have a significant adverse effect on our businesses and results of operations. See "Item 3. Key Information—Risk Factors—Our Results of Operations Could Be Affected by Economic Conditions in Mexico," and "Item 3. Key Information—Risk Factors—Risks Related to the United States—Unfavorable General Economic Conditions in the United States Could Negatively Impact Our Financial Performance." In addition, economic crises in the United States as well as in Asia, Russia, Brazil, Argentina and other emerging market countries have adversely affected the Mexican economy in the past.

Our financial performance may also be significantly affected by general economic, political and social conditions in the emerging markets where we operate, particularly Mexico, Venezuela, Eastern Europe and Asia. Many countries in Latin America, including Mexico and Venezuela, have suffered significant economic, political and social crises in the past, and these events may occur again in the future. See also "Item 3. Key Information —Risks Related to Venezuela— We have Deconsolidated our Interest in the Venezuelan Companies which are currently Involved in Expropriation and Arbitration Proceedings." Instability in Latin America has been caused by many different factors, including:

- Significant governmental influence over local economies;
- Substantial fluctuations in economic growth;
- High levels of inflation;
- Changes in currency values;
- Exchange controls or restrictions on expatriation of earnings;
- High domestic interest rates;
- Wage and price controls;
- Changes in governmental, economic or tax policies;
- Imposition of trade barriers;

- Unexpected changes in regulation; and
- Overall political, social and economic instability.

Adverse economic, political and social conditions in Latin America may create uncertainty regarding our operating environment, which could have a material adverse effect on us.

We cannot assure you that the events in other emerging market countries, in the United States, Europe, or elsewhere will not adversely affect our business, financial condition and results of operations.

You May Be Unable to Enforce Judgments Against Us in Mexican Courts

We are a Mexican publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*). Most of our directors and executive officers are residents of Mexico, and a significant portion of the assets of our directors and executive officers, and a significant portion of our assets, are located in Mexico. You may experience difficulty in effecting service of process on us or our directors and executive officers in the United States, or, more generally, outside of Mexico and in enforcing civil judgments of non-Mexican courts in Mexico, including judgments predicated on civil liability under U.S. federal securities laws, against us, or our directors and executive officers. We have been advised by our General Counsel that there is doubt as to the enforceability of original actions in Mexican courts of liabilities predicated solely on the U.S. federal securities laws.

Risks Related to Venezuela

We have Deconsolidated our Interests in the Venezuelan Companies which are Currently Involved in Expropriation and Arbitration Proceedings

On May 12, 2010, the Venezuelan government published in the Official Gazette of Venezuela decree number 7,394 (the "Expropriation Decree"), which announced the forced acquisition of all assets, property, and real estate of MONACA. The Venezuelan government has expressed to GRUMA's representatives that the Expropriation Decree extends to DEMASECA.

GRUMA's interests in MONACA and DEMASECA are held through two Spanish companies Valores Mundiales, S.L. ("Valores Mundiales") and Consorcio Andino, S.L. ("Consorcio Andino"). In 2010, Valores Mundiales and Consorcio Andino (collectively, the "Investors") commenced discussions with the Venezuelan government regarding the Expropriation Decree and related measures affecting MONACA and DEMASECA. Through Valores Mundiales and Consorcio Andino, GRUMA participated in these discussions which have explored the possibility of (1) entering into a joint venture with the Venezuelan government; and/or (ii) obtaining adequate compensation for the assets subject to expropriation. As of this date, these discussions have not resulted in an agreement with the Venezuelan Government.

Venezuela and the Kingdom of Spain are parties to a Treaty on Reciprocal Promotion and Protection of Investments dated November 2, 1995 (the "Investment Treaty"), under which the Investors may settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes ("ICSID"). On November 9, 2011, the Investors, MONACA, and DEMASECA validly provided formal notice to Venezuela that an investment dispute had arisen as a consequence of the Expropriation Decree and related measures adopted by the Venezuelan government. In that notification, the Investors, MONACA, and DEMASECA also agreed to submit the dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

In January 2013, the Venezuelan government issued a resolution (*providencia administrativa*) granting the "broadest powers of administration" over MONACA and DEMASECA to special managers (*administradores especiales*) who had been imposed on those companies since 2009 and 2010, respectively as described below. As a result and in accordance with IFRS, we lost control of our Venezuelan subsidiaries, MONACA and DEMASECA, on January 22, 2013 and, in light of the loss of control, we ceased the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013 and reported any effects retroactively.

On May 10, 2013, Valores Mundiales and Consorcio Andino (the "Claimants") submitted a Request for Arbitration to the International Centre for Settlement of Investment Disputes ("ICSID"). The proceeding is currently pending. The tribunal that presides over this arbitration proceeding was constituted in January 2014. In this arbitration proceeding, Claimants assert that the Expropriation Decree and related measures are in breach of certain provisions of the Treaty. Under the provisions of the Treaty, the Claimants have made a claim for compensation resulting from, among others, Venezuela's expropriation of MONACA and DEMASECA.

While discussions with the government have taken place and may again take place from time to time, we cannot assure that such discussions will be successful or will result in the Investors receiving adequate compensation, if any, for their investments subject to the Expropriation Decree and related measures. Additionally, we cannot predict the results of any arbitral proceeding, or the ramifications that costly and prolonged legal disputes could have on our results of operations or financial position, or the likelihood of collecting a successful arbitration award. See "Item 8—Legal Proceedings—Venezuela—Expropriation Proceedings by the Venezuelan Government." We do not have insurance for the risk of expropriation.

As disclosed in Note 26 B to our audited consolidated financial statements, our income (loss) from our Venezuelan operations was Ps.576 million, (Ps.356 million) and (Ps.40 million) for the years ended December 31, 2012, 2013 and 2014, respectively.

Our interest in the total net assets of Venezuelan operations was Ps.3,109 million at January 22, 2013 and was accounted for as "Available-for-sale financial asset". Additionally, at December 31, 2014 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan operations totaling Ps.1,124 million. As described in Note 26 B to our audited consolidated financial statements, our loss originated by certain accounts receivable maintained with the Venezuelan companies was Ps.17 million for 2014.

Risks Related to the United States

Unfavorable General Economic Conditions in the United States Could Negatively Impact Our Financial Performance

Net sales in the United States constituted 51% of our total sales in 2014. Unfavorable general economic conditions in the United States could negatively affect the affordability of and consumer demand for some of our products. Under difficult economic conditions, customers and consumers may seek to forego purchases of our products or, if available, shift to lower-priced products offered by other companies. Softer customer and consumer demand for our products in the United States or in other major markets could reduce our profitability and could negatively affect our financial performance.

Additionally, as the retail grocery trade continues to consolidate and our retail customers grow larger, they could demand lower pricing and increased promotional programs. Also, our dependence on sales to certain retail and food service customers could increase. There is a risk that we will not be able to maintain our U.S. profit margin in this environment.

Demand for our products in Mexico may also be disproportionately affected by the performance of the United States economy. See also "Item 3. Key Information—Risk Factors—Risks Related to Mexico—Our Results of Operations Could Be Affected by Economic Conditions in Mexico."

Risks Related to Our Primary Shareholder Group and Capital Structure

Holders of ADSs May Not Be Able to Vote at our Shareholders' Meetings

Our shares are traded on the New York Stock Exchange in the form of ADSs. There can be no assurance that holders of our shares through ADSs will receive notices of shareholder meetings from our ADS depositary with sufficient time to enable such holders to return voting instructions to our ADS depositary in a timely manner. Under certain circumstances, a person designated by us may receive a proxy to vote the shares underlying the ADSs at our discretion at a shareholder meeting.

Holders of ADSs Are Not Entitled to Attend Shareholder Meetings, and They May Only Vote Through the Depositary

Under Mexican law, a shareholder is required to deposit its shares with a Mexican custodian in order to attend a shareholders' meeting. A holder of ADSs will not be able to meet this requirement, and accordingly is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs, in accordance with procedures provided for in the deposit agreement, but a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so. In addition, such voting instructions may be limited to matters enumerated in the agenda contained in the notice to shareholders and with respect to which information is available prior to the shareholders' meeting.

Holders of ADSs May Not Be Able to Participate in Any Future Preemptive Rights Offering and as a Result May Be Subject to a Dilution of Equity Interest

Under Mexican law, if we issue new shares for cash as a part of a capital increase, other than in connection with a public offering of newly issued shares or treasury stock, we must generally grant our shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage. Rights to purchase shares in these circumstances are known as preemptive

rights. We may not legally be permitted to allow holders of our shares through ADSs in the United States to exercise any preemptive rights in any future capital increases unless (i) we file a registration statement with the U.S. Securities and Exchange Commission, or SEC, with respect to that future issuance of shares or (ii) the offering qualifies for an exemption from the registration requirements of the Securities Act. At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement with the SEC, as well as the benefits of preemptive rights to holders of our shares through ADSs in the United States and any other factors that we consider important in determining whether to file a registration statement.

We are under no obligation to, and there can be no assurance that we will, file a registration statement with the SEC to allow holders of our shares through ADSs in the United States to participate in a preemptive rights offering. In addition, under current Mexican law, sales by the ADS depositary of preemptive rights and distribution of the proceeds from such sales to the holders of our shares through ADSs is not possible. As a result, the equity interest of holders of our shares through ADSs would be diluted proportionately and such holders may not receive any economic compensation. See "Item 10. Additional Information—Bylaws—Preemptive Rights."

The Protections Afforded to Minority Shareholders in Mexico Are Different From Those in the United States

Under Mexican law, the protections afforded to minority shareholders are different from those in the United States. In particular, the law concerning fiduciary duties of directors, executive officers and controlling shareholders has been recently developed and there is no legal precedent to predict the outcome of any such action. Additionally, shareholders' class actions are not available under Mexican law and there are different procedural requirements for bringing shareholder derivative lawsuits. As a result, in practice it may be more difficult for our minority shareholders to enforce their rights against us, our directors, our executive officers or our controlling shareholders than it would be for shareholders of a U.S. company.

Exchange Rate Fluctuations May Affect the Value of Our Shares

Fluctuations in the exchange rate between the peso and the U.S. dollar will affect the U.S. dollar value of an investment in our shares and of dividend and other distribution payments on those shares. See "Item 3. Key Information—Selected Financial Data—Exchange Rate Information" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Rate Risk."

Mexican Law Restricts the Ability of Non-Mexican Shareholders to Invoke the Protection of Their Governments With Respect to Their Rights as Shareholders

As required by Mexican law, our bylaws provide that non-Mexican shareholders shall be treated as Mexican shareholders in respect to their ownership interests in us, and shall be deemed to have agreed not to invoke the protection of their governments under any circumstance, under penalty of forfeit, in favor of the Mexican government, any participation or interest held in us.

Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of its own government by requesting the initiation of a diplomatic claim against the Mexican government with respect to its shareholder's rights. However, this provision shall not deem non-Mexican shareholders to have waived any other rights they may have, including any rights under the U.S. securities laws, with respect to their investment in us.

Our Primary Shareholder Group Exerts Substantial Control Over Us

As of April 24, 2015, Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera and certain of her descendants (the "Primary Shareholder Group") controlled approximately 54.08% of our outstanding shares. See "Item 10. Additional Information—Bylaws—Changes in Capital stock." Consequently, the Primary Shareholder Group, acting together, has the power to elect the majority of our directors and to determine the outcome of most actions requiring approval of our stockholders, including the declaration of dividends.

The interests of the Primary Shareholder Group may differ from those of our other shareholders. See "Item 7. Major Shareholders and Related Party Transactions—Major Shareholders."

We cannot assure you that members of the Primary Shareholder Group will continue to hold their shares or act together for purposes of control. Additionally, members of the Primary Shareholder Group may pledge part of their shares in us to secure any future borrowings. If such was the case and members of the Primary Shareholder Group were to default on their payment obligations, the lenders could enforce their rights with respect to such shares and the Primary Shareholder Group could lose its controlling interest in us resulting in a change of control. A change of control could trigger a default in some of our credit agreements and financial

instruments. Upon the occurrence of a Change of Control Triggering Event (which means the occurrence of both a Change of Control and a Ratings Decline, as defined in the indenture governing the 4.875% Notes due 2024) we may be required to repurchase the 4.875% Notes due 2024. Such a default or repurchase obligation could have a material adverse effect upon our business, financial condition, results of operations and prospects.

Our Antitakeover Protections May Deter Potential Acquirors

Certain provisions of our bylaws could make it substantially more difficult for a third party to acquire control of us. These provisions in our bylaws may discourage certain types of transactions involving the acquisition of our securities. These provisions could discourage transactions in which our shareholders might otherwise receive a premium for their shares over the then current market price. Holders of our securities who acquire shares in violation of these provisions will not be able to vote, or receive dividends, distributions or other rights in respect of, these securities and would be obligated to pay us a penalty. For a description of these provisions, see "Item 10. Additional Information—Bylaws—Other Provisions—Antitakeover Protections."

We Are a Holding Company and Depend Upon Dividends and Other Funds From Subsidiaries to Service Our Debt

We are a holding company with no significant assets other than the shares of our subsidiaries. As a result, our ability to meet our debt service obligations depends primarily on the dividends received from our subsidiaries. Under Mexican law, companies may only pay dividends:

- from earnings included in year-end financial statements that are approved by shareholders at a duly convened meeting;
- after any existing losses applicable to prior years have been made up or absorbed into stockholders' equity;
- after at least 5% of net profits for the relevant fiscal year have been allocated to a legal reserve until the amount of the reserve equals 20% of a company's paid-in capital stock; and
- after shareholders have approved the payment of the relevant dividends at a duly convened meeting.

In addition, Gruma Corporation is subject to covenants in some of its debt agreements which require the maintenance of specified financial ratios and balances and, upon an event of default, prohibit the payment of cash dividends. For additional information concerning these restrictions on intercompany transfers, see "Item 3. Key Information—Selected Financial Data—Dividends" and "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources."

We own approximately 83% of the outstanding shares of Grupo Industrial Maseca, S.A.B. de C.V., or GIMSA; accordingly, we are entitled to receive only our *pro rata* share of any of its dividends.

We also own 76% of MONACA and 60% of DEMASECA. However, as of January 22, 2013, we lost control of MONACA and DEMASECA as a consequence of the actions of the Venezuelan Government. See "Item 3. Key Information—Risk Factors—Risks Related to Venezuela."

ITEM 4 Information on the Company.

HISTORY AND DEVELOPMENT

Gruma, S.A.B. de C.V. is a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*) registered in Monterrey, Mexico under the *Ley General de Sociedades Mercantiles*, or Mexican Corporations Law, on December 24, 1971, with a corporate life of 99 years. Our full legal name is Gruma, S.A.B. de C.V., but we are also known by our commercial names: GRUMA and MASECA. The address of our principal executive office is Calzada del Valle, 407 Ote., Colonia del Valle, San Pedro Garza García, Nuevo León, 66220, Mexico and our telephone number is (52) 81 8399-3300. Our legal domicile is San Pedro Garza García, Nuevo León, México.

We were founded in 1949, when the late Roberto González Barrera started producing and selling corn flour in Northeastern Mexico as one of the raw materials for producing tortillas and other corn-based products. Prior to our founding, all corn tortillas were made using the wet corn dough method of tortilla production (the traditional method). Today, both wet corn dough and dry corn flour methods are used. Dry corn flour and wet corn dough can be utilized in various proportions to produce tortillas and other corn-based products. The corn flour process has been a significant impetus for growth, resulting in expanding corn flour and tortilla production

and sales throughout Mexico, the United States, Central America, Europe, Asia, Oceania and other regions where we operate. In addition, we have diversified our product mix to include other types of flatbreads (pita, naan, chapati, pizza bases and piadina) mainly in Europe, Asia and Oceania, and corn grits mainly in Europe, among other products in the regions where we have presence.

The following are some significant historical highlights:

- **In 1949**, Roberto González Barrera and a group of predecessor Mexican corporations founded GIMSA, which is engaged principally in the production, distribution and sale of corn flour in Mexico.

- **In 1972**, we entered the Central American market with our first operation in Costa Rica. Today, we have operations in Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua, as well as Ecuador, which we include as part of our Central American operations.

- **In 1977**, we entered the U.S. market. Our operations have grown to include products such as tortillas, corn flour, and other tortilla related products.

- **From 1989 to 1995**, we significantly increased our installed manufacturing capacity in the United States and in Mexico.

- **In 1993**, we entered the Venezuelan corn flour market through an investment in DEMASECA, a Venezuelan corporation producing corn flour.

- **In 1994**, GRUMA became a publicly listed company in both Mexico and the U.S.

- **In 1996**, we strengthened our position in the U.S. corn flour market through an association with Archer-Daniels-Midland. Through this association we combined our existing U.S. corn flour operations and strengthened our position in the United States. This association also allowed us to enter the Mexican wheat flour market by acquiring a 60% ownership interest in Archer-Daniels-Midland's Mexican wheat flour operations. Archer-Daniels-Midland no longer holds an ownership interest in us. See "Item 4. Information on the Company—Share Purchase Transaction with Archer-Daniels-Midland."

- **From 1997 to 2000**, we initiated a significant plant expansion program. During this period, we acquired or built tortilla plants, corn flour plants and wheat flour plants in the United States, Mexico, Central America, Venezuela and Europe.

- **From 2001 to 2003**, we entered into a comprehensive review of our business portfolio and focused on our core businesses.

- **In 2004**, we increased our presence in Europe by acquiring Ovis Boske, a tortilla company based in the Netherlands, and Nuova De Franceschi & Figli, a corn flour company based in Italy. We continued to expand capacity and upgrade several of our U.S. operations, the most relevant of which was the expansion of a corn mill in Indiana.

- **In 2005**, we continued to expand capacity at existing plants, began the construction of a tortilla plant in the northeast of the U.S., acquired three tortilla plants from Cenex Harvest States or CHS (located in Minnesota, Texas and Arizona) and one more in San Francisco, California.

- **In 2006**, we acquired two small tortilla plants in Australia (Rositas Investments and Oz-Mex Foods) and opened our first tortilla plant in China, which strengthened our presence in the Asian and Oceanian markets. We concluded the acquisition of Pride Valley Foods, a company based in England that produces tortillas, pita bread, naan, and chapati, thus expanding our product portfolio to other types of flatbreads.

- **In 2007**, we entered into a contract to sell a 40% stake in MONACA to our former partner in DEMASECA. In conjunction with this transaction, we also agreed to purchase an additional 10% ownership interest in DEMASECA from our former partner. We also purchased the remaining 49% ownership interest in Nuova De Franceschi & Figli. In addition, we made major investments in capacity expansions and upgrades in Gruma Corporation, started the construction of a new tortilla plant in Australia for Gruma Asia & Oceania, and expanded two of GIMSA's plants.

- **From 2008 to 2010**, we made capital expenditures for the construction of a tortilla plant in southern California, capacity expansions, general manufacturing and technology upgrades to several of our existing facilities, the construction of a tortilla plant in Australia, the construction of a wheat mill in Venezuela, and the acquisition of the leading producer of corn grits in Ukraine.

- **In 2011**, we acquired Semolina, the Turkish leading producer of corn grits, two tortilla plants in the U.S. located in Omaha, Nebraska and Albuquerque, New Mexico, and Solntse Mexico, the leading tortilla manufacturer in Russia.

- **In 2012**, our founder Mr. Roberto González Barrera passed away. In December 2012, we repurchased from Archer-Daniels-Midland 23.16% of our issued shares as well as Archer-Daniels-Midland's minority stakes in Azteca Milling, L.P., Molinera de México, S.A. de C.V., Consorcio Andino, S.L. and Valores Mundiales, S.L. See "Item 4. Information on the Company—Share Purchase Transaction with Archer-Daniels-Midland."

- **In 2013,** we deconsolidated the Venezuelan Companies. See "Item 3. Key Information—Risk Factors—Risks Related to Venezuela— We have Deconsolidated our Interest in the Venezuelan Companies which are Currently Involved in Expropriation and Arbitration Proceedings".

- **In 2014** we concluded the sale of our wheat flour operations. See "Item 5. Operating and Financial Review and Prospects—Acquisitions and Other Significant Events Within Our Business Units—Wheat Milling Transaction." We also issued US$400 million aggregate principal amount of 4.875% senior notes due 2024. See "Item 5. Operating and Financial Review and Prospects—Indebtedness—4.875% Notes Due 2024."

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ORGANIZATIONAL STRUCTURE

We are a holding company and conduct our operations through subsidiaries. The table below sets forth our principal subsidiaries as of December 31, 2014.

Name of Company	Principal Markets	Jurisdiction of Incorporation	Percentage Owned(1)	Products/ Services
Mexican Operations				
Grupo Industrial Maseca, S.A.B. de C.V. (“GIMSA”)	Mexico	Mexico	83%	Corn flour, Other
U.S. and Europe Operations				
Gruma Corporation	United States and Europe	Nevada	100%	Tortillas, Other tortilla related products, Corn flour, Flatbreads, Grits, Other
Azteca Milling, LP. (“Azteca Milling”)	United States	Texas	100%	Corn flour
Central American Operations				
Gruma de Guatemala, S.A., Derivados de Maíz Alimenticio, S.A., Industrializadora y Comercializadora de Palmito, S.A., Derivados de Maíz de Guatemala, S.A., Tortimasa, S.A., Derivados de Maíz de El Salvador, S.A., and Derivados de Maíz de Honduras, S.A. (“Gruma Centroamérica”)	Costa Rica, Honduras, Guatemala, El Salvador, Nicaragua, Ecuador	Costa Rica, Honduras, Guatemala, El Salvador, Nicaragua, Ecuador	100%	Corn flour, Tortillas, Snacks, Hearts of palm, Rice
Other Subsidiaries				
Mission Foods (Shanghai) Co. Ltd., Gruma Oceania Pty. Ltd., and Mission Foods (Malaysia) Sdn. Bhd. (“Gruma Asia & Oceania”)	Asia and Oceania	China, Malaysia and Australia	100%	Tortillas, Chips, Other products
Productos y Distribuidora Azteca, S.A. de C.V. (“PRODISA”)	Mexico	Mexico	100%	Tortillas, Other related products
Investigación Técnica Avanzada, S.A. de C.V. (“INTESA”) (2)	Mexico	Mexico	100%	Construction, Technology and Equipment operations
Deconsolidated Venezuelan Operations (3)				
Molinos Nacionales, C.A. (“MONACA”) (4)	Venezuela	Venezuela	76%	Corn flour, Wheat flour, Other products
Derivados de Maíz Seleccionado, C.A. (“DEMASECA”) (4)	Venezuela	Venezuela	60%	Corn flour

(1) Percentage of equity capital owned by us directly or indirectly through subsidiaries.

(2) As of March 21, 2014, Investigación de Tecnología Avanzada, S.A. de C.V. (“INTASA”), our former subsidiary that used to conduct our technology and equipment operations, merged into Gruma, S.A.B. de C.V., and ceased to exist. As a result of such

merger, all assets and liabilities, rights and obligations of INTASA, including its rights over trademarks, patents and/or any other intellectual property, are now owned by Gruma, S.A.B. de C.V. Since March 2014, our technology and equipment operations have been conducted principally through INTESA.

(3) Together these subsidiaries are referred to as the "Venezuelan Companies." We deconsolidated the Venezuelan Companies as of January 22, 2013 and report it as a discontinued operation.

(4) Valcon Holdings, S.A. de C.V. (formerly named RFB Holdings de Mexico, S.A. de C.V.) holds a 24.14% indirect interest in MONACA and 40% in DEMASECA. See "Item 3. Key Information—Risk Factors—Risks Related to Venezuela—The Venezuelan Companies are Currently Involved in Expropriation and Arbitration Proceedings" and "Item 10. Additional Information—Material Contracts—Archer-Daniels-Midland."

Our consolidated subsidiaries accounted for the following percentages and amount of our net sales in millions of pesos for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,					
	2014		2013		2012	
	In Millions of Pesos	Percentage of Net Sales	In Millions of Pesos	Percentage of Net Sales	In Millions of Pesos	Percentage of Net Sales
Gruma Corporation	Ps. 29,323	59%	Ps. 27,801	57%	Ps. 26,932	55%
GIMSA	15,074	30	15,944	33	16,948	34
Gruma Centroamérica	3,479	7	3,386	7	3,369	7
Others and eliminations	2,059	4	1,905	3	2,022	4
Total	Ps. 49,935	100%	Ps. 49,036	100%	Ps. 49,271	100%

Share Purchase Transaction with Archer-Daniels-Midland

We entered into an association with Archer-Daniels-Midland in September 1996. Archer-Daniels-Midland is one of the world's largest agricultural processors and traders. Through our partnership we improved our position in the U.S. corn flour market and gained an immediate presence in the Mexican wheat flour market. See "Item 7. Major Shareholders and Related Party Transactions—Transactions with Archer-Daniels-Midland." On December 14, 2012, we acquired the stake that Archer-Daniels-Midland owned directly and indirectly in us and certain of our subsidiaries (the "Equity Interests") through the exercise of a purchase option pursuant to certain rights of first refusal (the "ADM Transaction"), consisting of:

- 18.81% of the then outstanding shares of Gruma S.A.B. de C.V. and, indirectly, an additional 4.35% of the then outstanding shares of Gruma, S.A.B. de C.V. via the acquisition of 45% of the shares of Valores Azteca, S.A. de C.V. ("Valores Azteca"), a company that at the time of the ADM Transaction owned 9.66% of the shares of Gruma, S.A.B. de C.V.;

- 3% of the partnership interest of Valores Mundiales and Consorcio Andino, holding companies of the Venezuelan companies, MONACA and DEMASECA, respectively;

- 40% of the shares of Molinera de Mexico, our former wheat flour business in Mexico; and

- 100% of the shares of Valley Holding Inc., a company that at the time of the ADM Transaction owned 20% of Azteca Milling, our corn flour business in the United States.

The Equity Interests were acquired from Archer-Daniels-Midland for U.S.$450 million plus a contingent payment of up to U.S.$60 million, which contingent payment is payable only if during the 42 months (ending on June 14, 2016) following the closing of the ADM Transaction certain conditions are met. See "Item 10. Additional Information—Material Contracts." The economic terms of the ADM Transaction were based on the terms contained in the offer made by a third party to Archer-Daniels-Midland for the purchase of the Equity Interests. As a result of the ADM Transaction, Archer-Daniels-Midland no longer holds an ownership interest in us.

Based on a fairness opinion issued by an Independent Expert, as well as the financial analysis conducted by our management, we believe that, at the agreed values for the ADM Transaction, the ADM Transaction will generate a significant economic benefit and substantial creation of value for us because of the higher net income attributable to shareholders that we will obtain due to the increase of our interest in Azteca Milling and Molinera de México. We believe this benefit will occur regardless of whether we will be required to make the contingent payment.

To fund the ADM Transaction, GRUMA obtained short-term unsecured loan facilities for a total amount of U.S.$400 million with maturities of up to a year (the "Short-Term Facilities"), and used proceeds from Gruma Corporation's revolving syndicated credit facility with Bank of America, N.A. We refinanced the Short-Term Facilities in 2013. See "Item 5—Operating and Financial Review and Prospects—Indebtedness."

Capital Expenditures

Our capital expenditure program continues to be primarily focused on our core businesses and markets. Capital expenditures for 2012, 2013, and 2014 were U.S.$ 181 million, U.S.$110 million and U.S. $129 million, respectively. During 2012, 2013 and 2014, capital expenditures were applied primarily to production capacity expansions, general manufacturing and technology upgrades in Gruma Corporation and GIMSA. In March 2015, we acquired Azteca Foods Europe, a leading producer of tortillas and other Mexican food-related products in Spain.

We have budgeted approximately U.S.$300 million for capital expenditures in 2015, which we intend to use mainly for production capacity expansions, general manufacturing and technology upgrades, especially in Gruma Corporation, GIMSA and Gruma Asia & Oceania. The 2015 capital expenditures budget includes potential acquisitions. We anticipate financing these expenditures throughout the year through internally generated funds and debt.

The following table sets forth the aggregate amount of our capital expenditures during the periods indicated.

	Year ended December 31		
	2014	2013	2012
	(in millions of U.S. dollars)(1)		
Gruma Corporation	$ 68.8	$ 73.6	$ 123.9
GIMSA	25.7	44.2	34.3
Gruma Centroamérica	6.2	3.9	5.3
Others and eliminations	28.1	(11.9)	17.7
Total consolidated	$ 128.8	$ 109.8	$ 181.2

(1) Amounts in respect of some of the capital expenditures were paid for in currencies other than the U.S. dollar. As a result, U.S. dollar amounts presented in the table above may not be comparable to data contained elsewhere in this annual report, which is expressed on the basis of the peso/dollar exchange rate as of December 31, 2014, unless otherwise specified.

For more information on capital expenditures for each subsidiary, please see the section entitled "Operations and Capital Expenditures" below.

BUSINESS OVERVIEW

We are a holding company and one of the world's largest tortilla and corn flour producers. With leading brands in most of our markets, we have operations in the United States, Mexico, Central America, Europe, Asia, and Oceania. We are headquartered in San Pedro Garza García, Mexico, and have approximately 18,000 employees and 79 manufacturing facilities. Our shares are publicly traded in Mexico and in the United States of America and listed on the BMV and on the New York Stock Exchange. We are organized as a *sociedad anónima bursátil de capital variable* under the laws of Mexico.

We believe we are one of the leading producers of corn flour and tortillas in the United States, and one of the leading producers of corn flour in Mexico. We believe that we are also one of the largest producers of corn flour and tortillas in Central America, one of the largest producers of tortilla and other flatbreads, including pita, naan, chapati, pizza bases and piadina in Europe, Asia and Oceania, and one of the leading producers of corn grits in Europe and the Middle East.

Our focus has been and continues to be the efficient and profitable expansion of our core business—corn flour and tortilla. We pioneered the dry corn flour method of tortilla production, which offers significant opportunities for growth. Using our know-how, we will seek to encourage tortilla and other corn-based products manufacturers in the United States, Mexico, Central America, and elsewhere to use corn flour in the production of tortillas and other corn-based products.

The following table sets forth our consolidated revenues by geographic market for the years ended December 31, 2014, 2013 and 2012.

	2014	2013	2012
United States and Europe	Ps. 29,279	Ps. 27,761	Ps. 26,901
Mexico	15,110	16,111	17,131
Central America	3,479	3,386	3,369
Asia and Oceania	2,068	1,778	1,870
Total	Ps. 49,935	Ps. 49,036	Ps. 49,271

Strategy

Our strategy is to focus on our core business—corn flour and tortilla—as well as to expand our product portfolio towards the flatbreads category in general. We will continue taking advantage of the increasing popularity of Mexican food and, more importantly, tortillas, in the U.S., European, Asian and Oceanian markets. We will also continue taking advantage of the adoption of tortillas by the consumers of several regions of the world for the preparation of different recipes other than Mexican food. Our strategy includes the following key elements:

Expand in the Retail and Food Service Tortilla Markets Where We Currently Have a Presence and to New Regions: We believe that the size and growth of the U.S. retail and food service tortilla markets offer significant opportunities for expansion.

Enter and Expand in the Tortilla and Flatbread Markets in Other Regions of the World: We believe that tortilla and flat-bread markets in other continents such as Europe, Asia and Oceania offer us significant opportunities. We believe our current operations in Europe will enable us to better serve markets there and in the Middle East. Our presence in Asia and Oceania will enable us to offer our customers in those regions fresh products and respond more quickly to their needs.

Maintain Gruma Corporation's MISSION® and GUERRERO® Tortilla Brands as the First and Second National Brands in the United States and to Position our Mission Brand in Other Regions: We intend to achieve this by increasing our efforts at building brand name recognition, and by further expanding and utilizing Gruma Corporation's distribution network, first in Gruma Corporation's existing markets, where we believe there is potential for further growth, and second, in regions where Gruma Corporation currently does not have a significant presence but where we believe strong demand for tortillas already exists.

Encourage Transition from the Traditional Cooked-Corn Method to the Dry Corn Flour Method as Well as New Uses for Corn Flour: We pioneered the dry corn flour method for the production of tortilla and other corn-based products.We continue to view the transition from the traditional method to the dry corn flour method of making tortillas and other corn-based products, as the primary opportunity for increased corn flour sales. We are also working to expand the use of corn flour in the manufacture of different types of products.

Expand and Leverage the Mission Brand Name Globally to Achieve Economies of Scale: We intend to continue to launch the Mission brand name in markets where we have reached critical mass to leverage our premium brand name and consolidate profitability.

Invest in our Core Business and Focus on Optimizing Operational Matters: Recently we have experienced renewed growth in the U.S., European, Asian and Oceanian tortilla markets. We intend to focus our investment program on our core business to enable us to meet future demand, consolidate our leading position in the industry and continue delivering a return to shareholders that is above the cost of capital.

U.S. and European Operations

Overview

We conduct our United States and European operations principally through our subsidiary Gruma Corporation, which manufactures and distributes corn flour, tortillas, corn chips and related products. Gruma Corporation commenced operations in the United States in 1977, initially developing a presence in certain major tortilla consumption markets by acquiring small tortilla manufacturers and converting their production processes from the traditional "wet corn dough" method to our dry corn flour method. Eventually, we began to build our own state-of-the-art tortilla plants in certain major tortilla consumption markets. We have vertically integrated our operations by (i) building corn flour and tortilla manufacturing facilities; (ii) establishing corn purchasing operations;

(iii) launching marketing and advertising campaigns to develop brand name recognition; (iv) expanding distribution networks for corn flour and tortilla products; and (v) using our technology to design and build proprietary corn flour, tortilla and tortilla chip manufacturing machinery.

In September 1996, we combined our U.S. corn flour milling operations with Archer-Daniels-Midland's corn flour milling operations into a newly formed limited partnership known as Azteca Milling, in which Gruma Corporation held an 80% interest. As a result of the ADM Transaction, Gruma Corporation now holds a 100% interest in Azteca Milling. See "Item 4. Information on the Company—Share Purchase Transaction with Archer-Daniels-Midland."

During 2000, Gruma Corporation opened its first European tortilla and corn chips plant in Coventry, England, initiating our entry into the European market.

Gruma Corporation

Gruma Corporation operates primarily through its Mission Foods division, which produces tortillas and related products, and Azteca Milling, a limited partnership wholly owned by Gruma Corporation which produces corn flour. We believe Gruma Corporation is one of the leading manufacturers and distributors of tortillas and related products throughout the United States and Europe through its Mission Foods division. We believe Gruma Corporation is also one of the leading producers of corn flour in the United States through its Azteca Milling division.

Principal Products. Mission Foods manufactures and distributes corn and wheat tortillas and related products (which include tortilla chips) under the MISSION®, GUERRERO® and CALIDAD® brand names in the United States, as well as other minor regional brands. By continuing to build MISSION® into a strong national brand for the general consumer market, GUERRERO® into a strong Hispanic consumer focused brand and CALIDAD® as our value brand in tortillas and chips, we expect to increase Mission Foods' market penetration, brand awareness and profitability. Azteca Milling manufactures and distributes corn flour in the United States under the MASECA® brand, and, to a lesser extent, under our value brand TORTIMASA®.

Sales and Marketing. Mission Foods serves both retail and food service customers. In the U.S., retail customers represented approximately 73% of our sales volume in 2014, including supermarkets, mass merchandisers, membership stores and smaller independent stores. Our food service customers include major chain restaurants, food service distributors, schools, hospitals and the military. In our European business, approximately half of our tortilla production is allocated to retail sales, and the other half to the food service segment, including quick-service restaurants and food processors.

For the U.S. tortilla market, Mission Foods' current marketing strategy is to focus on core products and drive organic, profitable, and sustainable growth, while creating a strong value proposition for our consumers through superior consumer knowledge and understanding, excellence in customer service and effective marketing programs. Mission Foods promotes its products primarily through merchandising programs with supermarkets, and, to a lesser extent, joint promotions with other companies' products that may be complementary to ours as well as radio and television advertising and digital media, targeting both Hispanic and non-Hispanic populations. We believe these efforts have contributed to greater consumer awareness, and household penetration. Mission Foods also targets food service companies and works with restaurants, institutions and distributors to address their individual needs and provide them with a full line of products. Mission Foods continuously attempts to identify new customers and markets for its tortillas and related products in the United States and in Europe.

Azteca Milling distributed approximately 36% of the corn flour it produces to Mission Foods' plants throughout the United States, Australia and Asia in 2014. Azteca Milling's third-party customers consist largely of other tortilla manufacturers, corn chip producers, retail customers and wholesalers. Azteca Milling sells corn flour in various quantities, ranging from four-pound retail packages to bulk railcar loads.

We anticipate growth in the U.S. market for corn flour, tortillas, and related products. We believe that the growing consumption of Mexican-style foods by non-Hispanics will continue to increase demand for tortillas and tortilla related products, particularly wheat flour tortillas. Also influential is the fact that tortillas are no longer solely used as ingredients in Mexican food; for example, tortillas are also used for wraps, which will continue to increase demand for tortillas. Growth in the U.S. corn flour market is attributable to the conversion of tortilla and tortilla chip producers from the wet corn dough process to our dry corn flour method, the increase of the Hispanic population, the consumption of tortillas and tortilla chips by the general consumer market, and stronger and increased distribution.

Competition and Market Position. We believe Mission Foods is one of the leading manufacturers of tortillas and related products throughout the United States and Europe. We believe the tortilla market is highly fragmented, regional in nature and extremely competitive. Mission Foods' main competitors are hundreds of tortilla producers who manufacture locally or regionally

and tend to be sole proprietorships. However, a few competitors have a presence in several U.S. regions such as Olé Mexican Foods, La Tortilla Factory, El Milagro and Reser's Fine Foods, among others. In addition, a few large companies have tortilla manufacturing divisions that compete with Mission Foods, for example, Tyson, Bimbo, Hormel Foods, and General Mills.

Competitors within the corn flour milling industry include Minsa, Hari Masa, Bunge, and the corn flour milling divisions of Cargill. Azteca Milling competes with these corn flour manufacturers in the United States primarily on the basis of superior quality, technical support, customer service and brand recognition. However, we believe there is great potential for growth by converting tortilla and tortilla chip manufacturers that still use the traditional method to our corn flour method. We believe Azteca Milling is one of the leading producers of corn flour in the United States.

We strongly believe there is significant growth potential for tortillas, wraps and other flatbreads in all geographic areas of Europe and also through multiple channels, for example, in the retail and food service channels. Mexican-based cuisine is gaining popularity in key markets. Likewise, consumer trends indicate a growing need for versatile, healthy, nutritious and tasty food on-the-go, as well as for more interesting food accompaniments. Our products address all of these needs, and their profile allows them to be easily customized to local cultures. Mission Foods is well-placed to both drive and benefit from this situation in the coming years.

We believe Mission Foods is one of the leading tortilla producers in Europe with the main competitors being Santa Maria, General Mills and Aryzta. There are a number of more recent players operating in Europe occupying niche positions in tortilla production.

Operations and Capital Expenditures. Annual total production capacity for Gruma Corporation is estimated at 2.4 million metric tons as of December 31, 2014, with an average utilization of 77.5% in 2014. The average size of our plants as of December 31, 2014 was approximately 9,480 square meters (about 102,040 square feet).

Capital expenditures for the past three years were U.S.$266 million, and were primarily used for capacity expansions and general manufacturing and technology upgrades. Capital expenditures for such period were also used for the acquisition in 2012 of Tortilleria Mexicana, a corn related products manufacturer in the Netherlands, for U.S.$2.3 million; the construction of a new tortilla plant in Florida in 2012 and in 2014, we acquired Mexifoods, a leading food company based in Spain, engaged in the production of tortillas and other Mexican food-related products for U.S.$15 million. Additionally, in March 2015, we acquired Azteca Foods Europe, a leading producer of tortillas and other Mexican food-related products in Spain, for approximately EUR 45 million.

Gruma Corporation's projected capital expenditures for 2015 are expected to be approximately U.S.$150 million, mainly for production capacity expansions and manufacturing and technology upgrades. The 2015 capital expenditures budget includes potential acquisitions.

Mission Foods produces its tortillas and other related products at 29 manufacturing facilities worldwide. Twenty two of these facilities are located in large population centers throughout the United States and seven are located in Europe. During 2009, Mission Foods closed three manufacturing facilities located in Las Vegas, Fort Worth and El Paso. Mission Foods has shifted production to other plants to achieve savings in overhead costs. Mission Foods will consider reopening the Fort Worth plant should market demands require additional capacity. Outside the United States, Mission Foods has two plants in England, two plants in The Netherlands, one plant in Russia and two plants in Spain.

Mission Foods is committed to offering the best quality products to its customers through the implementation of the American Institute of Baking ("AIB") food safety standards, and Global Food Safety Initiative ("GFSI") recognized certification schemes such as British Retail Consortium ("BRC") and Safe Quality Food ("SQF"). Additionally, our plants are regularly evaluated by other third party organizations and customers.

All of the Mission Foods manufacturing facilities worldwide have earned either a superior or excellent category rating from the AIB-GMP (Good Manufacturing Practice) audits. Most of Mission Foods' United States plants have earned the BRC or SQF certification. Our recently built Florida plant achieved BRC Certification last year and the Albuquerque Plant is in the process of getting their SQF Certification this year.

In 2008 Mission Foods started the BRC certification process at four plants in the United States. By 2012, 16 plants had completed the certification process. Additionally, one of our plants is SQF certified. Our plants in England and The Netherlands are also evaluated by third party organizations such as the AIB, International Food Standards and BRC. Our facility in Russia, which was acquired in July of 2011, operates in compliance with Russian food production laws and is audited by multiple clients. At the end of 2012, our Russian facility successfully completed an ISO 22000 audit for food safety. The facility is currently working towards HACCP certification.

Azteca Milling produces corn flour at six plants located in Amarillo, Edinburg and Plainview, Texas; Evansville, Indiana; Henderson, Kentucky; and Madera, California. Gruma Corporation also produces corn flour and corn grits at our plants in Ceggia, Italy; Cherkassy, Ukraine; and Samsun, Turkey. The majority of our plants are located within important corn growing areas. Due to Azteca Milling's manufacturing practices and processes, all six facilities located in the United States have achieved ISO 9002 certification as well as the AIB certification. Our corn flour plants in Italy and Ukraine have obtained the BRC certification. Additionally, our corn flour mill in Italy obtained the OHSAS 18001 international workplace safety standards certification, and our corn flour plant in Turkey has obtained the International Featured Standards certification, among others.

Seasonality. We believe there is no significant seasonality in our products, however certain products tend to experience a slight volume increase during the summer months. Tortillas and tortilla chips sell year round, with special peaks during the summer, when we increase our promotion and advertising by taking advantage of several holidays and major sporting events. Tortilla and tortilla chip sales decrease slightly towards the end of the year when many Mexicans go back to Mexico for the holidays. Sales of corn flour fluctuate seasonally as demand is higher in the fourth quarter during the holidays because of higher demand for corn flour used in certain Mexican foods that are very popular during this time of the year.

Raw Materials. Corn is the principal raw material used in the production of corn flour, which is purchased from local producers. Azteca Milling buys corn only from farmers and grain elevators that agree to supply varieties of corn approved for human consumption. Azteca Milling tests and monitors its raw material purchases for corn not approved for human consumption, for certain strains of bacteria, fungi metabolites and chemicals. In addition, Azteca Milling applies certain testing protocols to incoming raw materials to identify genetically modified products not approved for human consumption.

Because corn prices tend to be somewhat volatile, Azteca Milling engages in a variety of hedging activities in connection with the purchase of its corn supplies, including the purchase of corn futures contracts. In so doing, Azteca Milling attempts to assure corn availability approximately 12 months in advance of harvest time and guard against price volatility approximately six months in advance. The Texas Panhandle currently is the single largest source of food-grade corn. Azteca Milling is also involved in short-term contracts for corn procurement with many corn suppliers. Where suppliers fail to deliver, Azteca Milling can easily access the spot markets. Azteca Milling does not anticipate any difficulties in securing adequate corn supplies in the future.

Corn flour for Mission Foods U.S. operations is supplied by Azteca Milling, and to a much lesser extent, by GIMSA. Corn flour for Mission Foods European operations is supplied mainly by our corn mill in Italy.

Wheat flour for the production of wheat tortillas and other types of wheat flatbreads is purchased from third party producers at prices prevailing in the commodities markets. Mission Foods believes the market for wheat flour is sufficiently large and competitive to ensure that wheat flour will be available at competitive prices to supply our needs. Contracts for wheat flour supply are made on a short-term basis.

Distribution. An important element of Mission Foods' sales growth has been the expansion and improvement of its tortilla distribution network, including a direct-store-delivery system to distribute most of its products, providing national coverage in the United States to the retail grocery channel. Distribution in the United States is mainly through independent distributors most of them working exclusively with Mission Foods. Depending on the size of the customer, and the category development index / brand development index metrics ("CDI/BDI Metrics") of the geography, tortillas and other products are generally delivered daily or several times a week. In parts of the country, for example the Northeast, where CDI/BDI Metrics are low, Mission Foods employs a warehouse distribution method, distributing also refrigerated tortillas. In keeping with industry practice, Mission Foods generally does not have written sales agreements with its customers. Nevertheless, from time to time, Mission Foods enters into consumer marketing agreements with retailers, in which certain terms on how to market our products are agreed. Mission Foods has also developed a North American food service distribution network that encompasses all regions in the United States and the majority of provinces in Canada.

The vast majority of corn flour produced by Azteca Milling in the United States is sold to tortilla and tortilla chip manufacturers and is delivered directly from the plants to the customer. Azteca Milling's retail customers are primarily serviced by a network of distributors, although a few large retail customers have their corn flour delivered directly to them from the plants.

Almost all of the corn flour and corn grits produced in Europe are sold to beer, snacks, tortilla chip and taco shell manufacturers, and are delivered directly from the plants to the customer. We also supply customers in several industries like breakfast cereals and polenta, among others. Retail customers are primarily serviced by a network of distributors, although a few large retail customers have their corn flour delivered directly to them from the plants.

Mexican Operations

Overview

Our largest business in Mexico is the manufacture and sale of corn flour, which we conduct through our subsidiary GIMSA. Our other subsidiaries engage in the manufacturing and distribution of tortillas and other related products mainly in in northern Mexico, conduct research and development regarding corn flour and tortilla manufacturing equipment, produce machinery for corn flour and tortilla production and construct our corn flour manufacturing facilities.

GIMSA—Corn Flour Operation

Principal Products. GIMSA produces corn flour in Mexico, which is then used as a raw material in the preparation of tortillas and other corn-based products. GIMSA also produces other products like corn grits and several types of corn-based products for animal feed.

GIMSA sells corn flour in Mexico mainly under the brand name MASECA®, which is a fine-textured, white corn flour and is a ready-mixed corn flour that becomes dough when water is added. This corn dough can then be pressed to an appropriate thickness, cut to shape and cooked to produce tortillas and other corn-based products.

GIMSA produces over 50 varieties of corn flour for the manufacture of different food products which are developed to meet the requirements of our different types of customers according to the kind of products they manufacture and markets they serve.

Sales and Marketing. GIMSA sells packaged corn flour in bulk mainly to tortilla manufacturers and manufacturers of other corn-based products, including corn chips and snacks, which purchase corn flour in 20-kilogram sacks. Additionally, GIMSA sells corn flour in the retail market in one-kilogram packages.

The following table sets forth GIMSA's bulk and retail sales volume of corn flour, and other products for the periods indicated.

	2014		2013		2012	
	Tons	%	Tons	%	Tons	%
Corn Flour	1,730	96	1,684	95	1,703	95
Bulk	1,486	83	1,443	81	1,517	80
Retail	244	13	241	14	285	15
Other	68	4	96	5	97	5
Total	1,798	100	1,780	100	1,899	100

Retail sales of corn flour are channeled to two distinct markets: urban centers and rural areas. Sales to urban consumers are made mostly through supermarket chains that use their own distribution networks or through wholesalers who sell the product to smaller grocery stores throughout Mexico. Sales to rural consumers are made principally through the Mexican government's social welfare retail chain, a social and distribution program named DICONSA, which consists of a network of small stores which supplies rural areas with basic food products.

Mexico's tortilla industry is highly fragmented, consisting of approximately 80,000 *tortillerías*, most of which continue to utilize the wet corn dough method of tortilla production (the traditional method), while some use dry corn flour and some of which mix wet corn dough and dry corn flour in various proportions.

We believe that our corn flour is used by approximately 30,000 of the existing *tortillerías* to produce tortillas and other corn-based products. We estimate that the traditional method is used to manufacture two thirds of the tortillas produced in Mexico. We estimate that approximately 25% of the corn dough used to produce tortillas in Mexico is made with our corn flour.

GIMSA has embarked on several programs to promote corn flour sales. The promotional activities GIMSA offers include a wide range of top-quality products that meet the diverse needs of our customers, as well as, the availability of easy to use equipment designed specifically for small-volume users and individualized training.

During 2014, GIMSA continued its marketing and advertising strategy, focused on supporting its points of sale to reach the clients directly, and strengthen its distributors.

GIMSA is aware of the dynamism of the Mexican market. In order to adapt quickly and to anticipate new customers' needs, GIMSA continued diversifying its sales force in specialized teams to be able to satisfy different types of customers, focusing primarily in increasing product availability and achieving higher market coverage.

We undertake the following ongoing initiatives in an effort to improve operational efficiency, increase consumption of corn flour, and improve on our successful business model to attract new customers:

- initiatives designed to strengthen commercial relations with our existing customers, primarily by offering personalized customer service and sales programs to our customers, including the development of comprehensive business models;
- initiatives designed to increase coverage in regions with low corn flour consumption with special promotions tailored specifically to these markets;
- design of individualized support regarding the type of machinery required for their business, financial advisory and training;
- assistance to customers in the development of new operation methods to reduce costs and increase profitability;
- development of tailored marketing promotions to increase consumption in certain customer segments; and
- assistance to customers in the development of higher value added products such as tortilla chips, taco shells and enchilada tortillas, reflecting consumption trends.

Competition and Market Position. In the market of raw materials for producing tortilla and other corn-based products, GIMSA faces competition on three levels: from (i) corn used by tortilla producers to make wet corn dough in their premises; (ii) wet corn dough produced industrially and distributed to *tortillerías* and manufacturers of other corn-based products; and (iii) from other corn flour producers, such as: Grupo Minsa, Molinos Anáhuac, Hari Masa, Cargill de México, among others. We compete against other corn flour manufacturers on the basis of quality, customer service and geographic coverage. We believe that GIMSA has certain competitive advantages resulting from its economies of scale, production efficiencies and geographic coverage, which may provide it with opportunities to more effectively source raw materials and reduce transportation costs.

Operations and Capital Expenditures. GIMSA currently owns 18 corn flour mills, all of which are located throughout Mexico, typically within corn growing regions and close to large tortilla consumption areas. GIMSA also owns a plant which produces other products like corn grits and several types of corn-based products. Two of GIMSA's plants are idle. The Chalco plant has been inactive since October 1999. GIMSA will consider reopening this plant should market demands require additional capacity. The other plant is in Celaya, which has been idle since February 2006. These assets are being depreciated.

Annual total production capacity for GIMSA is estimated at 2.8 million metric tons as of December 31, 2014, with an average utilization of 63% in 2014. The average size of our plants as of December 31, 2014 was approximately 20,700 square meters (approximately 222,813 square feet).

In recent years, GIMSA's capital expenditures have been primarily used to upgrade technology, corn flour production processes, maintenance and capacity expansions at certain plants. From 2012 through 2014, GIMSA spent U.S.$56 million, U.S.$37 million and U.S.$21 million for maintenance, capacity expansions, and technology, respectively. GIMSA currently projects total capital expenditures during 2015 of approximately U.S.$47 million, which will be used primarily for updating technology and production capacity expansion projects at certain plants.

Each of GIMSA's corn flour facilities uses proprietary technology developed by our technology and equipment operations. For more information about our in-house technology and design initiatives, see "Item 4—Information on the Company—Miscellaneous—Technology and Equipment Operations" and "Item 4—Information on the Company—Organizational Structure—INTESA."

Seasonality. The demand for corn flour varies slightly with the seasons, with some minor increases during the December holidays.

Raw Materials. Corn is the principal raw material required for the production of corn flour, and constituted 61% of GIMSA's cost of sales for 2014. We purchase corn primarily from Mexican growers and grain elevators, and from world markets

usually at international prices. In 2014, we imported approximately 31% of our corn purchases. Most of our domestic corn purchases are made through ASERCA, a governmental program established and supported by the Mexican Ministry of Agriculture, where contracts with grain growers and elevators are registered once the corn is planted to guarantee price and delivery upon harvest. Compañía Nacional Almacenadora, S.A. de C.V., a subsidiary of GIMSA, enters into contracts for GIMSA, purchases the corn, and also monitors, selects, handles and ships the corn.

We believe that the diverse geographic locations of GIMSA's production facilities in Mexico enable GIMSA to achieve savings in raw material transportation and handling. In addition, by sourcing corn locally for its plants, GIMSA is better able to communicate with local growers concerning the size and quality of the corn crop and is better able to maintain quality control. In Mexico, GIMSA purchases corn on delivery in order to strengthen its ability to obtain the highest quality corn on the best terms.

Traditionally, domestic corn prices in Mexico typically follow trends in the international market. During most periods, the price at which GIMSA purchases corn depends on the price of corn in the international market. As a result, corn prices are sometimes unstable and volatile. Additionally, in the past, the Mexican government has supported the price of corn. For more information regarding the government's effect on corn prices, see "Item 3. Key Information—Risk Factors—Our Business Operations Could Be Affected by Government Policies in Mexico" and "Item 4. Information on the Company—Regulation."

In addition to corn, the other principal materials and resources used in the production of corn flour are packaging materials, water, lime, additives and energy. GIMSA believes that its sources of supply for these materials and resources are adequate, although energy, additives and packaging costs tend to be volatile.

Distribution. We have our own sales teams that are capable of servicing all sales channels, which allows us to know and serve our clients' needs. GIMSA's products are distributed mainly through independent transport firms contracted by GIMSA and, to a lesser extent, using our own fleet, depending on the type of client. Most of GIMSA's sales are made ex-works at GIMSA's plants. With respect to other sales, in particular sales to the Mexican government, large supermarket chains, and snack producers, GIMSA pays the freight cost.

Central American Operations

Overview

In 1972, we entered the Costa Rican market. Our operations since then have expanded into Guatemala, Honduras, El Salvador and Nicaragua, as well as Ecuador, which we include as part of our Central American operations.

Gruma Centroamérica

Principal Products. Gruma Centroamérica produces corn flour, and to a lesser extent, tortillas and snacks. We also cultivate and sell hearts of palm and process and sell rice. We believe we are one of the largest corn flour producers in the region. We sell corn flour under the MASECA®, TORTIMASA®, MASARICA®, MINSA® and JUANA® brands. In Costa Rica, we sell tortillas under the TORTIRICAS® and MISSION® brands. We operate a Costa Rican snack business which manufactures tortilla chips, potato chips and similar products under the TOSTY®, RUMBA®, BRAVOS® and TRONADITAS® brands. Hearts of palm are exported to numerous European countries as well as the United States, Canada, Brazil, Argentina, Chile and Mexico.

Sales and Marketing. 80% of Gruma Centroamérica's sales volume in 2014 derived from the sale of corn flour.

Gruma Centroamérica corn flour bulk sales are oriented predominantly to small tortilla manufacturers through direct delivery and wholesalers. Supermarkets make up the customer base for retail corn flour. Bulk sales volume represented approximately 52% and retail sales represented approximately 48% of Gruma Centroamérica's corn flour sales volume during 2014.

Competition and Market Position. We believe that we hold a strong leadership position in the corn flour market in Central America based on revenues and sales volume. We believe that there is significant potential for growth in Central America as corn flour was used in only approximately 18.8% of all tortilla production in 2014; the majority of tortilla manufacturers use the wet corn dough method. We believe that Gruma is the largest producer of tortillas and snacks in Costa Rica.

Within the corn flour industry, the brands of our main competitors are: Del Comal, Doña Blanca, Selecta, Bachosa, Más Tortilla, Chortimasa, Instamasa and Doñarepa. However, our key growth opportunity is to convert tortilla manufacturers that still use the traditional method to our corn flour method.

Operations and Capital Expenditures. We had an annual installed production capacity of 319 thousand tons for corn flour and other products as of December 31, 2014, with an average utilization of approximately 68% during 2014. We operate one corn flour plant in each of Costa Rica, Honduras, El Salvador, and Guatemala, for a total of four plants throughout the region. In Costa Rica, we also have one plant producing tortillas, one plant producing snacks, one plant processing hearts of palm and one plant processing rice. In Nicaragua we have a small tortilla plant, while in Guatemala we have a small plant that produces snacks and in Ecuador we have a small facility which processes hearts of palm. On average, the size of our plants as of December 31, 2014 was approximately 7,100 square meters (approximately 76,418 square feet).

During 2012, 2013 and 2014 most of our capital expenditures were oriented towards general manufacturing upgrades and production capacity expansions at existing corn flour plants. Total capital expenditures for the past three fiscal years were approximately U.S.$15.0 million. Capital expenditures for 2015 are projected to be U.S$8 million, which will be used primarily for general manufacturing and technology upgrades.

Seasonality. Typically, corn flour sales volume is lower during the first and fourth quarters of the year due to higher corn availability and lower corn prices.

Raw Materials. Corn is the most important raw material needed in our operations, representing 40% of the cost of sales during 2014, and is obtained primarily from imports from the United States and from local growers. Price fluctuation and volatility are subject to domestic conditions, such as annual crop results and international conditions.

Discontinued Operations

Molinera de México

In 1996, through our former association with Archer-Daniels-Midland, we entered the wheat milling market in Mexico by acquiring a 60% ownership interest in Archer-Daniels-Midland's wheat flour operation, Molinera de México, later increasing our ownership interest to 100% through the ADM transaction. See "Item 5. Operating and Financial Review and Prospects —Acquisitions and Other Significant Events Within our Business Units—Share Purchase Transaction with Archer-Daniels-Midland." Molinera de México's main product is wheat flour, although it also sells wheat bran and other byproducts. Its wheat flour brands are REPOSADA®, PODEROSA® and SELECTA®, among others. SELECTA® is the main brand in the retail segment.

On June 10, 2014, we entered into the Wheat Milling Transaction. As a result of this transaction, we no longer have a participation in the wheat milling industry in Mexico. See Note 26 A to our audited consolidated financial statements.

Venezuelan Companies

In 1993, we entered the Venezuelan corn flour industry through a participation in DEMASECA, a corn flour company in Venezuela. In August 1999, we acquired 95% of DAMCA International Corporation, a Delaware corporation which owned 100% of MONACA, Venezuela's second largest corn and wheat flour producer at that time, for approximately U.S.$94 million. Additionally, Archer-Daniels-Midland acquired the remaining 5% interest in MONACA.

In April of 2006, we entered into a series of transactions to: (i) purchase an additional 10% ownership interest in DEMASECA at a price of U.S.$2.6 million; (ii) purchase a 2% stake in MONACA from Archer-Daniels-Midland at a price of U.S.$3.3 million; and (iii) sell a 3% interest in DEMASECA to Archer-Daniels-Midland at a price of U.S.$780,000.

Additionally, in April of 2006, we entered into a contract for the sale of a stake in MONACA to Rotch Energy Holdings, N.V. ("Rotch"), a controlled entity of our former indirect partner in DEMASECA, Ricardo Fernández Barrueco. As a result Rotch acquired a 24.14% interest in MONACA, and subsequently pledged its equity interests for the benefit of a Mexican financial institution (the "Rotch Lender") as security for a loan to a controlled entity of Rotch. In June of 2010, Rotch defaulted under the loan and the stake in MONACA was sold and assigned to a third investor, whose interest is held by a Mexican company, Valcon Holdings, S.A. de C.V. Valcon Holdings, S.A. de C.V. is not affiliated with our former indirect partner in DEMASECA, Ricardo Fernández Barrueco.

As a result of the foregoing transactions and the ADM Transaction, we currently own 75.86% of Valores Mundiales and Valcon Holdings, S.A. de C.V. owns the remaining 24.14%. As of December 31, 2014, Valores Mundiales was the sole registered shareholder of MONACA. In addition, we own 60% of Consorcio Andino and Valcon Holdings, S.A. de C.V. owns the remaining 40%. As of December 31, 2014, Consorcio Andino was the sole registered shareholder of DEMASECA. MONACA and DEMASECA are collectively referred to as "Venezuelan Companies."

On May 12, 2010, the Venezuelan government published the Expropriation Decree, which announced the forced acquisition of all assets, property and real estate of our subsidiary company in Venezuela, MONACA. Venezuela has expressed to GRUMA's representatives that the Expropriation Decree extends to our subsidiary DEMASECA. In January 22, 2013, the Ministry of Popular Power for Internal Relations issued a resolution (*providencia administrativa*) granting the "broadest powers of administration" over MONACA and DEMASECA to special managers (*administradores especiales*) who had been imposed on those companies since 2009 and 2010, respectively (see below). This resolution granted the Special Managers the broadest authority in order to safeguard the possession, care, custody, use, and conservation of movable and immovable assets of MONACA and DEMASECA. Accordingly, as of the date of this resolution, the Venezuelan government has had control of MONACA and DEMASECA through the Special Managers, who are neither appointed nor employed by GRUMA or its subsidiaries Valores Mundiales or Consorcio Andino. As a consequence of the resolution and on the date it was published, we concluded that we had lost control of the Venezuelan Companies and ceased the consolidation of the operations of MONACA and DEMASECA in our financial statments as of January 22, 2013 and now report them as a discontinued operation. See "Item 8—Legal Proceedings—Venezuela—Expropriation Proceedings by the Venezuelan Government."

As of the issuance of this resolution, the role of GRUMA and its subsidiaries Valores Mundiales and Consorcio Andino in the management of MONACA and DEMASECA, is limited to preventing deterioration of the productivity of MONACA and DEMASECA, since now that the Special Managers designated by the Venezuelan government now possess the broadest management authority over these companies in accordance with the Providence.

Miscellaneous—Technology and Equipment Operations

We have developed our own technology operations since our founding. Since March 2014 our technology and equipment operations have been conducted principally through INTESA, Tecno Maíz, S.A. de C.V., or Tecnomaíz, and Constructora Industrial Agropecuaria, S.A. de C.V., or CIASA. Prior to this date, our technology and equipment operation had been conducted mainly through INTASA. On March 21, 2014, INTASA was merged into Gruma, S.A.B. de C.V., and ceased to exist. See "Item 4—Information on the Company—Organizational Structure—INTESA."

The main purpose of INTESA is to provide research and development, equipment, and construction services to the food industry, specifically with respect to tortillas and other corn-based products. Through Tecnomaíz, we also engage in the design, manufacture and commercialization of machines for the production of corn and wheat flour tortillas and tortilla chips, which are sold under the TORTEC® and RODOTEC® trademarks. Through CIASA, we also design and manufacture equipment for corn *masa* flour such as corn milling machinery, and provide engineering, design and construction services.

We continuously engage in research and development activities that focus on, among other things: increasing the efficiency of our proprietary corn flour and corn/wheat tortilla production technology; maintaining high product quality; developing new and improved products and manufacturing equipment; improving the shelf life of certain corn and wheat products; improving and expanding our information technology system; engineering, plant design and construction and compliance with environmental regulations. We have obtained 58 patents in the United States since 1968. 20 of these patents are in force and effect in the United States as of December 31, 2014 and the remaining 38 have expired. We currently have six new patents in process in the United States. Additionally, nine of our registered patents and design patents are currently in the process of being published in other countries.

We have carried out proprietary technological research and development for corn milling and tortilla production as well as all engineering, plant design and construction principally through INTESA. We spent Ps.137 million, Ps.145 million and Ps.153 million on research and development in the years ended December 31, 2012, 2013 and 2014.

REGULATION

Mexican Regulation

Corn Commercialization Program

To support the commercialization of corn for Mexican corn growers, Mexico's Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Ministry (*Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación*, or SAGARPA), through the Agricultural Incentives and Trade Services Agency (*Apoyos y Servicios a la Comercialización Agropecuaria*, or ASERCA), a government agency founded in 1991, implemented a program designed to promote corn sales in Mexico. The program includes the following objectives:

- Ensure that the corn harvest is brought to market, providing certainty to farmers concerning the sale of their crops and supply security for the buyer.

- Establish a minimum price for the farmer, and a maximum price for the buyer, which are determined based on international market prices, plus a basic formula specific for each region.

- Implement a corn hedging program to allow both farmers and buyers to minimize their exposure to price fluctuations in the international markets.

To the extent that this or other similar programs are cancelled by the Mexican government, we may be required to incur additional costs in purchasing corn for our operations.

Environmental Regulations

Our Mexican operations are subject to Mexican federal, state and municipal laws and regulations relating to the protection of the environment. The principal federal environmental laws are the *Ley General de Equilibrio Ecológico y Protección al Ambiente*, or General Law of Ecological Equilibrium and Protection of the Environment or Mexican Environmental Law, which is enforced by the *Secretaría de Medio Ambiente y Recursos Naturales*, or Ministry of the Environment and Natural Resources or SEMARNAT, the *Ley General de Cambio Climático* or Mexican Climate Change Law and the *Ley Federal de Derechos* or the Mexican Federal Law of Governmental Fees. Under the Mexican Environmental Law, each of our facilities engaged in the production of corn flour, wheat flour, and tortillas is required to obtain an operating license from state environmental authorities upon initiating operations, and then periodically submit a certificate of operation to maintain the operating license. Furthermore, the Mexican Federal Law of Governmental Fees requires that Mexican manufacturing plants pay a fee for water consumption and the discharge of residual waste water to drainage, whenever the quality of such water exceeds mandated thresholds. Also, regulations have been issued concerning hazardous substances and water, air and noise pollution. In particular, Mexican environmental laws and regulations, including the Mexican Climate Change Law, require that Mexican companies file periodic reports with respect to air and water emissions and hazardous wastes. Additionally, they also establish standards for waste water discharge. We must also comply with zoning regulations as well and rules regarding health, working conditions and commercial matters. SEMARNAT and the Federal Bureau of Environmental Protection can bring administrative and criminal proceedings against companies that violate environmental laws, as well as close non-complying facilities.

We believe we are currently in compliance in all material respects with all applicable Mexican environmental regulations. The level of environmental regulation and enforcement in Mexico has increased in recent years. We expect this trend to continue and to be accelerated by international agreements between Mexico and the United States. To the extent that new environmental regulations are issued in Mexico, we may be required to incur additional remedial capital expenditures to comply. Management is not aware of any pending regulatory changes that would require additional remedial capital expenditures in a significant amount.

Competition Regulations

The Mexican Economic Competition Law (*Ley Federal de Competencia Económica*) and the related regulations regulate free markets, antitrust matters, monopolies and monopolistic practices, and require Mexican government approval for certain mergers and acquisitions. The Mexican Economic Competition Law grants the government the authority to establish price controls for products and services of national interest through Presidential decree.

On May 23, 2014, a new Mexican Economic Competition Law was published in the Mexican Official Gazette (*Diario Oficial de la Federación*) and became effective on July 7, 2014. This law was issued in order to implement the recent amendment to article 28 of the Mexican Constitution regarding antitrust matters, whereby the Mexican government was entitled to establish a new Mexican Federal Economic Competition Commission (*Comisión Federal de Competencia Económica*, or COFECE), which will have all powers necessary to fulfill its purpose, regulate access to essential facilities, and order any divestiture of assets, rights, ownership interests or shares of economic firms, as necessary to eliminate any anti-competitive effects. Mergers and acquisitions and other transactions that may restrain trade or that may result in monopolistic or anti-competitive practices or combinations must be approved by the Federal Economic Competition Commission.

The current Mexican Economic Competition Law may potentially limit our business combinations, mergers and acquisitions and may subject us to greater scrutiny in the future; however, we do not believe that this legislation will have a material adverse effect on our business operations.

Anti-Money Laundering Regulations

The Mexican Federal Law to Prevent and Identify Operations with Resources from Illegal Sources (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*) was published in the Mexican Official Gazette on October 17, 2012, and became effective on July 17, 2013. The purpose of this law is to prevent and detect operations carried out with funds obtained from illicit activities and prohibiting payments using cash for certain types of activities above certain amounts. Under this law, persons carrying out activities that are deemed as "vulnerable" are required to identify their clients and counterparties in such activities, to keep a detailed file in connection therewith, and under certain circumstances to report those activities to the Mexican Authorities. Most of the activities are deemed as "vulnerable" only when they exceed certain thresholds set forth in the law or regulations, and reporting of such activities is generally subject to higher thresholds. Examples of such regulated activities are: granting of loans, granting credit facilities and guarantees, leasing real estate properties and receive donations, among others. Failure to comply with this law may result in monetary and criminal sanctions. We believe we are currently in compliance in all material respects with this law and we do not believe it will have a material adverse effect on our business operations.

Tax Regulations

The economic package for the 2014 fiscal year resulted in a tax reform. This tax reform was published on December 11, 2013 in the Mexican Official Gazette, and became effective on January 1, 2014. As part of this reform, a new Income Tax Law was enacted, which abrogated the Income Tax Law in effect since 2002.

One of the main changes provided by the new Income Tax Law consists of eliminating the tax consolidation regime in force at that date. As a result, we have the obligation to pay the deferred tax determined at that time during the five-year period starting in 2014.Also a new optional regime was established for company groups and we have decided to opt out of the new regime for the 2015 year.

Other changes introduced in the new Income Tax Law, consist of: (i) eliminating deductions that were previously allowed for related-party payments to certain foreign entities; (ii) establishing limits for exempt benefits in favor of workers; (iii) eliminating deductibility of the social security quotas (*Cuotas IMSS*) paid by the employer on behalf of the workers; (iv) reducing the limits for deductibility of automobile acquisitions; and (v) introducing a 10% withholding tax over dividends paid to natural persons and foreigners, among others. We believe we are currently in compliance in all material respects with this law and we do not believe it will have a material adverse effect on our business operations.

Energy Regulations

The Electric Industry Law (*Ley de la Industria Eléctrica*) was published in the Mexican Official Gazette on August 11, 2014, and became effective on August 12, 2014. The purpose of this law is to regulate the energy generation, transmission, distribution and power marketing activities. The Electric Industry Law also provides for a Clean Energy Certificate (CEC) system, under which the Ministry of Energy (*Secretaría de Energía*) will set a percent threshold for annual clean-to-conventional energy production, and power suppliers and qualified consumers will uphold such threshold by purchasing CECs from clean power generators. We believe we are currently in compliance in all material respects with this law and we do not believe it will have a material adverse effect on our business operations.

U.S. Federal and State Regulations

Gruma Corporation is subject to regulation by various federal, state and local agencies, including the Food and Drug Administration, Department of Labor, the Occupational Safety and Health Administration, the Federal Trade Commission, the Department of Transportation, the Environmental Protection Agency and the Department of Agriculture. We believe that we are in compliance in all material respects with all environmental and other legal requirements. Our food manufacturing and distribution facilities are subject to periodic inspection by various federal, state and local agencies, and the equipment utilized in these facilities must generally be governmentally approved prior to operation.

European Regulation

We are subject to regulation in each country in which we operate in Europe. We believe that we are currently in compliance with all applicable legal requirements in all material respects.

Central American and Venezuelan Regulation

Gruma Centroamérica and the Venezuelan Companies are subject to regulation in each country in which they operate. We believe that Gruma Centroamérica and the Venezuelan Companies are currently in compliance with all applicable legal requirements in all material respects. See "Item 3. Key Information—Risk Factors—Risks Related to Venezuela."

Asia and Oceania Regulation

We are subject to regulation in each country in which we operate in Asia and Oceania. We believe that we are currently in compliance with all applicable legal requirements in all material respects.

ITEM 4A. Unresolved Staff Comments.

Not applicable**.**

ITEM 5 Operating and Financial Review and Prospects.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion in conjunction with our audited consolidated financial statements and the notes thereto contained elsewhere herein. Our audited consolidated financial statements have been prepared in accordance with IFRS as issued by IASB.

For more information about our financial statements in general, see "Presentation of Financial Information" and "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness."

Acquisitions and Other Significant Events Within Our Business Units

Share Purchase Transaction with Archer-Daniels-Midland

We entered into an association with Archer-Daniels-Midland in September 1996. On December 14, 2012, we completed a transaction (the "ADM Transaction") in which we acquired, through the exercise of a purchase option pursuant to certain rights of first refusal, the stake that Archer-Daniels-Midland owned directly and indirectly in us and certain of our subsidiaries (the "Equity Interests"), consisting of:

- 18.81% of the then outstanding shares of Gruma S.A.B. de C.V. and, indirectly, an additional 4.35% of the then outstanding shares of Gruma, S.A.B. de C.V. via the acquisition of 45% of the shares of Valores Azteca, S.A. de C.V. ("Valores Azteca"), a company that at the time of the ADM Transaction owned 9.66% of the shares of Gruma, S.A.B. de C.V.;

- 3% of the partnership interest of Valores Mundiales and Consorcio Andino, holding companies of the Venezuelan companies, MONACA and DEMASECA, respectively;

- 40% of the shares of Molinera de Mexico, our former wheat flour business in Mexico; and

- 100% of the shares of Valley Holding Inc., a company that at the time of the ADM Transaction owned 20% of Azteca Milling, our corn flour business in the United States.

The Equity Interests were acquired from Archer-Daniels-Midland for US$450 million plus a contingent payment of up to US$60 million. Such contingent payment is payable only if, during the 42 months following the closing of the ADM Transaction (ending on June 14, 2016), certain conditions are met in connection with (i) an increase in the price of our stock over the closing price of our stock determined for purposes of the ADM Transaction (the "Closing Price") by the end of the 42-month period; (ii) the difference between the price of our stock established for public offers made by us and the Closing Price; (iii) the acquisition by a strategic investor of 15% or more of our capital stock or (iv) a reduction in the percentage of our shares that are considered to be held by the public at any time, starting from 26%. We maintain a reserve in the event that any or all of the foregoing contingent payment is made to Archer-Daniels-Midland. Payment of this contingent amount has been reserved for. See Note 29 to our audited consolidated financial statements. The economic terms of the ADM Transaction were based on the terms contained in the offer made by a third

party to Archer-Daniels-Midland for the purchase of the Equity Interests. As a result of the ADM Transaction, Archer-Daniels-Midland no longer holds an ownership interest in us.

To fund the ADM Transaction, we obtained short-term unsecured loan facilities for a total amount of US$400 million with maturities of up to a year (the "Short-Term Facilities"), and used proceeds from the Gruma Corporation Loan Facility (as defined below). We refinanced the Short-Term Facilities in 2013. See "Item 5. Operating and Financial Review and Prospects - Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness."

Prior to the closing of the ADM Transaction and obtaining the Short-Term Facilities, our board of directors, with the previous favorable opinion of the Audit Committee and the Corporate Governance Committee based on a fairness opinion issued by an independent expert, approved the exercise by us of the option pursuant to a right of first refusal to acquire the Equity Interests and obtain the required financing. See "Item 5. Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness."

Wheat Milling Transaction

On June 10, 2014, we reached an agreement with Trimex for the sale of our wheat flour operations in Mexico. As a result of this transaction, Trimex acquired all the shares representing Molinera de México's capital stock owned by us, as well as the assets owned by a subsidiary of GIMSA related to wheat flour production. This sale was approved by COFECE. The purchase price for the wheat milling business was Ps.3,678 million and was paid on December 8, 2014. The proceeds from the Wheat Milling Transaction were used primarily to repay debt. See Note 26 A to our audited consolidated financial statements.

Overview of Accounting Presentation

Our audited consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. We began reporting under IFRS for the year ending December 31, 2011, with an IFRS adoption date of January 1, 2011 and a transition date to IFRS of January 1, 2010.

Note 31 to our audited consolidated financial statements discusses new accounting pronouncements under IFRS that will become effective in 2015 or thereafter. In some cases we are assesing the potencial impact on our financial statements resulting from the application of these new standards.

Effects of Inflation

To determine the existence of hyperinflation, we evaluate the qualitative characteristics of the economic environment of each country, as well as the quantitative characteristics established by IFRS, including an accumulated inflation rate equal or higher than 100% in the past three years. Pursuant to this analysis, Mexico is not considered to be hyperinflationary, with annual inflation rates of 4.40% in 2010, 3.82% in 2011, 3.57% in 2012, 3.97% in 2013 and 4.08% in 2014.

Effects of Devaluation

Because a significant portion of our net sales are generated in U.S. dollars, changes in the peso/dollar exchange rate can have a significant effect upon our results of operations as reported in pesos. When the peso depreciates against the U.S. dollar, Gruma Corporation's net sales in U.S. dollars represent a larger portion of our net sales in peso terms than when the peso appreciates against the U.S. dollar. When the peso appreciates against the dollar, Gruma Corporation's net sales in U.S. dollars represent a smaller portion of our net sales in peso terms than when the peso depreciates against the dollar. For a description of the peso/dollar exchange rate see "Item 3. Key Information—Exchange Rate Information."

In addition to the above, our net income may be affected by changes in our foreign exchange gain or loss, which may be impacted by significant variations in the peso/dollar exchange rate. During 2012, 2013 and 2014, we recorded a net foreign exchange loss of Ps.83 million, a gain of Ps.46 million, and a gain of Ps.72 million, respectively.

Accounting Effects of the Wheat Milling Transaction

As disclosed in Notes 2 D and 26 A to our audited consolidated financial statements, in December 2014, we concluded the Wheat Milling Transaction. The total sale price was Ps. 3,678 million and we recognized in income, a net gain from the sale of wheat flour operations in Mexico of Ps. 215 million, as discontinued operations.

The results and cash flows generated by these wheat flour operations in Mexico for the periods presented in our audited consolidated financial statements, for the years ended December 31, 2014, 2013 and 2012, were reported as a discontinued operation. As indicated by IFRS the presentation as a discontinued operation was applied retrospectively for the periods presented in these financial statements.

Accounting Effects of Deconsolidation of the Venezuelan Companies

As disclosed in Note 26 B to our audited consolidated financial statements, we concluded that we had lost control of the Venezuelan Companies, MONACA and DEMASECA on January 22, 2013. Consequently and as a result of such loss of control, we proceeded with the following:

a) ceased the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013 and derecognized the assets and liabilities of these companies from our consolidated balance sheet; for disclosure and presentation purposes, we considered these subsidiaries as a significant segment and therefore, applying the guidelines from IFRS 5, MONACA and DEMASECA are presented as discontinued operations; consequently, the results and cash flows generated by the Venezuelan Companies for the periods presented are reported as discontinued operations;

b) the amounts recognized in other comprehensive income relating to these companies were reclassified in the year 2013 to the consolidated income statement as part of the results from discontinued operations, considering that MONACA and DEMASECA were disposed of due to the loss of control; and

c) recognized the investment in MONACA and DEMASECA as a financial asset, classifying it as an available-for-sale financial asset. We classified our investment in these companies as available for sale since management believed that is the appropriate treatment applicable to a non-voluntary disposition of assets and the asset did not fulfill the requirements of classification in another category of financial assets. Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, we recognized this financial asset at its carrying value translated to the functional currency of GRUMA using an exchange rate of Ps.2.9566 per bolivar (Bs.4.3 per dollar), which was effective at the date of the loss of control, and not at its fair value. The investment in MONACA and DEMASECA is subject to impairment tests at the end of each reporting period when there is objective evidence that the financial asset is impaired.

As required by IFRS, we performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount using two valuation techniques: 1) an income approach considering estimated future cash flows as a going concern business, discounted at present value using an appropriate discount rate (weighted average cost of capital), and 2) a market approach, such as the public company market multiple method using implied multiples such as earnings before interest, taxes, depreciation and amortization, and revenues of comparable companies adjusted for liquidity, control and disposal expenses. In both cases, the potential recoverable amounts using the income and market approach were higher than the carrying value of these investments and therefore, no impairment adjustment was deemed necessary at December 31, 2014 and 2013. Regarding the calculations to determine the potential recoverable amount, our management does not believe that any reasonably foreseeable change in the key assumptions would cause the carrying value of our investment in MONACA and DEMASECA to materially exceed the potential recoverable amount described above.

For purposes of these calculations, we used the SICAD 1 available exchange rate (Bs.12.00 per dollar as of December 31,2014 and Bs.11.30 per dollar as of December 31, 2013) which is the reference considered by our management for settlement, based on its legal ability to do so. The Venezuelan exchange system, comprising the SICAD, involves different rates at which certain transactions should be executed, including “foreign investments and payment of royalties” for which the reference rate is the Bs.12.00 per dollar. Based on a simulation exercise where a different exchange rate is used for impairment tests, such as the SICAD 2 (Bs. 49.99 per dollar at December 31, 2014), the calculations would result in an impairment loss of Ps.125 million related to our investment in MONACA and DEMASECA.

The historical value of the net investment in MONACA and DEMASECA at January 22, 2013, the date when we ceased the consolidation of the financial information of MONACA and DEMASECA, was Ps.2,914 million and Ps.195 million, respectively. Additionally, at December 31, 2014 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies totaling Ps.1,124 million. According to tests performed by us, these receivables are not impaired.

For more information about discontinued operations of the Venezuelan Companies, please see Note 26 B to our audited consolidated financial statements.

Exchange Rates in Venezuela

In March 2013, the Venezuelan government announced the creation of an alternative exchange mechanism called the Supplementary System of Foreign Exchange Administration (Sistema Complementario de Administración de Divisas, SICAD). The SICAD operates as an auction system that allows entities of specific sectors to buy foreign currency for imports. This is not a free auction (that is, the counterpart that offers the highest price does not necessarily have the right to receive the foreign currency). Each auction may have different rules (for example, the minimum and maximum amount of foreign currency that may be offered to exchange). Limited amounts of dollars are available and entities do not commonly get the full amount for which they entered in auction. During December 2013, the Venezuelan government authorized the Central Bank of Venezuela to publish the average exchange rate resulting of SICAD auctions. During the weeks commencing on December 23 and December 30, 2013, the Central Bank of Venezuela published on its website the average exchange rate for auctions No.13 and No.14 (11.30 Venezuelan bolivars per U.S. dollar).

On January 24, 2014, Exchange Agreement No. 25 became effective, which establishes the cases to which the SICAD 1 exchange rate (Bs.11.30 per dollar) applies for sale of foreign currency transactions. In addition, the agreement also provides that the sale operation of foreign currency, whose clearance has been requested to the Central Bank of Venezuela before the Exchange Agreement No. 25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No.25 resulted in a net foreign exchange loss of Ps.17 million to us in 2014, which was presented as discontinued operations. This exchange loss resulted from certain accounts receivable maintained with the Venezuelan companies as of December 31, 2014 which are expected to be settled at this SICAD 1 exchange rate (Bs.12.00 per dollar as of December 31, 2014).

During 2014, the Venezuelan Government expanded the use of the SICAD rate creating a third currency exchange mechanism called SICAD 2 which may be used by entities for certain transactions. SICAD 2 initiated operations in March 2014, at the time, the bolivar sold for an average of Bs.51.86 per U.S. dollar. The SICAD 2 daily average rate was published by the Central Bank of Venezuela. Based on a simulation exercise where a different exchange rate is used, such as the SICAD 2 (Bs.49.99 per dollar at December 31, 2014) , an additional foreign exchange loss of Ps.65 million will result from certain accounts receivable of the Venezuelan companies.

On February 10, 2015, Exchange Agreement No. 33 published in the Official Gazette of Venezuela, eliminated as of February 12, 2015 the foreign exchange rate SICAD 2 and created a new foreign exchange rate mechanism called SIMADI (Foreign Exchange Marginal System). According to the decree, the foreign exchange rate will be the one freely agreed by the parties involved in transactions for the purchase and sale of dollars in the market. The Central Bank of Venezuela will publish daily on its website the reference foreign exchange rate, corresponding to the weighted average exchange rate of the operations for each day in the markets of: a) trading transactions in local currency for foreign currency operations, and b) trading transactions in local currency for foreign currency securities. The SIMADI foreign exchange rate published on the date on which our consolidated financial statements were authorized, was Bs.171.03 per dollar.

For more information, please see Notes 4, 26 B and 32 to our audited consolidated financial statements.

Critical Accounting Estimates

Management’s Discussion and Analysis of Financial Condition and Results of Operations discusses our audited consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period.

We have identified certain key accounting estimates that are used to determine our financial condition and results of operations. These key accounting estimates often involve complex matters or are based on subjective judgments or decisions that require management to make estimates and assumptions that affect the amounts reported in our financial statements.We have identified below the most critical accounting principles that involve a higher degree of judgement and complexity and that management believes are important to a more complete understanding of our financial position and results of operations.

Additional accounting policies that are also used in the preparation of our audited consolidated financial statements are outlined in the notes thereto included in this annual report.

Property, Plant and Equipment

We depreciate our property, plant and equipment over their respective estimated useful lives. Useful lives are based on management's estimates of the period that the assets will remain in service and generate revenues. Estimates are based on independent appraisals and the experience of our technical personnel. We review the assets' residual values and useful lives each year to determine whether they should be changed, and adjusted if appropriate. To the extent that our estimates are incorrect, our periodic depreciation expense or carrying value of our assets may be impacted.

Under IFRS, we are required to test long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable for property, plant and equipment. When the carrying amount exceeds the recoverable amount, the difference is accounted for as an impairment loss. The recoverable amount is the higher of (1) the long-lived asset's (asset group's) fair value less costs to sell, representing the amount obtainable from the sale of the long-lived asset (asset group) in an arm's length transaction between knowledgeable, willing parties less the costs of disposal and (2) the long-lived asset's (asset group's) value in use, representing its future cash flows discounted to present value by using a rate that reflects the current assessment of the time value of money and the risks specific to the long-lived asset (asset group) for which the cash flow estimates have not been adjusted.

The estimates of cash flows take into consideration expectations of future macroeconomic conditions as well as our internal strategic plans. Therefore, inherent to the estimated future cash flows is a certain level of uncertainty which we have considered in our valuation; nevertheless, actual future results may differ.

Primarily as a result of plant rationalization, certain facilities and equipment are not currently in use in operations. We have recorded impairment losses related to certain of those assets and additional losses may potentially occur in the future if our estimates are not accurate and/or future macroeconomic conditions differ significantly from those considered in our analysis.

Goodwill and Other Intangible Assets

Intangible assets with definite lives are amortized on a straight-line basis over estimated useful lives. Management exercises judgment in assessing the useful lives of other intangible assets including patents and trademarks, customers lists and software for internal use. Under IFRS, goodwill and indefinite-lived intangible assets are not amortized, but are subject to impairment tests either annually or earlier in the case of a triggering event.

A key component of the impairment test is the identification of cash-generating units and the allocation of goodwill to such cash-generating units. Estimates of fair value are primarily determined using discounted cash flows. Cash flows are discounted at present value and an impairment loss is recognized if such discounted cash flows are lower than the net book value of the cash-generating units.

These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and also the magnitude of any such charge. We perform internal valuation analyses and consider relevant internal data as well as other market information that is publicly available.

This approach uses significant estimates and assumptions including projected future cash flows (including timing), a discount rate reflecting the risk inherent in future cash flows and a perpetual growth rate. Inherent in these estimates and assumptions is a certain level of risk which we believe we have considered in our valuation. Nevertheless, if future actual results differ from estimates, a possible impairment charge may be recognized in future periods related to the write-down of the carrying value of goodwill and other intangible assets.

Income Tax

We are subject to income taxes in many jurisdictions. A significant judgment is required in the determination of the global provision for income taxes. There are many transactions and calculations for which the final tax determination is uncertain. Where the final tax result is different from the amounts initially recorded, such differences will have an effect on current income tax and deferred income tax assets and liabilities in the period when the determination is made.

We record deferred income tax assets and liabilities using enacted tax rates for the effect of temporary differences between the book and tax basis of assets and liabilities. If enacted tax rates change, we adjust the deferred tax assets and liabilities through the provision for income tax in the period of change, to reflect the enacted tax rate expected to be in effect when the deferred tax items reverse. Under IFRS, a deferred tax asset must be recognized for all deductible temporary differences to the extent that it is probable

that taxable profit will be available against which the deductible temporary difference can be utilized. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies, in the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

Fair Value of Derivatives and Other Financial Instruments

We use derivative financial instruments in the normal course of business, primarily to hedge certain operational and financial risks to which we are exposed, including without limitation: (i) future and options contracts for certain key production requirements like natural gas, heating oil and some raw materials such as corn and wheat, in order to minimize the cash flow variability due to price fluctuations; (ii) interest rate swaps, with the purpose of managing the interest rate risk related to our debt; and (iii) exchange rate contracts (mainly Mexican peso to U.S. dollar or other currencies).

We account for derivative financial instruments used for hedging purposes either as cash-flow hedges or fair value hedges with changes in fair value reported in other comprehensive income and earnings, respectively. Derivative financial instruments not designated as an accounting hedge are recognized at fair value, with changes in fair value recognized currently in income.

We use our judgment to select from a variety of methods and make assumptions that are mainly based on existing market conditions at the end of each reporting period. When available, we measure the fair value of the derivatives and other financial instruments based on quoted market prices. If quoted market prices are not available, we estimate the fair value of derivatives and other financial instruments using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market observable inputs, including interest rates and currency rates, among others. Also included in the determination of the fair value of our liability positions is our own credit risk, which has been classified as an unobservable input.

Many of the factors used in measuring fair value are outside the control of management, and these assumptions and estimates may change in future periods. Changes in assumptions or estimates may materially affect the fair value measurement of derivatives and other financial instruments.

Employee Benefits

We recognize liabilities in our balance sheet and expenses in our income statement to reflect our obligations related to our post-employment benefits (retirement plan and seniority premium). The amounts we recognize are determined on an actuarial basis that involves many estimates and accounts for these benefits in accordance with IFRS.

We use estimates in three specific areas that have a significant effect on these amounts: (a) the rate of increase in salaries that we assume we will observe in future years, (b) the discount rate that we use to calculate the present value of our future obligations and the expected returns on plan assets and (c) the expected rate of inflation. The assumptions we have applied are identified in Note 17 to our audited consolidated financial statements. These estimates are determined based on actuarial studies performed by independent experts using the projected unit credit method. The latest actuarial computation was prepared as of December 31, 2014. We review the estimates each year, and if we change them, our reported expense for post-employment benefits may increase or decrease according to market conditions.

Factors Affecting Financial Condition and Results of Operations

In recent years, our financial condition and results of operations have been and may continue to be significantly influenced by some or all of the following factors:

- the level of demand for tortillas and corn flour;
- increase or decrease in the Hispanic population in the United States;
- increases in Mexican food consumption by the non-Hispanic population in the United States; as well as projected increases in Mexican food consumption and use of tortillas in non-Mexican cuisine as tortillas continue to be assimilated into mainstream cuisine in the United States, Europe, Asia and Oceania, each of which could increase sales;

- the effects of government policies on imported and domestic corn prices in Mexico;
- the cost and availability of corn and wheat;
- the cost of energy and other related products;
- our acquisitions, plant expansions and divestitures;
- the effect of government initiatives and policies;
- the effect from variations of interest rates and exchange rates;
- volatility in corn and wheat prices and energy costs;
- increased competition from tortilla manufacturers, especially in the United States;
- increased competition in the corn flour business;
- civil and political unrest, currency devaluation and other governmental economic policies in Venezuela; and
- unfavorable general economic conditions in the United States and globally, such as the recession or economic slowdown, which could negatively affect the affordability of and consumer demand for some of our products.

RESULTS OF OPERATIONS

The following table sets forth our consolidated income statement data on an IFRS basis for the years ended December 31, 2014, 2013, and 2012, expressed as a percentage of net sales. All financial information has been prepared in accordance with IFRS. For a description of the method, see "Presentation of Financial Information" and "Item 5. Operating and Financial Review and Prospects—Overview of Accounting Presentation."

	2014	2013	2012
Income Statement Data			
Net sales	100%	100%	100%
Cost of sales	63.2	65.8	68.1
Gross profit	36.8	34.2	31.9
Selling and administrative expenses	24.1	24.3	26.5
Other expenses, net	(0.6)	(0.4)	(0.1)
Operating income	12.1	9.5	5.3
Net comprehensive financing cost	(2.2)	(2.0)	(1.8)
Current and deferred income taxes	2.1	0.4	1.8
Income (loss) from discontinued operations	1.2	(0.3)	1.8
Non-controlling interest	0.3	0.3	1.2
Net income attributable to shareholders	8.6	6.5	2.3

The following table sets forth our net sales and operating income as represented by our principal subsidiaries for 2014, 2013 and 2012. Net sales and operating income of our subsidiaries PRODISA and INTESA are part of "others and eliminations." Financial information with respect to GIMSA includes sales of Ps.437 million, Ps.369 million and Ps.473 million in 2012, 2013 and 2014, respectively, in corn flour to Gruma Corporation, PRODISA and Gruma Centroamérica. Financial information with respect to PRODISA includes sales of Ps.126 million, Ps.117 million and Ps.160 million in 2012, 2013 and 2014, respectively, in tortilla related products mainly to Gruma Corporation.

Financial information with respect to INTESA includes sales of Ps.961 million, Ps.1,031 million and Ps.712 million in 2012, 2013 and 2014, respectively, in technological support to certain subsidiaries of Gruma, S.A.B. de C.V. In the process of consolidation, all the aforementioned intercompany transactions are eliminated from the financial statements.

	Year Ended December 31,					
	2014		2013		2012	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
	(in millions of pesos)					
Gruma Corporation	Ps. 29,323	Ps. 2,862	Ps. 27,801	Ps. 2,137	Ps. 26,932	Ps. 1,335
GIMSA	15,074	2,129	15,944	2,448	16,948	1,749
Gruma Centroamérica	3,479	232	3,386	183	3,369	(40)
Others and eliminations	2,059	800	1,905	(128)	2,022	(435)
Total	Ps. 49,935	Ps. 6,023	Ps. 49,036	Ps. 4,640	Ps. 49,271	Ps. 2,609

Net Sales by Subsidiary: By major subsidiary, the percentages of consolidated net sales in 2014, 2013 and 2012 were as follows:

	Percentage of Consolidated Net Sales		
Subsidiary	2014	2013	2012
Gruma Corporation	59%	57%	55%
GIMSA	30	33	34
Gruma Centroamérica	7	7	7
Others and eliminations	4	3	4

Year Ended December 31, 2014 Compared with Year Ended December 31, 2013

Consolidated Results

Sales volume was nearly unchanged at 3,674 thousand tons in 2014 compared with 3,656 thousand tons in 2013. While sales volume in Gruma Corporation's U.S. operations and GIMSA grew in their core products, corn flour and tortillas, lower volumes were registered at Gruma Corporation's European operations in connection with extraordinary sales of corn in the prior period, offsetting the foregoing growth in core products.

Net sales increased by 2% to Ps.49,935 million in 2014 compared with Ps.49,036 million in 2013, due primarily to a favorable Peso depreciation effect at foreign subsidiaries.

Cost of sales decreased by 2% to Ps.31,575 million in 2014 compared with Ps.32,266 million in 2013, due primarily to lower raw material costs and efficiencies arising mostly from rationalization of products and presentations. Cost of sales as a percentage of net sales decreased to 63.2% in 2014 from 65.8% in 2013, reflecting better performance at all subsidiaries, particularly at Gruma Corporation and GIMSA.

Selling and administrative expenses increased by 1% to Ps. 12,040 million in 2014 compared with Ps.11,937 million in 2013, due primarily to the peso depreciation effect. Selling and administrative expenses as a percentage of net sales decreased to 24.1% from 24.3% in 2013, due primarily to better expense absorption.

Other expenses, net increased by 54% to Ps.297 million in 2014 compared with Ps.193 million in 2013, due primarily to losses on raw material and natural gas hedging and write-off of fixed assets.

Operating income increased by 30% to Ps.6,023 million in 2014 compared with Ps.4,640 million in 2013, and operating margin increased to 12.1% from 9.5% in 2013 due to better operating performance at Gruma Corporation, and to a lesser extent, at Gruma Asia & Oceania.

Net comprehensive financing cost increased by 12% to Ps.1,105 million in 2014, compared with Ps.988 million in 2013. The increase was due primarily to non-cash charges related to the amortization of debt issuance expenses, mostly from the perpetual bonds called during December 2014, and the increased valuation of the contingent payment to Archer-Daniels-Midland related to the repurchase of GRUMA shares. Also, during 2014 we had losses on currency derivative instruments related to raw material procurement versus gains in 2013.

Income taxes increased by 442% to Ps.1,060 million in 2014 compared with Ps.195 million in 2013, due primarily in 2013 to the implementation of several initiatives that allowed GRUMA to use tax loss carry-forwards and the conclusion of several fiscal litigation cases. The effective tax rate was 21.5% for 2014 and 5.3% for 2013.

Discontinued operations in 2014 were Ps.599 million, Ps.746 million higher than in 2013 due especially to a gain on the sale of the wheat flour operations and better performance of these operations during the year. The discontinued operations line item relates mostly to the Venezuelan Companies, Molinera de México and the wheat flour operations at GIMSA.

Shareholders' net income was Ps.4,287 million in 2014 compared with Ps.3,163 million in 2013, due primarily to better operational performance at most subsidiaries, primarily at Gruma Corporation, and the gain on the sale of the wheat flour operations.

Gruma Corporation

Sales volume was nearly unchanged at 1,653 thousand tons in 2014 compared with 1,651 thousand tons in 2013. The U.S. operations increased 4%, but were offset by reductions at the European operations due to extraordinary sales of corn during 2013. The increase in the United States was mainly driven by the corn flour business in connection with some corn chip manufacturers' organic growth, successful retail promotions, new tortilla customers and increased market share.

Net sales increased by 5% to Ps.29,323 million in 2014, compared with Ps.27,801 million in 2013 due primarily to (i) a favorable Peso depreciation effect, (ii) the change in the sales mix away from corn in Europe, a low price product segment and (iii) the change in the sales mix toward higher price products and presentations at the U.S. tortilla operations. These positive effects were partially offset by price reductions at the corn flour business in connection with lower corn costs. Measured in Dollar terms, net sales increased by 1%.

Cost of sales increased by 2% to Ps.18,139 million in 2014 compared with Ps.17,808 million in 2013, due to the Peso depreciation effect. Measured in Dollar terms, cost of sales decreased by 2% due primarily to lower raw material costs, rationalization of products and presentations, efficiencies in corn inventory handling, among others. As a percentage of net sales, cost of sales decreased to 61.9% in 2014 from 64.1% in 2013, due primarily to the U.S. tortilla business in connection with (i) a change in the sales mix toward high-margin products (as in the case of wheat tortillas and low-count corn tortilla presentations), (ii) a products and presentations rationalization program, and (iii) lower raw material costs while our product prices were relatively stable. Our operations in Europe also improved, due primarily to lower raw material and packaging costs and production efficiencies related principally to packaging automation.

Selling and administrative expenses increased by 6% to Ps.8,189 million in 2014 compared with Ps.7,738 million in 2013, due primarily to (i) the Peso depreciation effect, (ii) royalty fees from the U.S. corn flour operations to the holding company related to the MASECA® trademark, which were implemented beginning in 2014, (iii) increasing headcount of the sales team and administrative areas at our operations in Europe, and (iv) the launching of the Mission brand in several countries. Measured in Dollar terms, selling and administrative expenses increased by 2%. Selling and administrative expenses as a percentage of net sales increased to 27.9% in 2014 from 27.8% in 2013, due primarily to the foregoing higher expenses coupled with lower expense absorption.

Operating income increased by 34% to Ps.2,862 million in 2014 from Ps.2,137 million in 2013, and operating margin increased to 9.8% from 7.7%, despite higher royalty fees. Measured in Dollar terms, operating income grew 26%.

GIMSA

Sales volume increased by 1% to 1,798 thousand tons in 2014 compared with 1,780 thousand tons in 2013. Corn flour sales volume increased 3%, but was offset by lower sales of by-products for animal feed. Corn flour sales volume grew primarily from (i) commercial initiatives, such as changes in the variable compensation structure of the company's sales team; and (ii) price reductions in connection with lower cost of corn.

Net sales decreased by 5% to Ps.15,074 million in 2014 compared with Ps.15,944 million in 2013, due primarily to price reductions implemented to reflect lower corn cost and heightened competition.

Cost of sales decreased by 8% to Ps.10,380 million in 2014 compared with Ps.11,319 million in 2013, due primarily to lower corn cost. As a percentage of net sales, cost of sales decreased to 68.9% in 2014 from 71.0% in 2013. While gross profit per ton was similar to last year, gross margin benefited from the effect of a smaller base of net sales in connection with the foregoing price reduction and from the lower cost of corn.

Selling and administrative expenses increased by 15% to Ps.2,436 million in 2014 compared with Ps.2,114 million in 2013 due primarily to the amortization of royalty fees related to the MASECA® trademark license agreement between the holding company and GIMSA. Selling and administrative expenses as a percentage of net sales increased to 16.2% in 2014 from 13.3% in 2013 due primarily to the foregoing amortization of royalty fees and lower expense absorption resulting from the price reductions.

Operating income decreased by 13% to Ps.2,129 million in the 2014 from Ps.2,448 million in 2013, and operating margin decreased to 14.1% from 15.4%. Most of this effect was related to the amortization of royalty fees.

Gruma Centroamérica

Sales volume increased by 1% to 200 thousand tons in 2014 compared with 198 thousand tons in 2013, due primarily to the launching of new corn flour presentations, and more aggressive promotion of our corn flour flanker brand.

Net sales increased by 3% to Ps.3,479 million in 2014 compared with Ps.3,386 million in 2013, due mainly to higher prices related to higher raw-material costs (partially offset by depreciation of the Costa Rican Colón) and higher sales volume.

Cost of sales increased by 1% to Ps.2,278 million in 2014 compared with Ps.2,264 million in 2013, due primarily to the aforementioned volume growth. Cost of sales as a percentage of net sales decreased to 65.5% in 2014 from 66.9% in 2013, due primarily to the foregoing higher prices.

Selling and administrative expenses decreased by 1% to Ps.936 million in 2014 compared with Ps.947 million in 2013, due to depreciation of the Costa Rican Colón. As a percentage of net sales, selling and administrative expenses decreased to 26.9% in 2014 from 28.0% in 2013, due to better expense absorption related to higher net sales.

Operating income increased by 26% to Ps.232 million in 2014, compared with Ps.183 million in 2013. Operating margin increased to 6.7% in 2014 from 5.4% in 2013.

Year Ended December 31, 2013 Compared with Year Ended December 31, 2012

Consolidated Results

GRUMA's sales volume declined by 2% to 3,656 thousand metric tons in 2013 compared with 3,731 thousand metric tons in 2012. This decrease was driven mainly by GIMSA.

Net sales decreased by 0.5% to Ps.49,036 million in 2013 compared with Ps.49,271 million in 2012. The increase in net sales at Gruma Corporation was offset mainly by a decrease in net sales at GIMSA. To a lesser extent, net sales declined due to lower net sales at foreign subsidiaries in Peso terms reflecting the average Peso appreciation.

Cost of sales decreased 4% to Ps.32,266 million in 2013 compared with Ps.33,548 million in 2012, due primarily to lower sales volume at GIMSA and lower raw material costs. Cost of sales as a percentage of net sales decreased to 65.8% in 2013 from 68.1% in 2012 due to better performance at all subsidiaries, and particularly at GIMSA and Gruma Corporation.

Selling and administrative expenses decreased by 8% to Ps.11,937 million in 2013 compared with Ps.13,040 million in 2012, due primarily to decreases at GIMSA and Others and Eliminations. Selling and administrative expenses as a percentage of net sales decreased to 24.3% in 2013 from 26.5% in 2012, driven mainly by better expense absorption at Gruma Corporation and lower selling and administrative expenses expenses at most subsidiaries, especially at GIMSA and Other and Eliminations. This resulted from our efforts to optimize marketing and administrative expenses.

Other expenses, net were Ps.193 million in 2013 compared with Ps.73 million in 2012. The increase was primarily due to higher losses from the sale of fixed assets, higher impairment of long-lived assets and losses on derivative financial instruments compared with a gain in 2012.

Operating income increased by 78% to Ps.4,640 million in 2013 compared with Ps.2,609 million in 2012 due to a better operating performance at most subsidiaries, mostly in Gruma Corporation and GIMSA. Operating margin increased to 9.5% from 5.3% in 2012, due primarily to GIMSA and Gruma Corporation.

Net comprehensive financing cost was Ps.988 million in 2013 compared with Ps.880 million in 2012. The increase was due to higher interest expense in connection with higher debt related to GRUMA's share buy-back in December 2012.

Income taxes decreased 78% to Ps.195 million in 2013 compared with Ps.905 million in 2012 primarily as a result of the implementation of several initiatives that allowed GRUMA to utilize tax loss carry-forwards, as well as tax recoveries from prior years. The effective tax rate was 5.3% in 2013.

Discontinued operations constituted a loss of Ps.147 million in 2013, compared with income of Ps.880 million in 2012. The discontinued operations line item relates mostly to the Venezuelan Companies, Molinera de México and the wheat flour operations at GIMSA.

Shareholders' net income was Ps.3,163 million in 2013 compared with Ps.1,115 million in 2012 as a result of a better performance at most subsidiaries, specifically in Gruma Corporation and GIMSA, the reduction in taxes and higher share ownership in the U.S. corn flour operations in connection with the ADM Transaction (see "Related Party Transactions—Transactions with Archer-Daniels-Midland").

Gruma Corporation

Sales volume increased by 3% to 1,651 thousand tons in 2013 compared with 1,596 thousand tons in 2012. This increase was driven by an unusually high level of sales of corn at the European operations and, to a lesser extent, by higher sales at the U.S. corn flour operations.

Net sales increased by 3% to Ps.27,801 million in 2013, compared with Ps.26,932 million in 2012. The positive effect of price increases, change in the sales mix toward wheat tortillas and allowance reductions was offset by the average Peso appreciation effect and by the effect of higher corn/grits sales volume at the European operations (which is priced significantly lower than the rest of Gruma Corporation's product portfolio). Measured in Dollar terms, net sales increased 6%.

Cost of sales increased by 1% to Ps.17,808 million in 2013 compared with Ps.17,655 million in 2012 due to sales volume growth, which was partially offset by the average Peso appreciation effect. Measured in Dollar terms, cost of sales increased 3%. As a percentage of net sales, cost of sales decreased to 64.1% in 2013 from 65.6% because price increases more than compensated for higher costs (partially as a result of our hedging strategies), and also due to the shift toward high-margin products (as in the case of wheat tortillas) and allowance reduction.

Selling and administrative expenses decreased by 3% to Ps.7,738 million in 2013 compared with Ps.7,997 million in 2012 due mainly to the average Peso appreciation effect. Higher expenses derived from the increase in sales volume and commissions (related to price increases) were more than offset by reductions and changes in personnel, marketing and advertising, and corporate expenses across the board, which reflected our focus on profitability. Measured in Dollar terms, selling and administrative expenses decreased 1%. Selling and administrative expenses as percentage of net sales decreased to 27.8% in 2013 from 29.7% in 2012 reflecting better expense absorption and the foregoing reductions.

Operating income increased by 60% to Ps.2,137 million in 2013 from Ps.1,335 million in 2012, and operating margin increased to 7.7% from 5.0%. Measured in Dollar terms, operating income grew 61%.

GIMSA

Sales volume decreased by 6% to 1,780 thousand tons in 2013 compared with 1,899 thousand tons in 2012. The decrease was a result of tightened credit conditions and lower sales to government channels, among others.

Net sales decreased by 6% to Ps.15,944 million in 2013 compared with Ps.16,948 million in 2012 due to sales volume reduction.

Cost of sales decreased by 10% to Ps.11,319 million in 2013 compared with Ps.12,587 million in 2012 due mainly to the sales volume reduction and lower corn costs. As a percentage of net sales, cost of sales decreased to 71.0% in 2013 from 74.3% in 2012 due to lower corn costs and productivity improvements.

Selling and administrative expenses decreased by 16% to Ps.2,114 million in 2013 compared with Ps.2,530 million in 2012 and as a percentage of net sales decreased to 13.3% in 2013 from 14.9% in 2012 due mainly to reductions in marketing and advertising and, to a lesser extent, lower administrative expenses. These reductions were related to our efforts to enhance value creation. Also, freight expenses were lower as sales volume declined.

Operating income increased by 40% to Ps.2,448 million in 2013 from Ps.1,749 million in 2012, and operating margin increased to 15.4% from 10.3%.

Gruma Centroamérica

Sales volume decreased by 4% to 198 thousand tons in 2013 compared with 207 thousand tons in 2012. The decrease was due mainly to the availability of cheap domestic corn (which motivated some customers to shift to the traditional method of tortilla production) and a tougher competitive environment from new and existing corn flour producers.

Net sales increased by 1% to Ps.3,386 million in 2013 from Ps.3,369 million in 2012 due to price increases and a change in the sales mix towards higher priced products such as snacks, hearts of palm and rice.

Cost of sales decreased by 6% to Ps.2,264 million in 2013 compared with Ps.2,415 million in 2012. This was due to the decline in sales volume, lower raw material costs, production efficiencies and the average Peso appreciation effect during 2013. Cost of sales as a percentage of net sales decreased to 66.9% in 2013 from 71.7% in 2012 due mainly to price increases, allowance reductions, lower raw material costs and, to a lesser extent, production efficiencies.

Selling and administrative expenses decreased by 5% to Ps.947 million in 2013 compared with Ps.994 million in 2012, due to our efforts to reduce expenses, mainly marketing and advertising, as well as to the average Peso appreciation. As a percentage of net sales, selling and administrative expenses decreased to 28.0% in 2013 from 29.5% in 2012 due mainly to expense reductions.

Operating income was Ps.183 million in 2013 compared with a loss of Ps.40 million in 2012. Operating margin increased to 5.4% in 2013 from a negative 1.2% in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Historically, we have generated and expect to continue to generate positive cash flow from operations. Cash flow from operations primarily represents inflows from net earnings (adjusted for depreciation and other non-cash items) and outflows from increases in working capital needed to grow our business. Cash flow used in investing activities represents our investment in property and capital equipment required for our growth, as well as our acquisition activity. Cash flow from financing activities is primarily related to changes in indebtedness borrowed to grow the business or indebtedness repaid with cash from operations or refinancing transactions as well as dividends paid.

Our principal capital needs are for working capital, capital expenditures related to maintenance, expansion and acquisitions and debt service. Our ability to fund our capital needs depends on our ongoing ability to generate cash from operations, overall capacity and terms of financing arrangements and our access to the capital markets. We believe that our future cash from operations together with our access to funds available under such financing arrangements and the capital markets will provide adequate resources to fund our foreseeable operating requirements, capital expenditures, acquisitions and new business development activities.

We fund our liquidity and capital resource requirements, in the ordinary course of business, through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- occasional offerings of medium- and long-term debt; and
- sales of our equity securities and those of our subsidiaries and affiliates from time to time.

The following is a summary of the principal sources and uses of cash for the three years ended December 31, 2014, 2013 and 2012.

	2014	2013	2012
	(thousands of Mexican pesos)		
Resources provided by (used in):			
Operating activities	**Ps. 6,730,000**	**Ps. 6,679,431**	**Ps. 1,806,136**
From continuing operations	6,379,354	6,515,984	1,482,214
From discontinued operations	350,646	163,447	323,922
Investing activities	**1,995,588**	**(1,524,901)**	**(3,455,629)**
From continuing operations	2,071,052	(1,267,076)	(3,189,318)
From discontinued operations	(75,464)	(257,825)	(266,311)
Financing activities	**(8,591,246)**	**(5,112,396)**	**1,817,675**
From continuing operations	(8,586,690)	(5,113,769)	2,085,073
From discontinued operations	(4,556)	1,373	(267,398)

During 2014, net cash generated from operations was Ps.6,730 million after changes in working capital of Ps.980 million, of which Ps.258 million was due to a decrease in accounts receivable, Ps.382 million reflected a decrease in inventory, Ps.110 million reflected a decrease in accounts payable, Ps.1,816 million of income tax paid and Ps.351 million reflected net cash generated by discontinued operations. Net cash used for financing activities during 2014 was Ps.8,591 million, of which Ps.15,650 million reflected payments of debt and Ps.8,838 million of proceeds from borrowings, Ps.1,011 million in cash interest payments, Ps.649 million of dividends paid to our shareholders and Ps.102 million of dividends paid to minority shareholders of GIMSA. Net cash generated for investment activities during 2014 was Ps.1,996 million, primarily attributable to the sale of our wheat flour operations in Mexico for Ps.3,678 million and partially offset by investments applied to general manufacturing upgrades and efficiency improvements in our subsidiaries in the U.S. and Mexico by Ps.1,597 million. As of December 31, 2014, 2013, and 2012, there were no significant restricted net assets of our consolidated subsidiaries, as defined by Rule 4-08(e)(3) of Regulation S-X.

Factors that could decrease our sources of liquidity include a significant decrease in the demand for, or price of, our products, each of which could limit the amount of cash generated from operations, and a lowering of our corporate credit rating or any other credit downgrade, which could impair our liquidity and increase our costs with respect to new debt and cause our stock price to suffer. Our liquidity is also affected by factors such as the depreciation or appreciation of the peso and changes in interest rates. See “Item 5.Operating and Financial Review and Prospects —Indebtedness.”

As further described below, Gruma, S.A.B. de C.V. is subject to financial covenants contained in its debt agreements which requires it to maintain certain financial ratios and balances on a consolidated basis, among other limitations. Gruma Corporation is also subject to financial covenants contained in one of its debt agreements which require it to maintain certain financial ratios and balances on a consolidated basis. A default under any of our existing debt obligations for borrowed money could result in acceleration of the due dates for payment of the amounts owing thereunder and, in certain cases, in a cross-default under some of our existing credit agreements and the indenture governing our perpetual bonds. See “Item 10. Additional Information—Material Contracts.”

We are required to maintain a leverage ratio no greater than 4.0:1, and an interest coverage ratio no lower than 2.5:1. As of December 31, 2014, Gruma, S.A.B. de C.V.’s leverage ratio was 1.44:1, and the interest coverage ratio was 6.30:1. The amount of interest that Gruma Corporation pays on its debt may increase if its overall leverage ratio increases above 1.0:1. See “Item 5. Operating and Financial Review and Prospects —Indebtedness.” As of December 31, 2014, Gruma Corporation’s leverage ratio was 0.3:1, therefore the applicable interest rate range under the Gruma Corporation Loan Facility is LIBOR + 112.5 bp.

Members of the Primary Shareholder Group may pledge part of their shares in us to secure any future borrowings. If there is a default and the lenders enforce their rights against any or all of these shares, the Primary Shareholder Group could lose control over us and a change of control could result. A change of control could trigger a default in some of our credit agreements, which could then trigger a default in our other debt documents. A change of control could also require us to offer to repurchase other debt, such a default or repurchase obligation could have a material adverse effect upon our business, financial condition, results of operations and prospects. For more information about this pledge, see “Item 7. Major Shareholders and Related Party Transactions.”

Our long-term corporate credit rating is rated BBB- by Standard & Poor’s. Our Foreign Currency Long-Term Issuer Default Rating and our Local Currency Long-Term Issuer Default Rating are rated BBB- by Fitch. On December 14, 2012, after the announcement of the ADM Transaction and Gruma’s increase in its leverage, Standard & Poor’s confirmed its BB credit rating and the outlook remains stable. On December 17, 2012, Fitch also confirmed its BB rating. Fitch and Standard & Poor’s upgraded the BB rating to “BB+” on December 11, 2013 and March 4, 2014, respectively. On November 10, 2014, Fitch upgraded the “BB+” rating to

"BBB-". A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revisions or withdrawals at any time.

If our financial condition deteriorates, we may experience future declines in our credit ratings, with attendant consequences. Our access to external sources of financing, as well as the cost of that financing, has been and may continue to be adversely affected by a deterioration of our long-term debt ratings. A downgrade in our credit ratings may continue to increase the cost of and/or limit the availability of unsecured financing, which may make it more difficult for us to raise capital when necessary. If we cannot obtain adequate capital on favorable terms, or at all, our business, operating results and financial condition would be adversely affected. However, management believes that its working capital and available external sources of financing are sufficient for our present requirements.

Indebtedness

Our indebtedness bears interest at fixed and floating rates. As of December 31, 2014, approximately 54.61% of our outstanding indebtedness bore interest at fixed rates and approximately 45.39% bore interest at floating rates, with almost all U.S. dollar and Mexican peso floating-rate indebtedness bearing interest based on LIBOR and TIIE, respectively. From time to time, we partially hedge both our interest rate exposure and our foreign exchange rate exposure as discussed below. For more information about our interest rate and foreign exchange rate exposures, see "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

As of December 31, 2014, we had total outstanding long-term debt aggregating approximately Ps.9,407 million (approximately U.S.$639 million). Approximately 92% of our long-term debt at such date was dollar-denominated, and 8% denominated in Mexican Pesos.

4.875% Notes Due 2024

On December 5, 2014, we issued US$400 million aggregate principal amount of 4.875% senior notes due 2024 (the "4.875% Notes due 2024"), which at the time were rated BB+ by Standard & Poor's Rating Service and BBB- by Fitch Ratings, Ltd. The 4.875% Notes due 2024 mature on December 1, 2024 and have a make-whole redemption option exercisable by us at any time and a redemption option without a make-whole premium exercisable by us at any time beginning on the date that is three months prior to the scheduled maturity of the notes. We used the net proceeds of the issuance of the 4.875% Notes due 2024 primarily to redeem the Perpetual Bonds and repay other long term indebtedness. The indenture governing the 4.875% Notes due 2024 contains covenants including limitations on liens, limitations on sale-leaseback transactions, and limitations on consolidations, mergers and transfers of property. As of December 31, 2014, we have not hedged any interest payments on the 4.875% Notes due 2024. As of December 31, 2014, US$400 million of the 4.875% Notes due 2024 were outstanding.

Perpetual Bonds

On December 3, 2004, Gruma, S.A.B. de C.V. issued U.S.$300 million 7.75% senior unsecured perpetual bonds, which at the time were rated BBB- by Standard & Poor's and by Fitch. The bonds had no fixed final maturity date and a call option exercisable by GRUMA at any time beginning five years after the issue date. We redeemed these bonds in full in December 2014, with a portion of the net proceeds of the issuance of the 4.875% Notes due 2024.

Credit Facilities

On June 16, 2011, we concluded a series of transactions, where we entered into the Syndicated Loan Facility, the Peso Syndicated Loan Facility, the Rabobank Revolving Facility and the 2011 Bancomext Peso Facility (as defined below). Additionally, on June 20, 2011 we refinanced and extended the Gruma Corporation Loan Facility. See "Item 5. Operating and Financial Review and Prospects —Indebtedness" below for a description of our current principal debt instruments.

During the fourth quarter of 2012 we entered into a short term-unsecured loan in an amount of U.S. $300 million with Goldman Sachs and Santander; and Gruma Corporation increased the aggregate commitment under its Revolving Loan Agreement (as defined below) for an additional amount of US $50 million in order to partially fund the ADM Transaction. The additional U.S. $100 million required to fund the ADM Transaction was obtained through a short term-unsecured loan with Banco Inbursa (all together, the "2012 Bridge Loan Facility").

Rabobank Syndicated Facility

In June 2013, we obtained a 5-year Syndicated Credit Facility for U.S.$220 million with Coöperatieve Centrale Raiffeisen Boerenleenbank B.A., “Rabobank Nederland”, New York Branch, as administrative agent, with an average term of 4.2 years and amortizations starting on December 2014. This facility has an interest rate based on LIBOR plus a spread between 150 and 300 basis points based on our leverage ratio. BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Bank of America, N.A., also participated in this facility (the “Rabobank Syndicated Facility”). The Rabobank Syndicated Facility contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from June 18, 2013 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Rabobank Syndicated Facility also limits our ability, and our subsidiaries’ ability in certain cases, among other things to, create liens, make certain investments, merge or consolidate with other companies or sell substantially all of our assets, make certain restricted payments, enter into agreements that prohibit the payment of dividends, engage in transactions with affiliates and enter into certain hedging transactions. Additionally, the Rabobank Syndicated Facility limits our subsidiaries’ ability to guarantee additional indebtedness and to incur additional indebtedness under certain circumstances. As of December 31, 2014, U.S.$209 million was outstanding under the Rabobank Syndicated Facility.

Inbursa Peso Syndicated Facility

In June 2013,we obtained a 5-year Syndicated Credit Facility for Ps.2,300 million with Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as administrative agent, with an average term of 4.2 years and amortizations starting on December 2014. The facility has an interest rate of 91-day TIIE plus a spread between 162.5 and 262.5 basis points based on our leverage ratio. Banco Nacional de Comercio Exterior, S.N.C., Banca de Desarrollo and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, also participated in this facility (the “Inbursa Peso Syndicated Facility”). The Inbursa Peso Syndicated Facility contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from June 12, 2013 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. This facility also limits our ability, and our subsidiaries’ ability in certain cases, among other things to, create liens, make certain investments; merge or consolidate with other companies or sell substantially all of our assets, make certain restricted payments, enter into agreements that prohibit the payment of dividends, engage in transactions with affiliates and enter into certain hedging transactions. Aditionally, the Inbursa Peso Syndicated Facility limits our subsidiaries’ ability to guarantee certain additional indebtedness and to incur additional indebtedness under certain circumstances. On December 15, 2014, we repaid the Inbursa Peso Syndicated Facility in full.

The proceeds of this transaction as well as proceeds from the Rabobank Syndicated Facility were applied to make the partial payment on the 2012 Bridge Loan Facilty for the amount of U.S.$400 million. The remaining U.S.$50 million corresponds to the increase in the Gruma Corporation Loan Facility which remains outstanding.

Gruma Corporation Loan Facility

In October 2006, Gruma Corporation entered into a U.S.$100 million 5-year revolving credit facility with a syndicate of financial institutions, which was refinanced and extended to U.S.$200 million for an additional 5-year term on June 20, 2011, (the “Gruma Corporation Loan Facility”). The facility, as refinanced in 2011, has an interest rate based on LIBOR plus a spread of 1.375% to 2% that fluctuates in relation to Gruma Corporations’ leverage and contains less restrictive provisions than those in the facility replaced. In November, 2012 we increased the aggregate commitment under this facility up to the maximum permitted amount of US $250,000,000. The additional US $50,000,000 were used by Gruma Corporation to cover part of the purchase price under the ADM Transaction, specifically the purchase of ADM’s stake in Azteca Milling. This facility contains covenants that limit Gruma Corporation’s ability to merge or consolidate, and require it to maintain a ratio of total funded debt to consolidated EBITDA of not more than 3.0:1. In addition, this facility limits Gruma Corporation’s, and certain of its subsidiaries’ ability, among other things, to create liens; make certain investments; make certain restricted payments; enter into any agreements that prohibit the payment of dividends; and engage in transactions with affiliates. This facility also limits Gruma Corporation’s subsidiaries’ ability to incur additional debt. On November 24, 2014, the maturity was extended from June 2016 to November 2019 and the interest rates were reduced 25 basis points for a total all-in rate of LIBOR plus a spread between 112.5 and 175 basis points, depending on the leverage of the company. The Gruma Corporation Loan Facility was available with no outstanding balance as of December 31, 2014.

Gruma Corporation is also subject to covenants which limit the amounts that may be advanced to, loaned to, or invested in us under certain circumstances. Upon the occurrence of any default or event of default under its credit agreements, Gruma Corporation generally would be prohibited from making any cash dividend payments to us. The covenants described above and other covenants could limit our and Gruma Corporation’s ability to help support our liquidity and capital resource requirements

Syndicated Loan Facility

On March 22, 2011 we obtained a U.S.$225 million, five-year senior credit facility through a syndicate of banks (the "Syndicated Loan Facility"). The Syndicated Loan Facility consists of a term loan ("Term Loan Facility") and a revolving loan facility (the "Revolving Loan Facility"). Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the Syndicated Loan Facility was increased, and the interest rate grid was also modified, among other revisions made through the execution of an amendment dated December 3, 2012. After such amendment, the interest rate for the Term Loan Facility and for the Revolving Loan Facility is either (i) LIBOR or (ii) an interest rate determined by the administrative agent based on its "prime rate" or the federal funds rate, respectively, plus, in either case, (a) 3.00% if our ratio of total funded debt to EBITDA (the "Maximum Leverage Ratio") is greater than or equal to 4.5x, (b) 2.75% if our Maximum Leverage Ratio is greater than or equal to 4.0x and less than 4.5x, (c) 2.50% if our Maximum Leverage Ratio is greater than or equal to 3.5x and less than 4.0x; (d) 2.25% if our Maximum Leverage Ratio is greater than or equal to 3.0x and less than 3.5x; (e) 2.00% if our Maximum Leverage Ratio is greater than or equal to 2.5x and less than 3.0x; (f) 1.75% if our Maximum Leverage Ratio is greater than or equal to 2.0x and less than 2.5x; and (g) 1.50% if our Maximum Leverage Ratio is less than 2.0x. The Syndicated Loan Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and a Maximum Leverage Ratio of not more than 4.75:1 from December 4, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Syndicated Loan Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Syndicated Loan Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. On December 12, 2014, we repaid the Term Loan Facility in full. The Revolving Loan Facility was available with no outstanding balance as of December 31, 2014.

Peso Syndicated Loan Facility

On June 15, 2011 we obtained a Ps.1,200 million, seven-year senior credit facility through a syndicate of banks (the "Peso Syndicated Loan Facility"). The Peso Syndicated Loan Facility consists of a term loan maturing in June 2018 with yearly principal amortizations beginning in December 2015. Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the Peso Syndicated Loan Facility was increased, and the interest rate grid was also modified, among other revisions made through the execution of an amendment dated December 3, 2012. After such amendment, the interest rate payable under the Peso Syndicated Loan Facility is the 91-day TIIE plus a spread between 137.5 and 262.5 basis points based on our ratio of total funded debt to EBITDA. The Peso Syndicated Loan Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a Maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from December 4, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Peso Syndicated Loan Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Peso Syndicated Loan Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. As of December 31, 2014, Ps.800 million was outstanding under the Peso Syndicated Loan Facility.

Rabobank Revolving Facility

On June 15, 2011 we obtained a U.S.$50 million, five-year senior credit facility from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the "Rabobank Revolving Facility"). On June 28, 2012, this facility was increased by U.S.$50 million to a total principal amount of U.S. $100 million. Also, prior to the execution of the 2012 Bridge Loan Facility, the permitted leverage ratio established under the Rabobank Revolving Facility was increased, and the interest rate grid was modified, among other revisions made through the execution of an amendment dated November 29, 2012. After such amendments, the Rabobank Revolving Facility consists of a revolving loan facility, at an interest rate of LIBOR plus (a) 3.00% if our ratio of total funded debt to EBITDA is greater than or equal to 4.5x, (b) 2.75% if our Maximum Leverage Ratio is greater than or equal to 4.0x and less than 4.5x, (c) 2.50% if our Maximum Leverage Ratio is greater than or equal to 3.5x and less than 4.0x; (d) 2.25% if our Maximum Leverage Ratio is greater than or equal to 3.0x and less than 3.5x; (e) 2.00% if our Maximum Leverage Ratio is greater than or equal to 2.5x and less than 3.0x; (f) 1.75% if our Maximum Leverage Ratio is greater than or equal to 2.0x and less than 2.5x; and (g) 1.50% if our Maximum Leverage Ratio is less than 2.0x. The Rabobank Revolving Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and a Maximum Leverage Ratio of not more than 4.75:1 from November 29, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Rabobank Revolving Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other

restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Rabobank Revolving Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. The Rabobank Revolving Facility was available with no outstanding balance as of December 31, 2014.

2011 Bancomext Peso Facility

On June 16, 2011 we obtained a Ps.600 million, seven-year senior credit facility from Bancomext (*Banco Nacional de Comercio Exterior*) (the "2011 Bancomext Peso Facility"). Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the 2011 Bancomext Peso Facility was increased, and the interest rate grid was modified, among other revisions made through the execution of an amendment dated December 7, 2012. After such amendment, the 2011 Bancomext Peso Facility consists of a term loan maturing in June 2018 at an interest rate of 91-day TIIE plus a spread between 137.5 and 262.5 basis points based on our ratio of total funded debt to EBITDA. The 2011 Bancomext Peso Facility contains a covenant that requires us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1 as well as a covenant that requires us to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from December 8, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The 2011 Bancomext Peso Facility also limits our ability, and our subsidiaries' ability in certain cases to create liens.

On December 8, 2012 we entered into an amendment to this Facility in order to increase the existing permitted Leverage Ratio from December 8, 2012 until September 30, 2013, to equal or less than 4.75x; from October 1, 2013 until September 30, 2014, to equal or less than 4.5x; from October 1, 2014 until September 30, 2015, to equal or less than 4.0x and from October 1, 2015 and thereafter, to equal or less than 3.5x.

We repaid the 2011 Bancomext Peso Facility in full in September 2014.

Other Information

Our credit agreements currently in force and mentioned above contain event of default provisions, which include: (i) non-payment default regarding principal or interests; (ii) cross default and cross acceleration in connection with any of our other indebtedness; (iii) affirmative and negative covenants default; (iv) declaration or request of bankruptcy, liquidation or proceedings seeking concurso mercantil; (v) delivery of false or incorrect material information; and (vi) change of control provisions. The foregoing events of default are applicable pursuant to the terms and conditions set forth in such credit agreements, including without limitation certain exceptions and baskets and cure periods. For further details please review the text of our credit agreements filed as exhibits hereto. Please See "Item 19 — Exhibits".

As of December 31, 2014 we were in compliance with all of the covenants and obligations under our existing debt agreements.

As of December 31, 2014, we had committed lines of credit for the amount of U.S.$425 million from banks in Mexico and the United States of which we had no outstanding balance as of that date.

As of December 31, 2014, we had total cash and cash equivalents of Ps.1,465 million.

The following table presents our amortization requirements with respect to our total indebtedness as of December 31, 2014.

Year	In Millions of U.S. Dollars
2015	$ 97.64
2016	$ 42.95
2017	$ 69.74
2018	$ 126.44
2019 and thereafter	$ 400.00
Total	$ 736.77

The following table sets forth our ratios of consolidated debt to total capitalization (i.e., consolidated debt plus total stockholders' equity) and consolidated liabilities to total stockholders' equity as of the dates indicated. For purposes of these ratios, consolidated debt includes short-term debt.

Date	Ratio of Consolidated Debt to Total Capitalization	Ratio of Consolidated Liabilities to Total Stockholders' Equity
December 31, 2012	0.58	2.45
December 31, 2013	0.53	1.95
December 31, 2014	0.37	1.25

Capital Expenditures

Our capital expenditure program continues to be primarily focused on our core businesses and markets. Capital expenditures for 2012, 2013, 2014 were U.S.$181 million, U.S.$110 million and U.S.$129 million, respectively. During 2012, 2013 and 2014, capital expenditures were applied primarily to production capacity expansions, general manufacturing and technology upgrades in Gruma Corporation and GIMSA. In March 2015, we acquired Azteca Foods Europe, a leading producer of tortillas and other Mexican food-related products in Spain.

We have budgeted approximately U.S.$300 million for capital expenditures in 2015, which we intend to use mainly for production capacity expansions, general manufacturing and technology upgrades, especially in Gruma Corporation, GIMSA and Gruma Asia & Oceania. The 2015 capital expenditures budget includes potential acquisitions. We anticipate financing these expenditures throughout the year through internally generated funds and debt.

Concentration of Credit Risk

Our regular operations expose us to potential defaults when our customers and counterparties are unable to comply with their financial or other commitments. We seek to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, we continue to remain subject to unexpected third party financial failures that could disrupt our operations.

We are also exposed to risk in connection with our cash management activities and temporary investments, and any disruption that affects our financial intermediaries could also adversely affect our operations.

Our exposure to risk due to trade receivables is limited given the large number of our customers located in different parts of Mexico, the United States, Central America, Europe, Asia and Oceania. However, we still maintain allowances for doubtful accounts.

The severe political and economic situation in Venezuela presents a risk to our discontinued operations that we cannot control and that cannot be accurately measured or estimated. The Venezuelan government devalued its currency and established a two tier exchange structure on January 11, 2010. Pursuant to Exchange Agreement No.14, the exchange rate of the Venezuelan bolivar ("Bs.") was devalued from Bs.2.15 to each U.S. dollar to Bs.4.30 for non-essential goods and services and to Bs.2.60 for essential goods. However, effective January 4, 2011, the fixed exchange rate became 4.30 bolivars for all goods and services. On February 8, 2013, the National Executive, through the Central Bank of Venezuela and the Ministry of Popular Power for Planning and Finance, amended the Exchange Agreement to the effect that an exchange rate of 6.30 bolivars per U.S. dollar is applicable to all operations conducted in foreign currency effective as of February 9, 2013.

In March 2013, the Venezuelan government announced the creation of an alternative exchange mechanism called the Supplementary System of Foreign Exchange Administration (Sistema Complementario de Administración de Divisas, SICAD). The SICAD operates as an auction system that allows entities of specific sectors to buy foreign currency for imports. This is not a free auction (that is, the counterpart that offers the highest price does not necessarily have the right to receive the foreign currency). Each auction may have different rules (for example, the minimum and maximum amount of foreign currency that may be offered to exchange). Limited amounts of dollars are available and entities do not commonly get the full amount for which they entered in auction. During December 2013, the Venezuelan government authorized the Central Bank of Venezuela to publish the average exchange rate resulting of SICAD auctions. During the weeks commencing on December 23 and December 30, 2013, the Central Bank of Venezuela published on its website the average exchange rate for auctions No.13 and No.14 (11.30 Venezuelan bolivars per U.S. dollar).

On January 24, 2014, Exchange Agreement No. 25 became effective, which establishes the cases to which the SICAD 1 exchange rate (Bs.11.30 per dollar) applies for sale of foreign currency transactions. In addition, the agreement also provides that the sale operation of foreign currency, whose clearance has been requested to the Central Bank of Venezuela before the Exchange Agreement No. 25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No. 25 resulted in a net foreign exchange loss of Ps.17 million to us in 2014, which was

presented as discontinued operations. This exchange loss resulted from certain accounts receivable maintained with the Venezuelan companies which are expected to be settled at this SICAD 1 exchange rate (Bs.12.00 per dollar as of December 31, 2014).

During 2014, the Venezuelan Government expanded the use of SICAD rate creating a third currency exchange mechanism called SICAD 2 which may be used by entities for certain transactions. SICAD 2 initiated operations in March 2014, at the time, the bolivar sold for an average of Bs.51.86 per U.S. dollar. The SICAD 2 daily average rate was published by the Central Bank of Venezuela. Based on a simulation exercise where a different exchange rate is used, such as the SICAD 2 (Bs.49.99 per dollar at December 31, 2014) , an additional foreign exchange loss of Ps.65 million will result from certain accounts receivable of the Venezuelan companies.

On February 10, 2015, Exchange Agreement No. 33 published in the Official Gazette of Venezuela, eliminated as of February 12, 2015 the foreign exchange rate SICAD 2 and created a new foreign exchange rate mechanism called SIMADI (Foreign Exchange Marginal System). According to the decree, the foreign exchange rate will be the one freely agreed by the parties involved in transactions for the purchase and sale of dollars in the market. The Central Bank of Venezuela will publish daily on its website the reference foreign exchange rate, corresponding to the weighted average exchange rate of the operations for each day in the markets of: a) trading transactions in local currency for foreign currency operations, and b) trading transactions in local currency for foreign currency securities. The SIMADI foreign exchange rate published on the date on which our consolidated financial statements were authorized, was Bs.171.03 per dollar.

On May 12, 2010, the Venezuelan goverrnment published in the Expropriation Decree, which announced the forced acquisition of all goods, movables and real estate of MONACA. The Venezuelan government has expressed to our representatives that the Expropriation Decree extends to DEMASECA. On January 22, 2013, the Ministry of Popular Power for Internal Relations published a Providence designating Special Managers with the power to run MONACA and DEMASECA. As a consequence, we determined that we lost control of the Venezuelan Companies as of that date. We deconsolidated the Venezuelan Companies as of January 22, 2013 and report it as a discontinued operation.

From time to time, we enter into currency and other derivative transactions that cover varying periods of time and have varying pricing provisions. Our credit exposure on derivatives contracts is primarily to professional counterparties in the financial sector, arising from transactions with banks, investment banks and other financial institutions. As of December 31, 2014, we had no open foreign exchange derivative transactions. As of March 31, 2015, we had foreign exchange derivatives transactions in effect for a nominal amount of U.S.$ $201.9 million. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Rate Risk.”

Market Risk

Market risk is the risk of loss generated by fluctuations in market prices such as commodities, interest rates and foreign exchange rates. These are the main market risks to which we are exposed.

We entered into short-term hedge transactions through commodity futures and options to hedge a portion of our requirements and as of December 31, 2014, 2013 and 2012 these financial instruments that qualify as hedge accounting represented an unfavorable effect of Ps.25.1 million and Ps.71.5 million in 2014 and 2013, respectively, and a favorable effect of Ps.119.3 million in 2012. Also, we had open positions in financial instruments for corn, natural gas and fuel that did not qualify as hedge accounting for the years ended December 31, 2014 and 2012 generated a favorable effect of Ps.45.5 and Ps.17.1 million, respectively.

During 2014, we entered into forward transactions in order to hedge the Mexican peso to U.S. dollar foreign exchange rate risk related to the price of the corn purchases for the summer and winter corn harvests in Mexico. These foreign exchange derivative instruments did not qualify for hedging accounting. As of December 31, 2014, we had no open foreign exchange derivative transactions.

See “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

RESEARCH AND DEVELOPMENT

We have developed our own technology operations since our founding. Since March 2014 our technology and equipment operations have been conducted principally through INTESA, Tecno Maíz, S.A. de C.V., or Tecnomaíz, and Constructora Industrial Agropecuaria, S.A. de C.V., or CIASA. Prior to this date, our technology and equipment operation had been conducted mainly through INTASA. On March 21, 2014, INTASA was merged into Gruma, S.A.B. de C.V., and ceased to exist. See “Item 4—Information on the Company—Organizational Structure—INTESA.”

The main purpose of INTESA is to provide research and development, equipment, and construction services to the food industry, specifically with respect to tortillas and other corn-based products. Through Tecnomaíz, we also engage in the design, manufacture and commercialization of machines for the production of corn and wheat flour tortillas and tortilla chips, which are sold under the TORTEC® and RODOTEC® trademarks. Through CIASA, we also design and manufacture equipment for corn *masa* flour such as corn milling machinery, and provide engineering, design and construction services.

We continuously engage in research and development activities that focus on, among other things: increasing the efficiency of our proprietary corn flour and corn/wheat tortilla production technology; maintaining high product quality; developing new and improved products and manufacturing equipment; improving the shelf life of certain corn and wheat products; improving and expanding our information technology system; engineering, plant design and construction and compliance with environmental regulations. We have obtained 58 patents in the United States since 1968. 20 of these patents are in force and effect in the United States as of December 31, 2014 and the remaining 38 have expired. We currently have six new patents in process in the United States. Additionally, nine of our registered patents and design patents are currently in the process of being published in other countries.

We have carried out proprietary technological research and development for corn milling and tortilla production as well as all engineering, plant design and construction principally through INTESA. We spent Ps.137 million, Ps.145 million and Ps.153 million on research and development in the years ended December 31, 2012, 2013 and 2014.

TREND INFORMATION

Our financial results will likely continue to be influenced by factors such as changes in the level of consumer demand for tortillas and corn flour, government policies regarding the Mexican tortilla and corn flour industry, and the cost of corn and wheat. In addition, we expect our financial results in 2014 to be influenced by:

- volatility in corn and wheat prices;
- increased competition from tortilla manufacturers, especially in the United States;
- increase or decrease in the Hispanic population in the United States;
- increases in Mexican food consumption by the non-Hispanic population in the United States; as well as projected increases in Mexican food consumption and use of tortillas in non-Mexican cuisine as tortillas continue to be assimilated into mainstream cuisine in the United States, Europe, Asia and Oceania, each of which could increase sales;
- volatility in energy costs;
- increased competition in the corn flour business;
- exchange rate fluctuations;
- civil and political unrest, currency devaluation and other governmental economic policies in Venezuela; and
- unfavorable general economic conditions in the United States and globally, such as the recession or economic slowdown, which could negatively affect the affordability of and consumer demand for some of our products.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2014 we do not have any outstanding off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

We have commitments under certain firm contractual arrangements to make future payments for goods and services. These firm commitments secure the future rights to various assets to be used in the normal course of operations. For example, we are contractually committed to making certain minimum lease payments for the use of property under operating lease agreements. The following table summarizes separately our material firm commitments at December 31, 2014 and the timing and effect that such

obligations are expected to have on our liquidity and cash flow in future periods. In addition, the table reflects the timing of principal and interest payments on outstanding debt, which is discussed in "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness." We expect to fund the firm commitments with operating cash flow generated in the normal course of business. We may be liable for a contingent payment to ADM upon the occurrence of certain events pursuant to the terms of the relevant agreements. See Note 29 to our audited consolidated financial statements.

Contractual Obligations and Commercial Commitments	Total	Less than 1 Year	From 1 to 3 Years	From 3 to 5 Years	Over 5 Years
			(in millions of U.S. dollars)		
Long-term debt obligations	638.3	—	111.9	126.4	400.0
Operating lease obligations(1)	134.1	39.8	53.5	22.4	18.4
Finance lease obligations	1.3	0.6	0.7	—	—
Purchase obligations(2)	554.0	554.0	—	—	—
Interest payments on our indebtedness (3)	132.8	26.3	47.0	40.0	19.5
Other liabilities(4)	97.1	97.1	—	—	—
Total	1,557.6	717.8	213.1	188.8	437.9
Total in millions of peso equivalent amounts	22,924.8	10,564.6	3,136.4	2,778.8	6,445.0

(1) Operating lease obligations primarily relate to minimum lease rental obligations for our real estate and operating equipment in various locations.

(2) Purchase obligations relate to our minimum commitments to purchase commodities, raw materials, machinery and equipment.

(3) In the determination of our future estimated interest payments on our floating rate denominated debt, we used the interest rates in effect as of December 31, 2014.

(4) Other relates to liabilities for short-term bank loans and the current portion of long-term debt.

ITEM 6 Directors, Senior Management and Employees.

MANAGEMENT STRUCTURE

Our management is vested in our board of directors. Our day to day operations are handled by our executive officers.

Our bylaws require that our board of directors be composed of a minimum of five and a maximum of twenty-one directors, as decided at our Ordinary General Shareholders' Meeting. Pursuant to the Mexican Securities Law, at least 25% of the members of the board of directors must be independent. In addition, under Mexican law, any holder or group of holders representing 10% or more of our capital stock may elect one director and its corresponding alternate.

The board of directors, which was elected at the Ordinary General Shareholders' Meeting held on April 24, 2015, currently consists of 11 directors, with each director having a corresponding alternate director; six of our directors are independent within the meaning of the Mexican Securities Law. At said meeting, Mr. Juan A. González Moreno was ratified as Chairman of our board of directors and Mr. Carlos Hank Gonzalez was ratified as Vice Chairman. The following table sets forth the current members of our board of directors, their ages, years of service, principal occupations, outside directorships, other business activities and experience, their directorship classifications as defined in the Code of Best Corporate Practices issued by a committee formed by the *Consejo Coordinador Empresarial*, or Mexican Entrepreneur Coordinating Board, and their alternates. The terms of their directorships are for one year or for up to thirty additional days if no designation of their substitute has been made or if the substitute has not taken office.

Juan A. González Moreno	Age:	57
	Years as Director:	21
	Principal Occupation:	Chairman of the Board and Chief Executive Officer of GRUMA and GIMSA
	Outside Directorships:	Director of Grupo Financiero Banorte, Banco Mercantil del Norte, Fundación Gruma, Consejo Mexicano de Hombres de Negocios, Fondo de Agua Metropolitano de Monterrey, Museo del Acero and Red Ambiental
	Business Experience:	Several positions in GRUMA, including Chief Executive Officer of Special Projects of Gruma Corporation, President of Azteca Milling, Vice President of Central and Eastern Regions of Mission Foods, President and Vice President of Sales of Azteca Milling, Chief Executive Officer of Gruma Asia & Oceania
	Directorship Type:	Shareholder, Related
	Alternate:	Raúl Cavazos Morales
Carlos Hank González	Age:	43
	Years as Director:	2
	Principal Occupation:	Chairman of the Board of Grupo Financiero Banorte, Vice Chairman of the Board of GRUMA and Chief Executive Officer of Grupo Hermes
	Outside Directorships:	Director of Grupo Hermes, Bolsa Mexicana de Valores and Chairman of the Board of Cerrey
	Business Experience:	Chief Executive Officer of Casa de Bolsa Interacciones, Banco Interacciones and Automotriz Hermer
	Directorship Type:	Shareholder, Related
	Alternate:	Graciela González Moreno

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Homero Huerta Moreno	Age:	52
	Years as Director:	2
	Principal Occupation:	Chief Administrative Officer
	Outside Directorships:	None
	Business Experience:	Several positions within GRUMA including Corporate Internal Audit Vice President, Management Information Systems Vice President, Controller Vice President of Gruma Corporation and Finance and Administrative Vice President of Gruma Venezuela
	Directorship Type:	Related
	Alternate:	Rogelio Sánchez Martínez
Eduardo Livas Cantú	Age:	72
	Years as Director:	22
	Principal Occupation:	Member of GRUMA's Executive Committee
	Outside Directorships:	Director of GIMSA and Grupo Financiero Banorte
	Business Experience:	Business consultant in different companies, several positions in GRUMA, including Chief Executive Officer and Chief Financial Officer and Chief Executive Officer of Gruma Corporation
	Directorship Type:	Related
	Alternate:	Alfredo Livas Cantú
Javier Vélez Bautista	Age:	58
	Years as Director:	12
	Principal Occupation:	Member of GRUMA's Executive Committee
	Outside Directorships:	Director of GIMSA and United States-Mexico Chamber of Commerce
	Business Experience:	Chief Executive Officer of Value Link and Nacional Monte de Piedad, Executive Vice President and Chief Financial Officer of GRUMA, Project Director at Booz Allen Hamilton
	Directorship Type:	Related
	Alternate:	Jorge Vélez Bautista
Gabriel A. Carrillo Medina	Age:	58
	Years as Director:	2
	Principal Occupation:	President and shareholder of Mail Rey and Detecno
	Outside Directorships:	Director of GIMSA
	Business Experience:	President of Asociación de Casas de Bolsa de Nuevo León and Club Deportivo San Agustín, several positions within Interacciones Casa de Bolsa, including Chief Financial Officer
	Directorship Type:	Independent
	Alternate:	Gabriel Carrillo Cattori
Everardo Elizondo Almaguer	Age:	71
	Years as Director:	1
	Principal Occupation:	Economics Professor at EGAP/ITESM and regular columnist of the Reforma/El Norte
	Outside Directorships:	Director of GIMSA, Grupo Financiero Banorte, Compañía Minera Autlán, San Luis Corporación, Grupo Senda, Fibra Inn, Advisory Council of Coca-Cola/KOF and External Advisory Council of the UANL
	Business Experience:	Deputy Director of Banco de México, Economic Studies Director of Grupo Financiero Bancomer and Economic Studies Director of Grupo Industrial Alfa
	Directoship Type:	Independent
	Alternate:	Ricardo Sada Villarreal

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Thomas S. Heather Rodríguez	Age:	60
	Years as Director:	2
	Principal Occupation:	Partner of Ritch, Mueller, Heather y Nicolau
	Outside Directorships:	Director of GIMSA, Grupo Bimbo, Grupo Financiero Scotiabank and EMX Capital-CKD
	Business Experience:	Director and Administrator of Satélites Mexicanos, Director of JP Morgan, Bank of America Mexico, Hoteles Nikko and Grupo Modelo
	Directorship Type:	Independent
	Alternate:	Eugenio Sepúlveda Cosío
Juan Manuel Ley López	Age:	82
	Years as Director:	21
	Principal Occupation:	Chairman of the Board of Casa Ley and Chief Executive Officer of Grupo Ley
	Outside Directorships:	Director of Grupo Financiero Banamex-Accival and Telmex
	Business Experience:	Chief Executive Officer of Casa Ley, Chairman of the Board of the Latin American Association of Supermarkets, Sinaloa-Baja California Consultant Council of Grupo Financiero Banamex-Accival and National Association of Supermarket and Retail Stores
	Directorship Type:	Shareholder, Independent
	Alternate:	Juan Manuel Ley Bastidas
Javier Martínez-Ábrego Gómez	Age:	73
	Years as Director:	Since April 2015
	Principal Occupation:	Chairman and Chief Executive Officer of Grupo Motomex
	Outside Directorships:	Chairman of Grupo Motomex
	Business Experience:	Businessman since 1959
	Directorship Type:	Independent
	Alternate:	Javier Martínez-Abrego Martínez
Alberto Santos Boesch	Age:	43
	Years as Director:	2
	Principal Occupation:	Chairman of the Board of Empresas Santos, Chairman of the Board and Chief Executive Officer of Ingenios Santos, Vice Chairman of the Board of Grupo Tres Vidas Acapulco and Regidor of San Pedro Garza García, Nuevo León
	Outside Directorships:	Director of Axtel, Interpuerto Monterrey, Instituto Nuevo Amanecer, En Nuestras Manos, Red de Filantropía de Egresados y Amigos del Tec, DIF de Nuevo León,Museo Nacional de Energía y Tecnología, Comité de Desarrollo del Instituto Tecnológico y de Estudios Superiores de Monterrey, Comité del Consejo Consultivo de la Facultad de Ciencias Políticas y Administración Pública de la Universidad Autónoma de Nuevo León, Unidos por el Arte contra el Cáncer Infantil and Renace
	Business Experience:	President of Aeropuerto del Norte, Director of Arena Monterrey and Chief Executive Officer of Mundo Deadeveras
	Directorship Type:	Independent
	Alternate:	Carlos González Bolio

Juan A. González Moreno and Graciela González Moreno (jointly referred to as “Messrs. González Moreno”), members and alternate members of our board of directors, are siblings. Homero Huerta Moreno, member of our board of directors, is the cousin of Messrs. González Moreno. Carlos Hank González, member of our board of directors, is the son of Graciela González Moreno and the nephew of Juan A. González Moreno.

Jorge Vélez Bautista, alternate member of our board of directors, is the brother of Javier Vélez Bautista. Alfredo Livas Cantú, alternate member of our board of directors, is the brother of Eduardo Livas Cantú. Juan Manuel Ley Bastidas, alternate member of our board of directors, is the son of Juan Manuel Ley López. Gabriel Carrillo Cattori, alternate member of our board of directors, is the son of Gabriel A. Carrillo Medina. Javier Martínez-Ábrego Martínez, alternate member of our board of directors, is the son of Mr. Javier Martínez-Ábrego Gómez.

Secretary

The secretary of the board of directors is Mr. Salvador Vargas Guajardo, and his alternate is Mr. Guillermo Elizondo Ríos. Mr. Vargas Guajardo is not a member of the board of directors.

Senior Management

The following table sets forth our executive officers, their ages, years of service, current positions, and prior business experience:

Juan A. González Moreno	Age:	57
	Years as Executive Officer:	11
	Years at GRUMA:	35
	Current Position:	Chief Executive Officer
	Other Positions:	Chief Executive Officer of GIMSA
	Business Experience:	Several positions in GRUMA, including Chief Executive Officer of Special Projects of Gruma Corporation, President of Azteca Milling, Vice President of Central and Eastern Regions of Mission Foods, President and Vice President of Sales of Azteca Milling, Chief Executive Officer of Gruma Asia & Oceania
Raúl Cavazos Morales	Age:	55
	Years as Executive Officer:	3
	Years at GRUMA:	27
	Current Position:	Chief Financial Officer
	Other Positions:	Chief Financial Officer of GIMSA
	Business Experience:	Several finance positions within GRUMA, including Chief Treasury Officer and Vice President of Corporate Treasury
Leonel Garza Ramírez	Age:	65
	Years as Executive Officer:	16
	Years at GRUMA:	29
	Current Position:	Chief Procurement Officer
	Business Experience:	Manager of Quality and Corn Procurement and Vice President of Corn Procurement at GRUMA, Chief Procurement Officer at GAMESA, Quality Control and Research and Development Manager at Kellogg de México
Homero Huerta Moreno	Age:	52
	Years as Executive Officer:	13
	Years at GRUMA:	30
	Current Position:	Chief Administrative Officer
	Business Experience:	Several positions within GRUMA including Corporate Internal Audit Vice President, Management Information Systems Vice President, Controllership Vice President of Gruma Corporation and Finance and Administrative Vice President of Gruma Venezuela

Felipe Antonio Rubio Lamas	Age:	57
	Years as Executive Officer:	13
	Years at GRUMA:	32
	Current Position:	Chief Technology Officer
	Business Experience:	Several managerial and Senior Vice President positions within Gruma Corporation related to manufacturing processes, engineering, design, and construction of production facilities
Salvador Vargas Guajardo	Age:	62
	Years as Executive Officer:	18
	Years at GRUMA:	18
	Current Position:	General Counsel
	Other Positions:	General Counsel of GIMSA
	Business Experience:	Positions at Grupo Alfa, Protexa and Proeza, Senior Partner of two law firms, including Margáin-Rojas-González-Vargas-De la Garza y Asociados

Homero Huerta Moreno, our Chief Administrative Officer, is the cousin of Messrs. González Moreno.

Audit and Corporate Governance Committees

As required by the Mexican Securities Law, the Sarbanes-Oxley Act of 2002 and our bylaws, an audit committee and a corporate governance committee were appointed by the meeting of the board of directors held on February 25, 2015. Members of the audit and corporate governance committees were selected from members of the board of directors. Consequently, as required by the Mexican Securities Law and our bylaws, a chairman for each committee was elected by the General Ordinary Shareholders' Meeting held on April 24, 2015, from among the members appointed by the board.

The current audit and corporate governance committees are comprised of three members, all of whom are independent directors. Set forth below are the names of the members of our audit and corporate governance committees, their positions within the committees, and their directorship type:

Thomas S. Heather	Position:	Chairman of the audit and corporate governance committees.
	Directorship Type:	Independent
Gabriel A. Carrillo Medina	Position:	Member of the audit and corporate governance committees.
	Directorship Type:	Independent
Everardo Elizondo Almaguer	Position:	Member and Financial Expert of the audit and corporate governance committees.
	Directorship Type:	Independent

Executive Committee

An executive committee was created by the meeting of the board of directors held on February 27, 2013 to strengthen the link between the Board of Directors and our management for the decision making process. Members of the executive committee were selected from members of the board of directors.

Set forth below are the names of our executive committee members, their positions, and their directorship type:

Juan A. González Moreno	Position:	Chairman of the Board of Directors and Chief Executive Officer
	Directorship Type:	Shareholder, Related
Carlos Hank González	Position:	Vice Chairman of the Board of Directors
	Directorship Type:	Shareholder, Related

Eduardo Livas Cantú	Position:	Member of the Board of Directors
	Directorship Type:	Related
Javier Vélez Bautista	Position:	Member of the Board of Directors
	Directorship Type:	Related

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Members of the board of directors are paid a fee of Ps.84,000 for each board meeting they attend. Additionally, members of the audit committee are paid a fee of Ps.84,000 and members of the corporate governance committee are paid a fee of Ps.42,000 for each committee meeting they attend.

For 2014, the aggregate amount of compensation paid to all directors, alternate directors, executive officers and audit and corporate governance committees members was approximately Ps.171 million. The contingent or deferred compensation reserved as of December 31, 2014 was Ps.37 million.

We offer an Executive Bonus Plan that applies to managers, vice presidents, and executive officers. The variable compensation under this plan can range from 21% to 100% of annual base compensation, depending upon the employee's level, his individual performance and the results of our operations.

EMPLOYEES

As of December 31, 2014, we had a total of 17,845 employees, including 11,575 unionized and 6,270 non-unionized full- and part-time employees. Of this total, we employed 6,289 persons in Mexico, 7,202 in the United States, 1,984 in Central America and Ecuador, 775 in Asia and Oceania, and 1,595 in Europe. Total employees for 2012 and 2013 were 21,974 and 19,202, respectively. Of our total employees as of December 31, 2014, approximately 35% were white-collar and 65% were blue collar.

In Mexico, workers at each of our plants are covered by a separate contract, under which salary revisions take place once each year, usually in January or February. Non-salary provisions of these contracts are revised bi-annually. We renewed agreements with the three unions that represent our workers in 2015.

In the United States, Gruma Corporation has five collective bargaining agreements that represent a total of 623 workers at five separate facilities (Pueblo, Tempe, Henderson, Omaha and Madera). We renewed such agreements on March 23, 2013, March 29, 2014, March 23, 2014, March 29, 2015, and July 1, 2012, respectively.

In England, we have one collective bargaining agreement covering 12 employees at a facility, which is renewed every 12 months.

In the Netherlands, we are covered by a national labor agreement for bakery workers. This agreement is reviewed every six to twenty four months, depending on the term of the agreement.

In Australia, we have a collective bargaining agreement covering 247 employees at our facility, which is renewed every four years.

In Italy, we are covered by a national labor agreement for industrial food staff. This agreement is reviewed every 12 to18 months nationally.

Wages are reviewed during the negotiations and wage increases processed according to the terms of each agreement as well as non-monetary provisions of the agreement. Wage reviews for non-union employees are conducted once each year, typically in March for Mission Foods and depending on the non-union plant, wage reviews are conducted from June through October for Azteca Milling. We believe our current labor relations are sound.

SHARE OWNERSHIP

As of April 24, 2015, the following Directors and Senior Managers have GRUMA shares which in each case represent less than 1% of our capital stock: Juan Manuel Ley López and Leonel Garza Ramírez. Juan A. González Moreno, Graciela González Moreno and Carlos Hank González are the only directors that beneficially own more than 1% of GRUMA's outstanding shares. In

addition, based on publicly available information, Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera, and certain of her descendants, directly and through a trust, own 234,020,105 shares representing approximately 54.08% of our outstanding shares.

ITEM 7 Major Shareholders and Related Party Transactions.

MAJOR SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our capital stock as of April 24, 2015 (which consist entirely of Series B Shares), according to the information on record obtained from our annual shareholders meeting held on such date and information available to us. Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera, and certain of her descendants (the "Primary Shareholder Group") are the only shareholders we know to collectively and beneficially own more than 5% of our capital stock. We repurchased ADM's stake in us in December 2012. See "Item 4. Information on the Company—Share Purchase Transaction with Archer-Daniels-Midland". See "Item 9. The Offer and Listing" for a further discussion of our capital stock. Our majority shareholder does not have different or preferential voting rights with respect to those shares they own. As of April 24, 2015, our Series B shares were held by more than 2,671 record holders in Mexico.

Name	Number of Series B Shares	Percentage of Outstanding Shares
Primary Shareholder Group (1)	234,020,105	54.08
Directors and Officers as a Group (2)	22,307	0.01
Other shareholders	198,706,667	45.91
Total	432,749,079(3)	100%

(1) The shares beneficially owned by the Primary Shareholder Group include 154,119,054 shares held indirectly by certain members of the Primary Shareholder Group through a trust.

(2) This includes the shares held by our directors and officers (other than those held through the Primary Shareholder Group) which represent less than 1% of our capital stock.

(3) As of April 24, 2015, our capital stock was represented by 432,749,079 issued Series B, class I, no par value shares ("Series B shares"), of which 432,749,079 shares were outstanding, all of them fully subscribed and paid.

The Primary Shareholder Group controls approximately 54.08% of our outstanding shares and therefore has the power to elect a majority of our 11 directors. In addition, under Mexican law, any holder or group of holders representing 10% or more of our capital stock may elect one director for each 10% of capital stock held.

We cannot provide assurances that members of the Primary Shareholder Group will continue to hold their shares or act together for purposes of control. Additionally, members of the Primary Shareholder Group may pledge part of their shares in us to secure any future borrowings. If such were the case, and members of the Primary Shareholder Group were to default on their payment obligations, the lenders could enforce their rights with respect to such shares, and the Primary Shareholder Group could lose its controlling interest in us resulting in a change of control. A change of control could trigger a default in some of our credit agreements. Upon the occurrence of a Change of Control Triggering Event (which means the occurrence of both a Change of Control and a Ratings Decline, as defined in the indenture governing the 4.875% Notes due 2024) we may be required to repurchase the 4.875% Notes due 2024. Such a default or repurchase obligation could have a material adverse effect upon our business, financial condition, results of operations and prospects. Other than changes resulting from the ADM Transaction and as a result of the death of Mr. Roberto González Barrera's, we are not aware of any significant changes in the percentage of ownership of any shareholders which held 5% or more of our outstanding shares during the past three years.

RELATED PARTY TRANSACTIONS

The transactions set forth below were made in the ordinary course of business, on substantially the same terms as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable features.

Transactions with Subsidiaries

We periodically enter into short-term credit arrangements with our subsidiaries, where we provide them with funds for working capital at market interest rates.

At their peak on December 13, 2013, the outstanding balance of loans from GIMSA to GRUMA were Ps.3,197 million. The average interest rate for these loans from January 1, 2012 to March 31, 2015 was 5.2%. As of March 31, 2015, we had an outstanding balance owed to GIMSA of Ps.575 million, with an interest rate of 4.30%.

Additionally, as of March 31, 2015, GIMSA has no outstanding balance owing to us.

In September of 2001, Gruma Corporation started to make loans to us. Since 2010 these operations, at their peak on December 2012, reached the amount of U.S.$50 million. From 2012 to March 31, 2015, we borrowed money from Gruma Corporation at an average rate of 1.0%. As of March 31, 2015, GRUMA has no outstanding balance owing to Gruma Corporation.

Additionally, on July 1, 2013, Gruma Corporation entered into a 2-year loan with GRUMA for the amount of U.S.$180 million, with equal quarterly payments and an interest rate of 4.5%, which is the peak of these operations since 2012. As of March 31, 2015 this loan has an outstanding balance of U.S.$60 million.

Royalty Fee Agreements

On November 29, 2013, we entered into an agreement with GIMSA in connection with the trademark MASECA®, through which we granted GIMSA the license to exclusively use the trademark MASECA® in Mexico for a term of six years. In consideration, we collected from GIMSA a fixed net royalty for the following six years equivalent to Ps.390.5 million per year, after a 12.75% discount rate for early payment. Therefore, on December 19, 2013, GIMSA paid us Ps.2,343 million. In turn, we will contribute 0.75% of the annual net sales of GIMSA during each year of the term of this agreement, as a contribution for advertising and publicity expenses in order to support GIMSA in its efforts to promote the MASECA® trademark in Mexico.

On January 1, 2014, we entered into an agreement with Azteca Milling, LP in connection with the trademarks MASECA®, AGROINSA®, TORTI MASA®, among others (the “Licensed Trademarks”), through which GRUMA granted Azteca Milling, LP a non-exclusive continuing license to use the Licensed Trademarks worldwide, other than within Mexico, Central America and Ecuador. As consideration therein, Azteca Milling will pay GRUMA 4% of the net sales of products bearing the Licensed Trademarks.

In turn, in order to support Azteca Milling in its efforts to promote the Licensed Trademarks, GRUMA will reimburse Azteca Milling for all marketing expenses related to such trademarks within the United States.

Transactions with Archer-Daniels-Midland

We entered into an association with Archer-Daniels-Midland in September 1996.

On December 14, 2012, we completed the ADM Transaction thus ending such associations.

During 2010, 2011, and 2012 we purchased U.S.$97 million, U.S.$147 million and U.S.$179 million, respectively, of inventory, including primarily wheat and corn, from Archer-Daniels-Midland Corporation, a shareholder during those years, at market rates and terms. For more information regarding these transactions, please see “Item 4. Information on the Company—Business Overview—Discontinued Operations— Venezuelan Companies.”

Other Transactions

Until February 15, 2011, we held approximately 8.8% of the outstanding shares of GFNorte,a Mexican financial services holding company and parent of Banco Mercantil del Norte, S.A., or Banorte, a Mexican bank. On February 15, 2011, we concluded the sale of all of our shares of GFNorte’s capital stock. As a result of the sale, GRUMA no longer holds any stake in GFNorte.

In the past, we obtained financing from GFNorte's subsidiaries at market rates and terms. For the past eight years, the highest outstanding loan amount has been Ps.600 million (in nominal terms) with an interest rate of 7.3% in June 2011. In addition, we have insurance contracts in place with Seguros Banorte Generali, S.A. de C.V., a subsidiary of GFNorte, to manage certain risks associated with some of our subsidiaries. In 2012 and 2013, we paid insurance premiums of approximately Ps.114,422 and Ps.18,379, respectively. In 2014 we did not pay any insurance premiums to GFNorte.

For more information about related party transactions, please see Note 30 to our audited consolidated financial statements.

ITEM 8 Financial Information.

See "Item 18. Financial Statements." For information on our dividend policy, see "Item 3. Key Information—Selected Financial Data—Dividends." For information on legal proceedings related to us, see "—Legal Proceedings."

LEGAL PROCEEDINGS

In the ordinary course of our business, we have been involved in various disputes and litigation. While the results of any such disputes cannot be predicted with certainty, we do not believe that there are any pending or threatened actions, suits or proceedings against or affecting us which, if determined adversely to us, would in our view, individually or in the aggregate, materially harm our business, financial condition or results of operations.

United States

Cox v. Gruma Corporation

On or about December 21, 2012, a consumer filed a putative class action against Gruma Corporation, claiming that Mission tortilla chips should not be labeled "All Natural" if they contain certain non-natural ingredients. The plaintiff sought restitution or other actual damages including attorneys' fees. On July 2014, this matter was dismissed with prejudice.

Mexico

Income Tax Claim

The Ministry of Finance and Public Credit has lodged certain tax assessments against the Company for an amount of Ps.29,900 plus penalties, updates and charges, in connection with withholding on interest payments to our foreign creditors during the years 2001 and 2002. Mexican tax authorities claim that the Company should have withheld at a higher rate than the 4.9% actually withheld by the Company. The Company filed several motions to annul these assessments, which later were relinquished, in order to be eligible for the tax amnesty program set forth in the Provisional Article Third of the Federal Income Law for the 2013 Fiscal Year.

Thereafter on May 2013, the partial tax assessment relief was authorized, by which the Company paid Ps.3.3 million on May 21, 2013 to finalize the dispute.

On January 29, 2014, the Company was notified of an official letter whereby the International Taxation Central Administration Office lodged a tax assessment for the amount of Ps.41.2 million in connection with the 2001 and 2002 years, and derived from the initial allegation made in 2005. Given that the assessment subject to allegation was partially relieved (80%) and, that the remaining amount was paid on May of 2013, on April 7, 2014, the Company filed a challenge to such assessment, same which was resolved on September 12, 2014, whereby the assessment lodged by the Ministry of Finance and Public Credit was completely annulled.

SAT Information Request

From time to time we receive requests of information from the Mexican tax authorities with respect to prior closed fiscal years. Most recently, in February 2014, we received a request for information from the Financial Sector Tax Control Central Administration Office of the Servicio de Administración Tributaria (the Mexican Tax Administration Service, or SAT) with regards to the deductibility of the tax losses incurred by us due to the derivative financial transactions carried out during the 2009 year. As of the date hereof, we have fully complied with the SAT's information request and are awaiting a response, which we believe should be favorable, although we can give no assurance in that regard.

Discontinued Operations-Venezuela

Expropriation Proceedings by the Venezuelan Government

On May 12, 2010, the Venezuelan government published the Expropriation Decree, which announced the forced acquisition of all assets, property and real estate of MONACA. The Venezuelan government has expressed to GRUMA's representatives that the Expropriation Decree extends to DEMASECA.

GRUMA's interests in MONACA and DEMASECA are held through two Spanish companies: Valores Mundiales and Consorcio Andino, respectively. In 2010, Valores Mundiales and Consorcio Andino commenced discussions with the Venezuelan government regarding the Expropriation Decree and related measures affecting MONACA and DEMASECA. Through Valores Mundiales and Consorcio Andino, GRUMA participated in these discussions which have explored the possibility of (i) entering into a joint venture with the Venezuelan government; and/or (ii) obtaining adequate compensation for the assets subject to expropriation. As of this date, these discussions have not resulted in an agreement with the Republic.

Venezuela and the Kingdom of Spain are parties to the Investment Treaty, under which the Investors may settle investment disputes by means of arbitration before ICSID. On November 9, 2011, the Investors, MONACA and DEMASECA validly provided formal notice to the Venezuelan government that an investment dispute had arisen as a consequence of the Expropriation Decree and related measures adopted by the Venezuelan government. In that notification, the Investors, MONACA, and DEMASECA also gave their consent to submission of the dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

In January 2013, the Venezuelan government issued a resolution (*providencia administrativa*) granting the "broadest powers of administration" over MONACA and DEMASECA to special managers (*administradores especiales*) who had been imposed on those companies since 2009 and 2010, respectively as described below.

On May 10, 2013, Valores Mundiales and Consorcio Andino submitted a Request for Arbitration to ICSID, which was registered on June 11, 2013 under case No. ARB/13/11. The purpose of the arbitration is to seek compensation for the damages caused by Venezuela's violation of the Investment Treaty.

The tribunal that presides over this arbitration proceeding was constituted in January 2014. Valores Mundiales and Consorcio Andino filed their memorial in July 2014. On September 14, 2014, Venezuela filed a motion requesting to bifurcate the proceeding into separate jurisdictional and merits phases. On October 1, 2014 the tribunal rejected Venezuela's request. Venezuela filed its counter-memorial on jurisdiction and merits in March 2015.

While discussions with the government have taken place and may take place from time to time, we cannot assure that such discussions will be successful or will result in the Investors receiving adequate compensation, if any, for their investments subject to the Expropriation Decree and related measures. Additionally, we cannot predict the results of any arbitral proceeding, or the ramifications that costly and prolonged legal disputes could have on its results of operations or financial position, or the likelihood of collecting a favorable arbitration award.

Intervention Proceedings by the Venezuelan Government.

On December 4, 2009, the Eleventh Investigations Court for Criminal Affairs of Caracas issued an order authorizing the precautionary seizure of assets in which Ricardo Fernández Barrueco had any interest. Purportedly due to Ricardo Fernández Barrueco's former indirect minority interest in MONACA and DEMASECA, these subsidiaries were subject to the precautionary measure. Between 2009 and 2012, the Ministry of Finance of Venezuela, pursuant to the precautionary measure ordered by the court, designated several special managers of the indirect minority shareholding that Ricardo Fernández Barrueco had previously owned in MONACA and designated several special managers of DEMASECA. On January 22, 2013, the Ministry of Justice and Internal Relations revoked the prior designations made by the Ministry of Finance of Venezuela and made a new designation of individuals as special managers and representatives of the Venezuelan government in MONACA and DEMASECA, granting those managers the "broadest powers of administration" over both companies.

MONACA and DEMASECA, as well as Consorcio Andino and Valores Mundiales, as direct shareholders of the Venezuelan subsidiaries, filed a petition as aggrieved third-parties in the proceedings against Ricardo Fernández Barrueco challenging the precautionary measures and all related actions. On November 19, 2010, the Eleventh Investigations Court for Criminal Affairs of Caracas ruled that MONACA and DEMASECA are companies wholly owned and controlled by Valores Mundiales and Consorcio Andino, respectively. In spite of this ruling, the court kept the precautionary measures issued on December 4, 2009 in effect. An appeal has been filed, which is pending resolution as of this date.

The People's Defense Institute for the Access of Goods and Services of Venezuela ("INDEPABIS(1)") issued an order, authorizing the temporary occupation and operation of MONACA for a period of 90 calendar days from December 16, 2009, which was renewed for the same period on March 16, 2010. The order expired on June 16, 2010 and as of the date hereof MONACA has not been notified of any extension. INDEPABIS has also initiated a regulatory proceeding against MONACA in connection with the alleged failure to comply with regulations governing precooked corn flour and for allegedly refusing to sell this product as a result of the December 4, 2009 precautionary asset seizure described above. MONACA filed an appeal against these proceedings that has not been resolved as of this date.

Additionally, INDEPABIS initiated an investigation of DEMASECA and issued an order, authorizing the temporary occupation and operation of DEMASECA for a period of 90 calendar days from May 25, 2010, which was extended until November 21, 2010. INDEPABIS issued a new precautionary measure of occupation and temporary operation of DEMASECA, valid for the duration of this investigation. DEMASECA has challenged these measures but as of the date hereof, no resolution has been issued. The proceedings are still pending.

We intend to exhaust all legal remedies available in order to safeguard and protect our legitimate interests. See Note 28 to our audited consolidated financial statements.

ITEM 9 The Offer and Listing.

TRADING HISTORY

Our Series B Shares have been traded on the *Bolsa Mexicana de Valores, S.A.B. de C.V.*, or Mexican Stock Exchange, since 1994. The ADSs, each representing four Series B Shares, commenced trading on the New York Stock Exchange in November 1998. As of December 31, 2014, our capital stock was represented by 432'749,079 issued Series B shares, all of them fully subscribed and paid,. As of December 31, 2014, 44,874,804 Series B shares of our common stock were represented by 11,218,701 ADSs held by 5 record holders in the United States.

(1) By means of the "Decreto-Ley contentivo de la Ley Orgánica de Precios Justos" published on the Official Gazette of Venezuela Nº 40.340 dated January 23, 2014, INDEPABIS was absorbed by the "Superintendencia Nacional para la Defensa de los Derechos Socioeconómicos" (SUNDDE)

PRICE HISTORY

The following table sets forth, for the periods indicated, the annual high and low closing sale prices for the Series B Shares and the ADSs as reported by the Mexican Stock Exchange and the New York Stock Exchange, respectively.

	Mexican Stock Exchange Common Stock		NYSE ADS(2)	
	High	Low	High	Low
	(Ps. Per share(1))		(U.S.$ per ADS)	
Annual Price History				
2010	28.70	16.97	8.99	5.20
2011	28.66	19.61	8.96	6.33
2012	41.54	26.45	12.76	7.79
2013	98.92	39.50	31.00	12.32
2014	157.32	100.01	48.28	30.48
Quarterly Price History				
2012				
1st Quarter	34.39	26.45	10.77	7.79
2nd Quarter	38.94	30.09	11.81	8.58
3rd Quarter	36.88	33.26	11.26	9.83
4th Quarter	41.54	35.87	12.76	10.66
2013				
1st Quarter	57.48	39.50	18.65	12.32
2nd Quarter	66.51	52.59	21.74	16.95
3rd Quarter	77.46	58.19	23.64	18.32
4th Quarter	98.92	73.83	31.00	22.36
2014				
1st Quarter	110.95	100.01	33.53	30.79
2nd Quarter	155.25	105.96	47.85	32.20
3rd Quarter	156.60	137.69	48.28	41.60
4th Quarter	157.32	138.12	45.11	38.10
2015				
1st Quarter	206.70	147.78	54.06	39.83
Monthly Price History				
October 2014	151.88	138.12	45.11	40.95
November 2014	153.88	143.42	45.07	42.32
December 2014	157.32	142.23	43.55	38.10
January 2015	169.31	147.78	46.38	39.83
February 2015	183.13	168.24	49.52	43.12
March 2015	206.70	183.13	54.06	49.52
April 2015 (3)	207.78	199.10	54.18	50.20

(1) Pesos per share reflect nominal price at trade date.

(2) Price per ADS in U.S.$; one ADS represents four Series B Shares.

(3) Through April 24, 2015.

On April 24, 2015, the last reported sale price of the B Shares on the Mexican Stock Exchange was Ps.192.58 per B Share. On April 24, 2015, the last reported sale price of the ADSs on the New York Stock Exchange was U.S.$50.20 per ADS.

MEXICAN STOCK EXCHANGE

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Founded in 1907, it is organized as a corporation whose shares were originally held by brokerage firms, which are exclusively authorized to trade on the exchange. As of June 13, 2008 the Mexican Stock Exchange became a publicly traded company. Trading on the Mexican Stock Exchange takes place principally through automated systems and is open between the hours of 8:30 a.m. and 3:00 p.m. Mexico City time, each business day. Trades in securities listed on the Mexican Stock Exchange can also be performed off the exchange. The

Mexican Stock Exchange operates a system of automatic suspension of trading in shares of a particular issuer as a means of controlling excessive price volatility.

Settlement is effected three business days after a share transaction on the Mexican Stock Exchange. Deferred settlement, even by mutual agreement, is not permitted without the approval of the *Comisión Nacional Bancaria y de Valores* (the Mexican National Banking and Securities Commission, or CNBV). Most securities traded on the Mexican Stock Exchange, including ours, are on deposit with *S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.*, or Indeval, a privately owned securities depositary that acts as a clearinghouse for Mexican Stock Exchange transactions.

As of June 2, 2001, the Mexican Securities Law requires issuers to increase the protections offered to minority shareholders and to impose corporate governance controls on Mexican listed companies in line with international standards. The Mexican Securities Law expressly permits Mexican listed companies, with prior authorization from the CNBV, to include in their bylaws antitakeover defenses such as shareholder rights plans, or poison pills. Our bylaws include certain of these protections. See "Additional Information—Bylaws—Antitakeover Protections."

MARKET MAKER

On September 30, 2009, we entered into an agreement with UBS Casa de Bolsa ("UBS") pursuant to which UBS acts as a market maker for our common shares listed on the Mexican Stock Exchange. The purpose of the agreement was to provide liquidity for our shares. This agreement was in effect until September 30, 2014. Given the increased liquidity that GRUMA's stock has experienced in recent years, we determined it was not necessary to keep using the services of a market maker.

ITEM 10 Additional Information.

BYLAWS

Set forth below is a brief summary of certain significant provisions of our bylaws, according to their last comprehensive amendment. This description does not purport to be complete and is qualified by reference to our bylaws, which are incorporated as an exhibit to this annual report.

The new Mexican Securities Law of 2006 included provisions seeking to improve the applicable regulations on disclosure of information, minority shareholder rights and corporate governance of the issuers, among other matters. It also imposes additional duties and liabilities on the members of the board of directors as well as senior officers. Thus, we were required to carry out a comprehensive amendment of our bylaws through an extraordinary general shareholders' meeting held on November 30, 2006.

Incorporation and Register

We were incorporated in Monterrey, Mexico on December 24, 1971 as a corporation (*Sociedad Anónima de Capital Variable*) under the Mexican Corporations Law, for a term of 99 years. On November 30, 2006 we became a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*), a special corporate form for all Mexican publicly traded companies pursuant to the regulations of the new Mexican Securities Law.

Corporate Purpose

Our main corporate purpose, as fully described in Article Second of our bylaws, is to serve as a holding company and to engage in various activities such as: (i) purchasing, selling, importing, exporting, and manufacturing all types of goods and products, (ii) issuing any kind of securities and taking all actions in connection therewith (iii) creating, organizing and managing all types of companies, (iv) acting as an agent or representative, (v) purchasing, selling and holding real property, (vi) performing or receiving professional, technical or consulting services, (vii) establishing branches, agencies or representative offices, (viii) acquiring, licensing, or using intellectual or industrial property, (ix) granting and receiving loans, (x) subscribing, issuing and negotiating all types of credit instruments, and (xi) performing any acts necessary to accomplish the foregoing.

Directors

Our bylaws provide that our management shall be vested in the board of directors and our Chief Executive Officer. Each director is elected by a simple majority of the shares. Under Mexican law and our bylaws, any holder or group of holders owning 10% or more of our capital stock may elect one director and its corresponding alternate. The board of directors must be comprised of a minimum of five and a maximum of twenty-one directors, as determined by the shareholders at the annual ordinary general

shareholders' meeting. Additionally, under the Mexican Securities Law, at least 25% of the members of the board of directors must be independent. Currently, our board of directors consists of 11 members.

The board of directors shall meet at least four times a year. These meetings can be called by the Chairman of the board of directors, the Chairman of the Audit and Corporate Governance Committees, or by 25% of the members of the board of directors. The directors serve for a one year term, or for up to 30 (thirty) additional days, if no designation of their substitute has been made or if the substitute has not taken office. Directors receive compensation as determined by the shareholders at the annual ordinary general shareholders' meeting. The majority of directors are needed to constitute a quorum, and board resolutions must be passed by a majority of the votes present at any validly constituted meeting or by unanimous consent if no meeting is convened.

Our bylaws provide that the board of directors has the authority and responsibility to: (i) set the general strategies for our business; (ii) oversee the performance and conduct of our business; (iii) oversee our main risks, identified by the information submitted by the committees, the Chief Executive Officer and the firm providing the external auditing services; (iv) approve the information and communication policies with shareholders and the market; and (v) instruct the Chief Executive Officer to disclose to the investor public any material information when known.

Additionally, the board of directors has the authority and responsibility to approve, with the previous opinion of the corresponding Committee: (i) the policies for the use of our assets by any related party; (ii) related party transactions other than those occurring in the ordinary course of business, those of insignificant amount, and those deemed as done within market prices; (iii) the purchase or sale of 5% or more of our corporate assets; (iv) granting of guarantees or the assumption of liabilities for more than 5% of our corporate assets; (v) the appointment, and in its case, removal of the Chief Executive Officer, as the designation of integral compensation policies for all other senior officers; (vi) internal control and internal audit guidelines; (vii) our accounting guidelines; (viii) our financial statements; and (ix) the hiring of the firm providing external audit services and, in its case, any services additional or supplemental to the external audit. The approval in regard to the above matters is exclusive to the board and may not be delegated.

See "Item 6. Directors, Senior Management and Employees" for further information about the board of directors.

Audit and Corporate Governance Committees

Under our bylaws and in accordance with the Mexican Securities Law, the board of directors, through the Audit and Corporate Governance Committees as well as through the firm performing the external audit, shall be in charge of the surveillance of us. Such Committees should be exclusively comprised by independent directors and by a minimum of three members, elected by the board of directors at the proposal of the Chairman of the Board. The Chairman of such Committees shall be exclusively designated and/or removed from office by the annual ordinary general shareholders' meeting.

For the performance of its duties, the Corporate Governance Committee shall: (i) render its opinion to the board of directors, pursuant to the Mexican Securities Law; (ii) request the opinion of independent experts, when deemed convenient; (iii) convene shareholders meetings and include issues in the agenda they deem appropriate; (iv) assist the board of directors when making the annual reports; and (v) be responsible for other activity provided by law or our bylaws.

Likewise, for the performance of its duties, the Audit Committee shall: (i) render its opinion to the board of directors, pursuant to the Mexican Securities Law; (ii) request the opinion of independent experts when deemed convenient; (iii) convene shareholders meetings and include issues in the agenda they deem appropriate; (iv) assess the performance of the external auditing firm, as well as analyze the opinions and reports rendered by the external auditor; (v) discuss our financial statements and, if appropriate, recommend its approval to the board of directors; (vi) inform the board of directors of the condition of the internal controls and internal auditing systems, including any irregularities detected therein; (vii) prepare the opinion of the report rendered by the Chief Executive Officer; (viii) assist the board of directors when making the annual reports; (ix) request from the senior officers and from other employees, reports relevant to the preparation of the financial information and of any other kind deemed necessary for the performance of their duties; (x) investigate possible irregularities within our company, as well as carry out the actions deemed appropriate; (xi) request meetings with senior officers in connection with the internal control and internal audit; (xii) inform the board of directors about the material irregularities detected while exerting their duties, and in case of any irregularities, notify the board of directors of any corrective measures taken; (xiii) ensure that the Chief Executive Officer complies with the resolutions taken by the Shareholders' Meetings and by the board of directors; (xiv) oversee the establishment of internal controls in order to verify that our transactions conform to the applicable legal regulations; and (xv) be responsible of any other activity provided by law or our bylaws.

Fiduciary Duties - Duty of Diligence

Our bylaws and the Mexican Securities Law provide that the directors shall act in good faith and in our best interest. In order to fulfill this duty, our directors may: (i) request information about us that is reasonably necessary to take actions; (ii) require the

presence of any officers or other key employees, including the external auditors, that may contribute elements for taking actions at board meetings; (iii) postpone board meetings when a director has not been given sufficient notice of the meeting or in the event that a director has not been provided with the information provided to the other directors; and (iv) discuss and vote on any item requesting, if deemed convenient, the exclusive presence of the members and the secretary of the board of directors.

Our directors may be liable for damages caused when breaching their duty of diligence if such failure causes economic damage to us or our subsidiaries, as well as if the director: (i) fails to attend board or committee meetings and, as a result of such absence, the board was unable to take action, unless such absence is approved by the shareholders meeting; (ii) fails to disclose to the board of directors or the committees material information necessary to reach a decision; and/or (iii) fails to comply with its duties imposed by the Mexican Securities Law or our bylaws. Members of the board of directors may not represent shareholders at any shareholders' meeting.

Fiduciary Duties - Duty of Loyalty

Our bylaws and the Mexican Securities Law provide that the directors and secretary of the board shall keep confidential any non-public information and matters about which they have knowledge as a result of their position. Also, directors must abstain from participating, attending or voting at meetings related to matters where they have or may have a conflict of interest.

The directors and secretary of the board of directors will be deemed to have violated their duty of loyalty and will be liable for any damages when they, directly or through third parties, obtain an economic benefit by virtue of their position without legitimate cause. Furthermore, the directors will fail to comply with their duty of loyalty if they: (i) vote at a board meeting or take any action where there is a conflict of interest; (ii) fail to disclose a conflict of interest they may have during a board meeting; (iii) knowingly favor a particular shareholder of our company against the interests of other shareholders; (iv) approve related party transactions without complying with the requirements of the Mexican Securities Law; (v) use our assets in a manner which infringes upon the policies approved by the board of directors; (vi) unlawfully use material non-public information concerning us; and/or (vii) usurp a corporate business opportunity for their own benefit, or the benefit of a third party, without the prior approval of the board of directors. Our directors may be liable for damages when breaching their duty of loyalty if such failure causes economic damage to us or our subsidiaries.

Civil Actions Against Directors

Under Mexican law, shareholders can initiate actions for civil liabilities against directors through resolutions passed by a majority of the shareholders at a general ordinary shareholders' meeting. In the event the majority of the shareholders decide to bring such action, the director against whom such action is brought will immediately cease to be a member of the board of directors. Additionally, shareholders representing not less than 5% of our outstanding shares may directly bring such action against directors. Any recovery of damages with respect to such action will be for our benefit and not for the benefit of the shareholders bringing the action.

Chief Executive Officer

According to our bylaws and the Mexican Securities Law, the Chief Executive Officer shall be in charge of running, conducting and executing our business, complying with the strategies, policies and guidelines approved by the board of directors.

For the performance of its duties the Chief Executive Officer shall: (i) submit, for the approval of the board of directors, our business strategies; (ii) execute the resolutions of the Shareholders' Meetings and of the board of directors; (iii) propose to the Audit Committee, the internal control system and internal audit guidelines applicable to us, as well as execute the guidelines approved thereof by the board of directors; (iv) disclose any material information and events that should be disclosed to the investor public; (v) comply with the provisions relevant to the repurchase and placement transactions of our own stock; (vi) exert any corresponding corrective measures and liability suits; (vii) assure that adequate accounting, registry and information systems are maintained by us; (viii) prepare and submit to the board of directors his annual report; (ix) establish mechanisms and internal controls permitting certification that ouractions and transactions conform to the applicable regulations; and (x) exercise his right to file the liability suits referred to in the Mexican Securities Law against related parties or third parties that allegedly cause damage to us.

Voting Rights and Shareholders' Meetings

Each share entitles the holder thereof to one vote at any general meeting of our shareholders. Shareholders may vote by proxy. At the ordinary general shareholders' meeting, any shareholder or group of shareholders representing 10% or more of the outstanding capital stock has the right to appoint one director and his corresponding alternate, with the remaining directors being elected by majority vote.

General shareholders' meetings may be ordinary or extraordinary. Extraordinary general shareholders' meetings are called to consider matters specified in Article 182 of the Mexican Corporations Law, including, principally, changes in the authorized fixed share capital and other amendments to the bylaws, the issuance of preferred stock, the liquidation, merger and spin-off of our company, changes in the rights of security holders, and transformation from one corporate form to another. All other matters may be approved by an ordinary general shareholders' meetings. Ordinary general shareholders' meetings must be called to consider and approve matters specified in Article 181 of the Mexican Corporations Law, including, principally, the appointment of the members of the board of directors and the Chairman of the Audit and Corporate Governance Committees, the compensation paid to the directors, the distribution of our profits for the previous year, and the annual reports presented by the board of directors and the Chief Executive Officer. Our shareholders establish the number of members that will serve on our board of directors at the ordinary general shareholders' meeting.

A general ordinary shareholders' meeting must be held during the first four months after the end of each fiscal year. In order to attend a general shareholders' meeting, the day before the meeting shareholders must deposit the certificates representing their capital stock or other appropriate evidence of ownership either with the secretary of our board of directors, with a credit institution, or with Indeval. The secretary, credit institution or Indeval will hold the certificates until after the general shareholders' meeting has taken place.

Under our bylaws, the quorum for an ordinary general shareholders' meeting is at least 50% of the outstanding capital stock, and action may be taken by the affirmative vote of holders representing a majority of the shares present. If a quorum is not present, a subsequent meeting may be called at which the shareholders present, whatever their number, will constitute a quorum and action may be taken by a majority of the shares present. A quorum for extraordinary general shareholders' meetings is at least 75% of the outstanding capital stock, but if a quorum is not present, a subsequent meeting may be called. A quorum for the subsequent meeting is at least 50% of the outstanding shares. Action at an extraordinary general shareholders' meeting may only be taken by a vote of holders representing at least 50% of the outstanding shares.

Shareholders' meetings may be called by the board of directors, the Chairman of the Board of Directors, the Audit and/or Corporate Governance Committees, or a court. The Chairman of the board of directors or the Chairman of the Audit or Corporate Governance Committees may be required to call a shareholders' meeting if holders of at least 10% of our outstanding share capital request a meeting in writing, or at the written request of any shareholder if no shareholders' meeting has been held for two consecutive years, or, if during a period of two consecutive years, the board of directors' annual report for the previous year and our financial statements were not presented to the shareholders, or if the shareholders did not elect directors.

Notice of shareholders' meetings must be published in the Federal Official Gazette or in a newspaper of general circulation in San Pedro Garza García, Nuevo León at least 15 days prior to the meeting. Shareholders' meetings may be held without such publication provided that 100% of the outstanding shares are represented. Shareholders' meetings must be held within the corporate domicile in San Pedro Garza García, Nuevo León.

Under Mexican law, holders of 20% of our outstanding capital stock may have any shareholder action set aside by filing a complaint with a Mexican court of competent jurisdiction within 15 days after the close of the meeting at which such action was taken, by showing that the challenged action violates Mexican law or our bylaws. Relief under these provisions is only available to holders who were entitled to vote on the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Dividend Rights and Distribution

Within the first four months of each year, the board of directors must submit our company's financial statements for the preceding fiscal year to the shareholders for their approval at the ordinary general shareholders' meeting. They are required by law to allocate 5% of any new profits to a legal reserve which is not thereafter available for distribution until the amount of the legal reserve equals 20% of our capital stock (before adjusting for inflation). Amounts in excess of those allocated to the legal reserve fund may be allocated to other reserve funds as the shareholders may determine, including a reserve for the repurchase of our shares. The remaining balance of new profits, if any, is available for distribution as dividends prior to their approval at the shareholders' meeting. Cash dividends on the shares held through Indeval will be distributed by us through Indeval. Cash dividends on the shares evidenced by physical certificates will be paid when the relevant dividend coupon registered in the name of its holder is delivered to us. No dividends may be paid, however, unless losses for prior fiscal years have been paid up or absorbed. See "Item 3. Key Information—Selected Financial Data—Dividends."

Liquidation

Upon our dissolution, one or more liquidators must be appointed by an extraordinary shareholders' general meeting to wind up its affairs. If the extraordinary general shareholders' meeting does not make said appointment, a Civil or District Judge can do so at the request of any shareholder. All fully paid and outstanding common stock will be entitled to participate equally in any distribution upon liquidation after the payment of our debts, taxes and the expenses of the liquidation. Common stock that has not been paid in full will be entitled to these proceeds in proportion to the paid-in amount.

If the extraordinary general shareholders' meeting does not give express instructions on liquidation, the bylaws stipulate that the liquidators will (i) conclude all pending matters they deem most convenient, (ii) prepare a general balance and inventory, (iii) collect all credits and pay all debts by selling assets necessary to accomplish this task, (iv) sell assets and distribute income, and (v) distribute the amount remaining, if any, pro rata among the shareholders.

Changes in Capital Stock

Our outstanding capital stock consists of Class I and Class II series B shares. Class I shares are the fixed portion of our capital stock and have no par value. Class II shares are the variable portion of our capital stock and have no par value. The fixed portion of our capital stock cannot be withdrawn. The issuance of variable capital shares, unlike the issuance of fixed capital shares, does not require an amendment of the bylaws, although it does require approval at an ordinary general shareholders' meeting. The fixed portion of our capital stock may only be increased or decreased by resolution of an extraordinary general shareholders' meeting and an amendment to our bylaws, whereas the variable portion of our capital stock may be increased or decreased by resolution of an ordinary general shareholders' meetings. Currently, our outstanding capital stock consists only of fixed capital.

An increase of capital stock may generally be made through the issuance of new shares for payment in cash or in kind, by capitalization of indebtedness or by capitalization of certain items of shareholders' equity. An increase of capital stock generally may not be made until all previously issued and subscribed shares of capital stock have been fully paid. A reduction of capital stock may be effected to absorb losses, to redeem shares, to repurchase shares in the market or to release shareholders from payments not made.

As of April 24, 2015, our capital stock was represented by 432,749,079 issued Series B shares, all of them fully subscribed and paid.

Preemptive Rights

In the event of a capital increase through the issuance of shares, other than in connection with a public offering of newly issued shares or treasury stock, a holder of existing shares of a given series at the time of the capital increase has a preferential right to subscribe for a sufficient number of new shares of the same series to maintain the holder's existing proportionate holdings of shares of that series. Preemptive rights must be exercised within the period and under the conditions established for such purpose by the shareholders at the corresponding shareholders' meeting. Under Mexican law and our bylaws, the exercise period may not be less than 15 days following the publication of notice of the capital increase in the Federal Official Gazette or following the date of the shareholders' meeting at which the capital increase was approved if all shareholders were represented; otherwise such rights will lapse.

Furthermore, shareholders will not have preemptive rights to subscribe for common stock issued in connection with mergers, upon the conversion of convertible debentures, or in the resale of treasury stock as a result of repurchases on the Mexican Stock Exchange.

Under Mexican law, preemptive rights may not be waived in advance by a shareholder, except under limited circumstances, and cannot be represented by an instrument that is negotiable separately from the corresponding share. Holders of ADRs may be restricted in their ability to participate in the exercise of preemptive rights. See "Item 3. Key Information—Risk Factors—Risks Related to Our Primary Shareholder Group and Capital Structure—Holders of ADSs May Not Be Able to Participate in Any Future Preemptive Rights Offering and as a Result May Be Subject to a Dilution of Equity Interest."

Restrictions Affecting Non-Mexican Shareholders

Foreign investment in capital stock of Mexican corporations is regulated by the 1993 Foreign Investment Law and by the 1998 Foreign Investment Regulations to the extent they are not inconsistent with the Foreign Investment Law. The Ministry of Economy and the National Commission on Foreign Investment are responsible for the administration of the Foreign Investment Law and the Foreign Investment Regulations.

Our bylaws do not restrict the participation of non-Mexican investors in our capital stock. However, approval of the National Foreign Investment Commission must be obtained for foreign investors to acquire a direct or indirect participation in excess of 49% of the capital stock of a Mexican company that has an aggregate asset value that exceeds, at the time of filing the corresponding notice of acquisition, an amount determined annually by the National Foreign Investment Commission.

As required by Mexican law, our bylaws provide that any non-Mexicans who acquire an interest or participation in our capital at any time will be treated as having Mexican nationality for purposes of their interest in us, and with respect to the property, rights, concessions, participations or interests that we may own or rights and obligations that are based on contracts to which we are a party with the Mexican authorities. Such shareholders cannot invoke the protection of their government under penalty of forfeiting to the Mexican State the ownership interest that they may have acquired.

Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of his own government with respect to his rights as a shareholder, but is not deemed to have waived any other rights he may have with respect to its investment in us, including any rights under U.S. securities laws. If a shareholder should invoke governmental protection in violation of this provision, his shares could be forfeited to the Mexican government. Mexican law requires that such a provision be included in the bylaws of all Mexican companies unless such bylaws prohibit ownership of shares by non-Mexicans. See “Item 3. Key Information—Risk Factors—Risks Related to Our Primary Shareholder Group and Capital Structure—Mexican Law Restricts the Ability of Non-Mexican Shareholders to Invoke the Protection of Their Governments with Respect to Their Rights as Shareholders.”

Registration and Transfer

Our shares are evidenced by certificates in registered form. We maintain a stock registry and, in accordance with Mexican law, only those persons whose names are recorded on the stock registry are recognized as owners of the series B shares.

Other Provisions

Appraisal Rights

Under Mexican law, whenever the shareholders approve a change of corporate purpose, change of our nationality or transformation from one type of corporate form to another, any shareholder entitled to vote on such change or transformation who has voted against it has the right to tender its shares and receive the amount attributable to its shares, provided such shareholder exercises its right to withdraw within 15 days following the adjournment of the meeting at which the change or transformation was approved. Under Mexican law, the amount which a withdrawing shareholder is entitled to receive is equal to its proportionate interest in our capital stock according to our most recent balance sheet approved by an ordinary general shareholders’ meeting. The reimbursement may have certain tax consequences.

Share Repurchases

We may repurchase our common stock on the Mexican Stock Exchange at any time at the then market price. The repurchase of shares will be made by charging our equity, in which case we may keep them without reducing our capital stock, or charging our capital stock, in which case we must convert them into unsubscribed treasury stock. The ordinary general shareholders’ meeting shall determine the maximum amount of funds to be allocated for the repurchase of shares, which amount shall not exceed our total net profits, including retained earnings.

Repurchased common stock will either be held by us or kept in our treasury, pending future sales thereof through the Mexican Stock Exchange. If the repurchased shares are kept in our treasury, we may not exercise their economic and voting rights, and such shares will not be deemed to be outstanding for purposes of calculating any quorum or voting at any shareholders’ meeting. The repurchased shares held by us as treasury shares may not be represented at any shareholder meeting. The decrease or increase of our capital stock as a result of the repurchase does not require the approval of a shareholders’ meeting or of the board of directors.

Under Mexican securities regulation, our directors, officers, external auditors, the secretary of the board of directors and holders of 10% or more of our outstanding stock may not sell stock to us, or purchase repurchased stock from us, unless the sale or purchase is made through a tender offer. The repurchase of stock representing 3% or more of our outstanding share capital in any 20 trading-day period must be conducted through a public tender offer.

Repurchase in the Event of Delisting

In the event of the cancellation of the registration of our shares at the *Registro Nacional de Valores*, or National Registry of Securities, or RNV, whether at our request or at the request of the CNBV, under our bylaws and the regulations of the CNBV, we will be obligated to make a tender offer to purchase all of our shares held by non-controlling shareholders. Such tender offer shall be made at least at the greater price of the following: (i) the closing sale price under the terms of the following paragraph, or (ii) the book value of the shares according to the most recent quarterly report submitted to the CNBV and the Mexican Stock Exchange.

The quoted share price on the Mexican Stock Exchange referred to in the preceding paragraph shall be the weighted average share price as quoted on the Mexican Stock Exchange for the last 30 days in which our shares were traded, in a period not greater than six months prior to the date of the public tender offer. If the number of days in which our shares have traded during the period referred to above is less than 30, then only the actual number of days in which our shares have traded during such period will be taken into account. If shares have not been exchanged during such period, then the tender offer shall be made at a price equal to at least the book value of the shares.

In connection with any such cancellation of the registration of our shares, we will be required to deposit sufficient funds into a trust account for at least six months following the date of cancellation to ensure adequate resources to purchase at the public tender offer price any remaining outstanding shares from non-controlling shareholders that did not participate in the offer.

If we ask the RNV to cancel the registration of our shares, we will be exempt from carrying out a public tender offer, provided that: (i) we have the consent of the holders of at least 95% of our outstanding common shares, by a resolution at a shareholders' meeting; (ii) the aggregate amount offered for the securities in the market is less than 300,000 investment units (UDIs); (iii) the trust referred to in the preceding paragraph is executed, and (iv) notice is given to the CNBV of the execution and cancellation of the trust through the established electronic means.

Within ten business days of the commencement of a public tender offer, our board of directors must prepare and disclose to public investors its opinion with respect to the reasonableness of the tender offer price as well as any conflicts of interest that its members may have in connection with the tender offer. The opinion of the board of directors may be accompanied by another opinion issued by an independent expert that we may hire.

We may request the approval from the CNBV to use different criteria to determine the price of the shares. In requesting such approval, the following must be submitted to the CNBV: (i) the resolution of the board of directors approving such request, (ii) the opinion of the Corporate Governance Committee addressing the reasons why it deems appropriate the use of a different price, and (iii) a report from an independent expert indicating that the price is consistent with the terms of the Mexican Securities Law.

Shareholder's Conflicts of Interest

Any shareholder that has a direct or indirect conflict of interest with respect to any transaction must abstain from voting thereon at the relevant shareholders' meeting. A shareholder that votes on a business transaction in which its interest conflicts with ours may be liable for damages if the transaction would not have been approved without such shareholder's vote.

Rights of Shareholders

The protections afforded to minority shareholders under Mexican law are different from those in the United States and other jurisdictions. The law concerning duties and responsibilities of directors and controlling shareholders has not been the subject of extensive judicial interpretation in Mexico, unlike the United States where judicial decisions have been issued regarding the duties of diligence and loyalty, which more effectively protect the rights of minority shareholders. Additionally, shareholder class actions are not available under Mexican law and there are different procedural requirements for bringing shareholder derivative lawsuits, which permit shareholders in U.S. courts to bring actions on behalf of other shareholders or to enforce rights of the corporation itself. Shareholders cannot challenge corporate action taken at a shareholders' meeting unless they meet certain procedural requirements.

In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Exchange Act, including the proxy solicitation rules, the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from certain of the corporate governance requirements of the New York Stock Exchange, including certain requirements concerning audit committees and independent directors. A summary of significant ways in which our corporate governance standards differ from those followed by U.S. companies pursuant to NYSE listing standards is available on our website at www.gruma.com. The information found at this website is not incorporated by reference into this document.

As a result of these factors, in practice it may be more difficult for our minority shareholders to enforce rights against us or our directors or controlling shareholders than it would be for shareholders of a U.S. company. See "Item 3. Key Information—Risk Factors—Risks Related to Our Primary Shareholder Group and Capital Structure—The Protections Afforded to Minority Shareholders in Mexico Are Different From Those in the United States."

Antitakeover Protections

Our bylaws provide that, subject to certain exceptions as explained below, prior written approval from the board of directors shall be required for any person (as defined hereunder), or group of persons to acquire, directly or indirectly, any of our common shares or rights to our common shares, by any means or under any title whether in a single event or in a set of consecutive events, such that its total shares or rights to shares would represent 5% or more of our outstanding shares.

Prior approval from the board of directors must be obtained each time such ownership threshold (and multiples thereof) is intended to be exceeded, except for persons who, directly or indirectly, are competitors (as such term is defined below) of us or of any of our subsidiaries, who must obtain the prior approval of the board of directors for future acquisitions where a threshold of 2% (or multiples thereof) of our common shares is intended to be exceeded.

Pursuant to our bylaws, a "person" is defined as any natural person, corporate entity, trust or similar form of venture, vehicle, entity, corporation or economic or mercantile association or any subsidiaries or affiliates of any of the former or, as determined by the board of directors, any group of persons who may be acting jointly, coordinated or as a whole; and a "competitor" is defined as any person engaged, directly or indirectly, in (i) the business of production and/or marketing of corn or wheat flour, and/or (ii) any other activity carried on by us or by any of our subsidiaries or affiliates.

Persons that acquire our common shares in violation of these requirements will not be considered the beneficial owners of such shares under our bylaws and will not be able to vote such shares or receive any dividends, distributions or other rights in respect of these shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the greater of (i) the market value of the shares such party acquired without obtaining the prior approval of the board of directors and (ii) the market value of shares representing 5% of our capital stock.

Board Notices, Meetings, Quorum Requirements and Approvals. To obtain the prior approval of our board of directors, a potential purchaser must properly deliver a written application complying with the applicable requirements set forth in our bylaws. Such application shall state, among other things: (i) the number and class of our shares the person beneficially owns or to which such person has any right, (ii) the number and class of shares the Person intends to acquire, (iii) the number and class of shares with respect to which such Person intends to acquire any right, (iv) the percentage that the shares referred to in (i) represent of our total outstanding shares and of the class or series to which such shares belong, (v) the percentage that the shares referred to in (ii) and (iii) represent of our total outstanding shares and of the class or series to which such shares belong, (vi) the person's identity and nationality, or in the case of a purchaser which is a corporation, trust or legal entity, the nationality and identity of its shareholders, partners or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity, (vii) the reasons and purpose behind such acquisition, (viii) if such person is, directly or indirectly, a competitor of us or any of our subsidiaries or affiliates, and if such person has the authority to legally acquire the shares pursuant to our bylaws and Mexican law, (ix) its source of financing the intended acquisition, (x) if the Person is part of an economic group, formed by one or more of its related parties, which intends to acquire shares of our common stock or rights to such shares, (xi) if the person has obtained any financing from one of its related parties for the payment of the shares, (xii) the identity and nationality of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer, and (xiii) the person's address for receiving notices.

Either the Chairman, the Secretary or the Alternate Secretary of our board of directors must call a meeting of the board of directors within 10 business days following the receipt of the written application. The notices for the meeting of the board of directors shall be in writing and sent to each of the directors and their alternates at least 45 calendar days prior to the meeting. Action by unanimous written consent is not permitted.

Any acquisition of capital shares representing at least 2% or 5%, as the case may be, of our outstanding capital stock, must be approved by at least the majority of the members of our board of directors present at a meeting at which at least the majority of the members is present. Such acquisitions must be resolved by our board of directors within 60 calendar days following the receipt of the written application described above, unless the board of directors determines that it does not have sufficient information upon which to base its decision. In such case, the board of directors shall deliver a written request to the potential purchaser for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential purchaser.

Mandatory Tender Offers in the Case of Certain Acquisitions. If our board of directors authorizes an acquisition of capital shares which increases the purchaser's ownership to 30% or more, but not more than 50%, of our capital stock, then the purchaser must effect its acquisition by way of a cash tender offer for a specified number of shares equal to the greater of (i) the percentage of common shares intended to be acquired or (ii) 10% of our outstanding capital stock, in accordance with the applicable Mexican securities regulations.

No approval of the board of directors will be required if the acquisition would increase the purchaser's ownership to more than 50% of our capital stock or result in a change of control, in which case the purchaser must effect its acquisition by way of a tender offer for 100% minus one of our total outstanding capital stock, which tender shall be made pursuant to applicable Mexican laws.

The aforementioned tender offers must be made simultaneously in the Mexican and US stock markets. Furthermore, an opinion issued by the board of directors regarding any such tender offer must be made available to the public through the authorized means of communication within 10 days after commencement of the tender offer. In the event of any tender offer, the shareholders shall have the right to hear more competitive offers.

Notices. In addition to the aforementioned approvals, if a person increases its beneficial ownership by 1% in the case of competitors, or 2% in the case of non-competitors, written notice must be submitted to the board of directors within five days of reaching or exceeding such thresholds.

Exceptions. The provisions of our bylaws summarized above will not apply to: (i) transfers of shares by operation of the laws of succession; (ii) acquisitions of shares by (a) any person who, directly or indirectly, has the authority or possibility of appointing the majority of the directors of our board of directors, (b) any company, trusts or similar form of venture, vehicle, entity, corporation or economic or mercantile association, which may be under the control of the aforementioned person, (c) the heirs of the aforementioned person, (d) the aforementioned person when such person is repurchasing the shares of any corporation, trust or similar form of venture, vehicle, entity, corporation or economic or mercantile association referred to in the item (b) above, and (e) our company or by trusts created by us; (iii) any person(s) that as of December 4, 2003 hold(s), directly or indirectly, more than 20% of the shares representing our capital stock; and (iv) any other exceptions provided for in the Mexican Securities Law and other applicable legal dispositions.

MATERIAL CONTRACTS

Archer-Daniels-Midland

As part of the ADM Transaction we entered into an Equity Purchase Agreement by and among Archer-Daniels-Midland, ADM Milling Co., ADM Bio Productos, S.A. de C.V. and Gruma, S.A.B. de C.V., dated December 14, 2012, in order to acquire all of the Equity Interests previously held by Archer-Daniels-Midland in us (the "Equity Purchase Agreement").

In addition to the U.S.$450 million paid to Archer-Daniels-Midland in exchange of the Equity Interests, the Equity Purchase Agreement provides that we must pay a contingent payment of up to U.S.$60 million to Archer-Daniels-Midland, which contingent payment is payable only if during the 42 months following the closing of the ADM Transaction (ending on June 14, 2016), certain conditions take place in connection with (i) the increase in the price of our stock, over the closing price of our stock determined for purposes of the ADM Transaction (the "Closing Price"), at the end of the 42 months period; (ii) the difference between the price of our stock established for public offers made by us and the Closing Price; (iii) the acquisition, by a strategic investor, of 15% or more of our capital stock; or (iv) the reduction of the percentage of our shares that are considered to be held by the public at any time, starting from 26%. See "Item 4. Major Shareholders and Related Party Transactions—Share Purchase Transaction with Archer-Daniels-Midland."

We maintain a reserve in the event that any or all of the aforementioned contingent payment is made to Archer-Daniels-Midland. See Note 29 to our audited consolidated financial statements.

4.875% Notes Due 2024

On December 5, 2014, we issued US$400 million aggregate principal amount of 4.875% senior notes due 2024 (the "4.875% Notes due 2024"), which at the time were rated BB+ by Standard & Poor's Rating Service and BBB- by Fitch Ratings, Ltd. The 4.875% Notes due 2024 mature on December 1, 2024 and have a make-whole redemption option exercisable by us at any time and a redemption option without a make-whole premium exercisable by us at any time beginning on the date that is three months prior to the scheduled maturity of the notes. We used the net proceeds of the issuance of the 4.875% Notes due 2024 primarily to redeem the Perpetual Bonds and repay other long term indebtedness. The indenture governing the 4.875% Notes due 2024 contains covenants

including limitations on liens, limitations on sale-leaseback transactions, and limitations on consolidations, mergers and transfers of property. As of December 31, 2014, we have not hedged any interest payments on the 4.875% Notes due 2024. As of December 31, 2014, US$400 million of the 4.875% Notes due 2024 were outstanding.

Perpetual Bonds

On December 3, 2004, Gruma, S.A.B. de C.V. issued U.S.$300 million 7.75% senior unsecured perpetual bonds, which at the time were rated BBB- by Standard & Poor's and by Fitch. The bonds had no fixed final maturity date and a call option exercisable by GRUMA at any time beginning five years after the issue date. We redeemed these bonds in full in December 2014, with a portion of the net proceeds of the issuance of the 4.875% Notes due 2024.

Rabobank Syndicated Facility

In June 2013, we obtained a 5-year Syndicated Credit Facility for U.S.$220 million with Coöperatieve Centrale Raiffeisen Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as administrative agent, with an average term of 4.2 years and amortizations starting on December 2014. This facility has an interest rate based on LIBOR plus a spread between 150 and 300 basis points based on our leverage ratio. BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Bank of America, N.A., also participated in this facility. The Rabobank Syndicated Facility contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from June 18, 2013 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Rabobank Syndicated Facility also limits our ability, and our subsidiaries' ability in certain cases, among other things, to, create liens, make certain investments, merge or consolidate with other companies or sell substantially all of our assets, make certain restricted payments, enter into agreements that prohibit the payment of dividends, engage in transactions with affiliates and enter into certain hedging transactions. Additionally, the Rabobank Syndicated Facility limits our subsidiaries' ability to guarantee certain additional indebtedness and to incur additional indebtedness under certain circumstances. As of December 31, 2014, U.S. $209 million was outstanding under the Rabobank Syndicated Facility.

Inbursa Peso Syndicated Facility

In June 2013, we obtained a 5-year Syndicated Credit Facility for Ps.2,300 million with Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as administrative agent, with an average term of 4.2 years and amortizations starting on December 2014. The facility has an interest rate of 91-day TIIE plus a spread between 162.5 and 262.5 basis points based on our leverage ratio. Banco Nacional de Comercio Exterior, S.N.C., Banca de Desarrollo and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, also participated in this facility. The Inbursa Peso Syndicated Facility contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from June 12, 2013 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. This facility also limits our ability and our subsidiaries' ability in certain cases, among other things, to create liens; make certain investments, merge or consolidate with other companies or sell substantially all of our assets, make certain restricted payments, enter into agreements that prohibit the payment of dividends, engage in transactions with affiliates and enter into certain hedging transactions. Aditionally, the Inbursa Peso Syndicated Facility limits our subsidiaries' ability to guarantee certain additional indebtedness and to incur additional indebtedness under certain circumstances. On December 15, 2014, we repaid the Inbursa Peso Syndicated Facility in full.

Gruma Corporation Loan Facility

In October 2006, Gruma Corporation entered into a U.S.$100 million 5-year revolving credit facility with a syndicate of financial institutions, which was refinanced and extended to U.S.$200 million for an additional 5-year term on June 20, 2011. The facility, as refinanced in 2011, has an interest rate based on LIBOR plus a spread of 1.375% to 2% that fluctuates in relation to Gruma Corporation's leverage and contains less restrictive provisions than those in the facility replaced. In November, 2012 we increased the aggregate commitment under this facility up to the maximum permitted amount of US $250,000,000. The additional US $50,000,000 were used by Gruma Corporation to cover part of the purchase price under the ADM Transaction, specifically the purchase of ADM's stake in Azteca Milling. This facility contains covenants that limit Gruma Corporation's ability to merge or consolidate, and require it to maintain a ratio of total funded debt to consolidated EBITDA of not more than 3.0:1. In addition, this facility limits Gruma Corporation's, and certain of its subsidiaries' ability, among other things, to create liens; make certain investments; make certain restricted payments; enter into any agreements that prohibit the payment of dividends; and engage in transactions with affiliates. This facility also limits Gruma Corporation's subsidiaries' ability to incur additional debt. On November 24, 2014, the maturity was extended from June 2016 to November 2019 and the interest rates were reduced 25 basis points for a total all-in rate of LIBOR plus a

spread between 112.5 and 175 basis points, depending on the leverage of the company. The Gruma Corporation Loan Facility was available with no outstanding balance as of December 31, 2014.

Gruma Corporation is also subject to covenants which limit the amounts that may be advanced to, loaned to, or invested in us under certain circumstances. Upon the occurrence of any default or event of default under its credit agreements, Gruma Corporation generally would be prohibited from making any cash dividend payments to us. The covenants described above and other covenants could limit our and Gruma Corporation's ability to help support our liquidity and capital resource requirements.

Syndicated Loan Facility

On March 22, 2011 we obtained a U.S.$225 million, five-year senior credit facility through a syndicate of banks. The Syndicated Loan Facility consists of a term loan ("Term Loan Facility") and a revolving loan facility (the "Revolving Loan Facility"). Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the Syndicated Loan Facility was increased, and the interest rate grid was also modified, among other revisions made through the execution of an amendment dated December 3, 2012. After such amendment, the interest rate for the Term Loan Facility and for the Revolving Loan Facility is either (i) LIBOR or (ii) an interest rate determined by the administrative agent based on its "prime rate" or the federal funds rate, respectively, plus, in either case, (a) 3.00% if our ratio of total funded debt to EBITDA (the "Maximum Leverage Ratio") is greater than or equal to 4.5x, (b) 2.75% if our Maximum Leverage Ratio is greater than or equal to 4.0x and less than 4.5x, (c) 2.50% if our Maximum Leverage Ratio is greater than or equal to 3.5x and less than 4.0x; (d) 2.25% if our Maximum Leverage Ratio is greater than or equal to 3.0x and less than 3.5x; (e) 2.00% if our Maximum Leverage Ratio is greater than or equal to 2.5x and less than 3.0x; (f) 1.75% if our Maximum Leverage Ratio is greater than or equal to 2.0x and less than 2.5x; and (g) 1.50% if our Maximum Leverage Ratio is less than 2.0x. The Syndicated Loan Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and a Maximum Leverage Ratio of not more than 4.75:1 from December 4, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Syndicated Loan Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Syndicated Loan Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. On December 12, 2014, we repaid the Term Loan Facility in full. The Revolving Loan Facility was available with no outstanding balance as of December 31, 2014.

Peso Syndicated Loan Facility

On June 15, 2011 we obtained a Ps.1,200 million, seven-year senior credit facility through a syndicate of banks. The Peso Syndicated Loan Facility consists of a term loan maturing in June 2018 with yearly principal amortizations beginning in December 2015. Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the Peso Syndicated Loan Facility was increased, and the interest rate grid was also modified, among other revisions made through the execution of an amendment dated December 3, 2012. After such amendment, the interest rate payable under the Peso Syndicated Loan Facility is the 91-day TIIE plus a spread between 137.5 and 262.5 basis points based on our ratio of total funded debt to EBITDA. The Peso Syndicated Loan Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and to maintain a Maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from December 4, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Peso Syndicated Loan Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Peso Syndicated Loan Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. As of December 31, 2014, Ps. 800 million was outstanding under the Peso Syndicated Loan Facility.

Rabobank Revolving Facility

On June 15, 2011 we obtained a U.S.$50 million, five-year senior credit facility from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. On June 28, 2012, this facility was increased by U.S.$50 million to a total principal amount of U.S. $100 million. Also, prior to the execution of the 2012 Bridge Loan Facility, the permitted leverage ratio established under the Rabobank Revolving Facility was increased, and the interest rate grid was modified, among other revisions made through the execution of an amendment dated November 29, 2012. After such amendments, the Rabobank Revolving Facility consists of a revolving loan facility, at in interest rate of LIBOR plus (a) 3.00% if our ratio of total funded debt to EBITDA is greater than or equal to 4.5x, (b) 2.75% if our Maximum Leverage Ratio is greater than or equal to 4.0x and less than 4.5x, (c) 2.50% if ours Maximum Leverage Ratio is greater than or equal to 3.5x and less than 4.0x; (d) 2.25% if our Maximum Leverage Ratio is greater than or equal to 3.0x and less

than 3.5x; (e) 2.00% if our Maximum Leverage Ratio is greater than or equal to 2.5x and less than 3.0x; (f) 1.75% if our Maximum Leverage Ratio is greater than or equal to 2.0x and less than 2.5x; and (g) 1.50% if our Maximum Leverage Ratio is less than 2.0x. The Rabobank Revolving Facility (as amended) contains covenants that require us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1, and a Maximum Leverage Ratio of not more than 4.75:1 from November 29, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The Rabobank Revolving Facility (as amended) also limits our ability, and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into certain hedging transactions. Additionally, the Rabobank Revolving Facility (as amended) limits our subsidiaries' ability to guarantee additional indebtedness issued by us and to incur additional indebtedness under certain circumstances. The Rabobank Revolving Facility was available with no outstanding balance as of December 31, 2014.

2011 Bancomext Peso Facility

On June 16, 2011 we obtained a Ps.600 million, seven-year senior credit facility from Bancomext (*Banco Nacional de Comercio Exterior*). Prior to the execution of the 2012 Bridge Loan Facility mentioned above, the permitted leverage ratio established under the 2011 Bancomext Peso Facility was increased, and the interest rate grid was modified, among other revisions made through the execution of an amendment dated December 7, 2012. After such amendment, the 2011 Bancomext Peso Facility consists of a term loan maturing in June 2018 at an interest rate of 91-day TIIE plus a spread between 137.5 and 262.5 basis points based on our ratio of total funded debt to EBITDA. The 2011Bancomext Peso Facility contains a covenant that requires us to maintain a ratio of consolidated EBITDA to interest charges of not less than 2.5:1 as well as a covenant that requires us to maintain a maximum ratio of total funded debt to EBITDA of not more than 4.75:1 from December 8, 2012 until September 30, 2013; 4.50:1 from October 1, 2013 until September 30, 2014; 4.0:1 from October 1, 2014 until September 30, 2015; and 3.5:1 from October 1, 2015 and thereafter. The 2011 Bancomext Peso Facility also limits our ability, and our subsidiaries' ability in certain cases to create liens.

On December 8, 2012 we entered into an amendment to this Facility in order to increase the existing permitted Leverage Ratio from December 8, 2012 until September 30, 2013, to equal or less than 4.75x; from October 1, 2013 until September 30, 2014, to equal or less than 4.5x; from October 1, 2014 until September 30, 2015, to equal or less than 4.0x and from October 1, 2015 and thereafter, to equal or less than 3.5x.

We repaid the 2011 Bancomext Peso Facility in full in September 2014.

MASECA® Trademark License Agreement

On November 29, 2013, we entered into an agreement with GIMSA in connection with the trademark MASECA®, through which GRUMA granted GIMSA the license to exclusively use the trademark MASECA® in Mexico for a term of 6 years. In consideration, GRUMA collected from GIMSA a fixed net royalty for the following six years equivalent to Ps.390.5 million per year, after a 12.75% discount rate for early payment. Therefore, on December 19, 2013, GIMSA paid GRUMA Ps.2,343 million.

In turn, in order to support GIMSA in its efforts to promote the MASECA® trademark in Mexico, GRUMA will contribute 0.75% of the annual net sales of GIMSA during each year of the term of the referred agreement, as a contribution for advertising and publicity expenses.

EXCHANGE CONTROLS

Mexican law does not restrict our ability to remit dividends and interest payments, if any, to Mexican or non-Mexican holders of our securities. Payments of dividends to equity holders generally will be subject to Mexican withholding tax. See "Taxation — Mexican Tax Considerations — Payment of Dividends." Mexico has had a free market for foreign exchange since 1991, and the government has allowed the peso to float freely against the U.S. dollar since December 1994.

TAXATION

The following summary contains a description of certain Mexican federal and U.S. federal income tax consequences of the acquisition, ownership and disposition of Series B Shares or Series B Share ADSs (which are evidenced by ADRs), but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase or hold Series B Shares or ADSs.

The Convention for the Avoidance of Double Taxation and Protocols thereto, or the Tax Treaty, between the United States and Mexico entered into force on January 1, 1994. The United States and Mexico have also entered into an agreement concerning the exchange of information with respect to tax matters.

The summary is based upon tax laws of the United States and Mexico as in effect on the date of this document, which are subject to change, including changes that may have retroactive effect. Holders of Series B Shares or ADSs should consult their own tax advisers as to the Mexican, U.S. or other tax consequences of the purchase, ownership and disposition of shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws.

Mexican Tax Considerations

The following is a general summary of the principal consequences under the *Ley del Impuesto sobre la Renta*, or Mexican Income Tax Law, and rules and regulations thereunder, as currently in effect, of an investment in Series B Shares or ADSs by a holder that is not a resident of Mexico and that will not hold Series B Shares or ADSs or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment in Mexico.

For purposes of Mexican taxation, a natural person is a resident of Mexico for tax purposes if he has established his home in Mexico, unless he has resided in another country for more than 183 days, whether consecutive or not, in any one calendar year and can demonstrate that he has become a resident of that country for tax purposes, and a legal entity is a resident of Mexico if it was incorporated in Mexico or maintains the principal administration of its business or the effective location of its management in Mexico. A Mexican citizen is presumed to be a resident of Mexico unless such person can demonstrate the contrary. If a non-resident of Mexico is deemed to have a permanent establishment or fixed base in Mexico for tax purposes, all income attributable to such permanent establishment or fixed base will be subject to Mexican taxes, in accordance with applicable tax laws.

Tax Treaties

Provisions of the Tax Treaty that may affect the taxation of certain U.S. holders are summarized below. The United States and Mexico have also entered into an agreement that covers the exchange of information with respect to tax matters.

Mexico has also entered into and is negotiating several other tax treaties that may reduce the amount of Mexican withholding tax to which payment of dividends on Series B Shares or ADSs may be subject. Holders of Series B Shares or ADSs should consult their own tax advisors as to the tax consequences, if any, of such treaties.

Under the Mexican Income Tax Law, in order for any benefits from the Tax Treaty or any other tax treaties to be applicable, residence for tax purposes must be demonstrated.

Payment of Dividends

Since January 1, 2014, under the Mexican Income Tax Law, dividends, either in cash or in kind, paid with respect to Series B Shares represented by ADSs are subject to Mexican withholding tax of 10%, regardless of whether or not they come from the net tax profit account (*cuenta de utilidad fiscal neta*, or CUFIN). This tax will not be paid if the dividends are paid from the CUFIN generated until December 31, 2013, for which the company paying the dividend shall keep records of both CUFIN accounts, the one generated until December 31, 2013 and the one generated as from January 1, 2014, indicating to which CUFIN the dividends which are being paid belong to.

It is important to mention that the withholding tax may be lower, if the receiver of the dividend resides in a country which has entered into a Treaty to Avoid the Double Taxation with Mexico and if such Treaty provides for a lower tax. In the case of residents in the United States, the withholding tax is 0%.

A Mexican corporation will not be subject to any tax if the amount of declared dividends does not exceed the CUFIN, regardless of the date on which such CUFIN was generated.

If we pay a dividend in an amount greater than our CUFIN balance (which may occur in a year when net profits exceed the balance in such accounts), then we are required to pay 30% income tax on an amount equal to the product of the portion of the grossed-up amount which exceeds such balance multiplied by 1.4286. This tax would be paid by the company paying the dividend.

Taxation of Dispositions

The sale or other disposition of ADSs by a non-resident holder will be subject to a Mexican withholding income tax of 10% over the profit. Deposits of Series B Shares in exchange for ADSs and withdrawals of Series B Shares in exchange for ADSs will not give rise to Mexican tax or transfer duties.The sale of Series B Shares by a non-resident holder will be subject to a withholding of 10% Mexican tax on the profits, if the transaction is carried out through the Mexican Stock Exchange or other securities markets approved by the Mexican Ministry of Finance.

The tax referred to in the previous paragraph is not payable, if the seller of the shares resides in a country which has entered into a treaty to avoid the double taxation with Mexico. For these purposes, the seller shall deliver to the intermediary a writ in which, under oath, it states that it is a resident for purposes of the treaty and will provide its tax registry identification number.

Sales or other dispositions of Series B Shares made in other circumstances generally would be subject to higher rates of Mexican tax, regardless of the nationality or residence of the transferor.

Under the Mexican Income Tax Law, gains realized by a nonresident holder of shares on the sale or disposition of Series B Shares not conducted through a recognized stock exchange generally are subject to a Mexican tax at a rate of 25% of the gross sale price. However, if the holder is a resident of a country which (i) is not considered to be a low tax rate country, (ii) its legislation does not contain territorial taxation, and (iii) such income is not subject to a preferential tax regime, the holder may elect to designate a resident of Mexico as its representative, in which case taxes would be payable at the applicable income tax rate on the gain on such disposition of Series B Shares.

Pursuant to the Tax Treaty, gains realized by qualifying U.S. holders from the sale or other disposition of Series B Shares, even if the sale is not conducted through a recognized stock exchange, will not be subject to Mexican income tax except that Mexican taxes may apply if:

- 50% or more of our assets consist of fixed assets situated in Mexico;
- such U.S. holder owned 25% or more of the Series B Shares representing the capital stock of GRUMA (including ADSs), directly or indirectly, during the 12-month period preceding such disposition; or
- the gain is attributable to a permanent establishment or fixed base of the U.S. holder in Mexico.

Other Mexican Taxes

A non-resident holder will not be liable for estate, inheritance or similar taxes with respect to its holdings of Series B Shares or ADSs; provided, however, that gratuitous transfers of Series B Shares may in certain circumstances result in imposition of a Mexican tax upon the recipient. There are no Mexican stamp, issue registration or similar taxes payable by a non-resident holder with respect to Series B Shares or ADSs.

Reimbursement of capital pursuant to a redemption of Series B Shares will be tax exempt up to an amount equivalent to the adjusted contributed capital corresponding to the Series B Shares that will be redeemed. Any excess distribution pursuant to a redemption will be considered a dividend for tax purposes and we may be taxed as described above.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences to U.S. holders, as defined below, of the acquisition, ownership and disposition of Series B Shares or ADSs. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations, administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”) and judicial decisions, all as in effect on the date of this annual report, including the provisions of the Tax Treaty, and all of which are subject to change, possibly with retroactive effect, and to different interpretations. This summary does not describe any state, local, or non-U.S. tax law consequences, or any aspect of U.S. federal tax law other than U.S. federal income tax law (such as the estate tax and gift tax).

The summary does not purport to be a comprehensive description of all of the tax consequences of the acquisition, ownership or disposition of Series B Shares or ADSs. The summary applies only to U.S. holders that will hold their Series B Shares or ADSs as capital assets and does not apply to special classes of holders such as dealers in securities or currencies, holders with a functional currency other than the U.S. dollar, holders that own or are treated as owning 10% or more of our voting Series B Shares (whether

held directly or through ADSs or both), tax-exempt entities, financial institutions, insurance companies, regulated investment companies, real estate investment trusts, certain U.S. expatriates, holders liable for the alternative minimum tax, securities traders electing to account for their investment in their Series B Shares or ADSs on a mark-to-market basis, partnerships and other pass-through entities and persons holding their Series B Shares or ADSs in a hedging transaction or as part of a straddle, conversion or other integrated transaction. The following summary assumes that we are not a passive foreign investment company (a "PFIC"), which we do not believe that we were for our 2014 taxable year and do not currently expect to become for our current taxable year or the foreseeable future.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of Series B Shares or ADSs that is:

- a citizen or resident of the United States;
- a corporation (or an entity taxable as a corporation) organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal taxation regardless of its source;
- a trust if (i) a court within the U.S. is able to exercise primary supervision over the administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person;

If a partnership (or any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Series B Shares or the ADSs, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of Series B Shares or ADSs that is a partnership, and partners in such partnership, should consult their tax advisors about the U.S. federal income tax consequences of acquiring, holding and disposing of the Series B Shares or the ADSs, as the case may be.

Prospective investors in the Series B Shares or ADSs should consult their own tax advisors as to the U.S. federal, Mexican or other tax consequences of the acquisition, ownership and disposition of the Series B Shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws and their entitlement to the benefits, if any, afforded by the Tax Treaty.

Treatment of ADSs

The following summary assumes that the representations contained in the Deposit Agreement are true and that the obligations in the Deposit Agreement and any related agreement will be complied with in accordance with their terms. In general, a U.S. holder of ADSs will be treated as the beneficial owner of the Series B Shares represented by those ADSs for U.S. federal income tax purposes. Deposits or withdrawals of Series B Shares by U.S. holders in exchange for the ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. U.S. holders that withdraw any Series B Shares should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any pesos received in respect of such Series B Shares.

Taxation of Distributions

In this discussion, the term "dividends" is used to mean distributions paid out of our current or accumulated earnings and profits (calculated for U.S. federal income tax purposes) with respect to Series B Shares or ADSs. In general, subject to the discussion below under "*Passive Foreign Investment Company Rules*," the gross amount of any dividends will be includible in the gross income of a U.S. holder as ordinary income on the day on which the dividends are received by the U.S. holder in the case of Series B Shares, or by the depositary in the case of ADSs. Dividends paid by us will not be eligible for the dividends-received deduction allowed to corporations under the Code. To the extent that a distribution exceeds the amount of our earnings and profits (calculated for U.S. federal income tax purposes), it will be treated as a non-taxable return of capital to the extent of the U.S. holder's basis in the Series B Shares or ADSs, and thereafter as capital gain. We do not intend to calculate our earnings and profits in accordance with U.S. federal income tax principles. Therefore, a U.S. holder should expect that a distribution on Series B Shares or ADSs generally will be treated as a dividend. Distributions will be paid in pesos and will be includible in the income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day that they are received by the U.S. holder in the case of Series B Shares, or by the depositary in the case of ADSs. U.S. holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any pesos received by a U.S. holder or depositary that are converted into U.S. dollars on a date subsequent to receipt.

Distributions of additional Series B Shares or ADSs to U.S. holders with respect to their Series B Shares or ADSs that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax.

Dividends paid on Series B Shares or ADSs generally will be treated for U.S. foreign tax credit purposes as foreign source passive category income. In the event Mexican withholding taxes are imposed on such dividends, any such withheld taxes would be treated as part of the gross amount of the dividend includible in income of a U.S. holder for U.S. federal income tax purposes, and such taxes may be treated as a foreign income tax eligible, subject to generally applicable limitations and conditions under U.S. federal income tax law, for credit against a U.S. holder's U.S. federal income tax liability or, at the U.S. holder's election, for deduction from gross income in computing the U.S. holder's taxable income. The calculation and availability of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of deductions, involves the application of complex rules that depend on a U.S. holder's particular circumstances. In the event Mexican withholding taxes are imposed, U.S. holders should consult their own tax advisors regarding the availability of foreign tax credits.

U.S. holders should be aware that the IRS has expressed concern that parties to whom ADSs are transferred may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. holders of ADSs. Accordingly, the discussion above regarding the creditability of Mexican withholding taxes could be affected by future actions that may be taken by the IRS.

Qualified Dividend Income

Certain dividends received by non-corporate U.S. holders that constitute "qualified dividend income" will be subject to a reduced maximum marginal U.S. federal income tax rate. Qualified dividend income generally includes, dividends received from "qualified foreign corporations." In general, the term "qualified foreign corporation" includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Treasury Department determines to be satisfactory, and which includes an exchange of information program. The Tax Treaty has been approved for this purpose by the U.S. Treasury Department. In addition, a foreign corporation is treated as a qualified foreign corporation with respect to any dividend paid by the corporation with respect to stock of the corporation that is readily tradable on an established securities market in the United States. For this purpose, a share is treated as readily tradable on an established securities market in the United States if an ADR backed by such share is so traded.

Notwithstanding the previous rule, dividends received from a foreign corporation that is a passive foreign investment company or "PFIC," as discussed below, under "*Passive Foreign Investment Company Rules*," in the year in which the dividend was paid (or was a PFIC in the year prior to the year in which the dividend was paid) will not constitute qualified dividend income. In addition, the term "qualified dividend income" will not include, among other dividends, any (i) dividends on any share of stock or ADS which is held by a taxpayer for 60 days or less during the 121-day period beginning on the date which is 60 days before the date on which such share or the Series B Shares backing the ADS become ex-dividend with respect to such dividends or (ii) dividends to the extent that the taxpayer is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respects to positions in substantially similar or related property. Moreover, special rules apply in determining a taxpayer's foreign tax credit limitation in the case of qualified dividend income.

Individual U.S. holders should consult their own tax advisors to determine whether or not amounts received as dividends from us will constitute qualified dividend income subject to a reduced maximum marginal U.S. federal income tax rate and, in such case, the effect, if any, on the individual U.S. holder's foreign tax credit.

Taxation of Dispositions

Subject to the discussion below under "*Passive Foreign Investment Company Rules*," gain or loss realized by a U.S. holder on the sale, redemption or other taxable disposition of Series B Shares or ADSs will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between such U.S. holder's adjusted basis in the Series B Shares or the ADSs and the amount realized on the disposition (including any amounts withheld in respect of Mexican withholding tax). Any such gain or loss will be long-term capital gain or loss if the Series B Shares or ADSs have been held for more than one year as of the time of the sale, redemption or other taxable disposition. Under current law, certain non-corporate U.S. holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

If Mexican income tax is withheld on the sale, redemption or other taxable disposition of Series B Shares or ADSs, the amount realized by a U.S. holder will include the gross amount of the proceeds of that sale, redemption or other taxable disposition before deduction of the Mexican income tax. A U.S. holder who is eligible for the benefits of the Tax Treaty, can elect to treat capital gain or loss, if any, realized on the sale or other taxable disposition of Series B Shares or ADSs that is subject to Mexican income tax as foreign source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of gain from the disposition of Series B

Shares or ADSs that is subject to Mexican income tax (see "Mexican Taxation – Taxation of Disposition"), a U.S. holder, subject to a number of complex limitations and conditions (including a minimum holding period requirement), may be able to benefit from the foreign tax credit for that Mexican income tax. Otherwise, any, capital gain or loss realized by a U.S. holder on a sale, redemption or other taxable disposition of Series B Shares or ADSs will be treated as U.S. source income or loss for U.S. foreign tax credit purposes and a U.S. holder may not be able to benefit from the foreign tax credit for that Mexican income tax (i.e., because the gain from the disposition would be U.S. source), unless the U.S. holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. holder may take a deduction for the Mexican income tax if it does not elect to claim a foreign tax credit with respect to any foreign income taxes paid or accrued during the taxable year.

U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, Series B Shares or ADSs.

Passive Foreign Investment Company Rules

Certain adverse U.S. federal income tax rules generally apply to a U.S. person that owns or disposes of stock in a non-U.S. corporation that is classified as a PFIC. In general, a non-U.S. corporation will be classified as a PFIC for any taxable year during which, after applying relevant look-through rules with respect to the income and assets of subsidiaries, either (i) 75.0% or more of the non-U.S. corporation's gross income is "passive income" or (ii) 50.0% or more of the gross value (determined on a quarterly basis) of the non-U.S. corporation's assets produce passive income or are held for the production of passive income. For these purposes, passive income generally includes, among other things, dividends, interest, rents, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions (other than certain active business gains from the sale of commodities). In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least 25.0% interest (by value) is taken into account.

We do not believe that it was a PFIC, for U.S. federal income tax purposes, for its preceding taxable year and does not expect to be a PFIC in its current taxable year or in the foreseeable future. However, because PFIC status depends upon the composition of a company's income and assets, the market value of assets from time to time, and the application of rules that are not always clear, there can be no assurance that we will not be classified as a PFIC for any taxable year.

If we were to be classified a PFIC, a U.S. holder could be subject to material adverse tax consequences including being subject to greater amounts of tax on gains and certain distributions on the Series B Shares or ADSs as well as increased reporting obligations. U.S. holders should consult their tax advisors about the possibility that we might be classified as a PFIC and the consequences if we were classified as a PFIC.

Medicare Tax on Net Investment Income

A U.S. holder that is an individual, an estate or a trust (other than a trust that falls into a special class of trusts that is exempt from such tax) will be subject to a 3.8% tax on the lesser of (1) the U.S. holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and trusts) for the relevant taxable year and (2) the excess of the U.S. holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and trusts) for the taxable year over a certain threshold (which in the case of individuals will be between U.S.$125,000 and U.S.$250,000 depending upon the individual's circumstances). A U.S. holder's net investment income generally will include its dividend income on the Series B Shares or ADSs, and its net gains from the disposition of the Series B Shares or ADSs. U.S. holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of the Medicare tax to their income and gains in respect of the Series B Shares or ADSs.

Information Reporting and Backup Withholding

Dividends on, and proceeds from the sale or other disposition of, the Series B Shares or ADSs paid to a U.S. holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding at the applicable rate unless the holder:

- establishes that it is an exempt holder; or
- provides an accurate taxpayer identification number on a properly completed IRS Form W-9 and certifies that no loss of exemption from backup withholding has occurred.

The amount of any backup withholding from a payment to a holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Recently enacted legislation requires individual U.S. Holders to report information to the IRS with respect to their investment in Series B Shares or ADSs unless certain requirements are met. Investors who are individuals and fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in Series B Shares or ADSs.

DOCUMENTS ON DISPLAY

We are subject to the information requirements of the Exchange Act and, in accordance therewith, we are required to file reports and other information with the SEC. These materials, including this Form 20-F and the exhibits thereto, may be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

ITEM 11 Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices. We use derivative instruments from time to time, on a selective basis, to manage these risks. In addition, we have also historically used certain derivative instruments for trading purposes. We adopted a risk management policy that precludes the use of derivative instruments for trading purposes. We maintain and control our treasury operations and overall financial risk through practices approved by our senior management.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In 2008 we implemented specific improvements to our internal controls concerning the use of derivative financial instruments. In addition, we implemented a new risk management policy that besides consolidating such improvements, prohibits us from entering into derivative financial instruments for trading purposes with the aim of obtaining profits based on changes in market values. However, the use of financial derivative instruments for hedging purposes is allowed if used with the objective of mitigating financial risks and associated with a hedged item that is relevant to business activities.

INTEREST RATE RISK

We depend upon debt financing transactions, including debt securities, bank and vendor credit facilities and leases, to finance our operations. All such financial instruments, as well as the related interest rate derivatives discussed further below, are entered into for other than trading purposes. These transactions expose us to interest rate risk, with the primary interest-rate risk exposure resulting from changes in the relevant base rates (mostly LIBOR and to a lesser extent, TIIE and EUROLIBOR) which are used to determine the interest rates that are applicable to borrowings under our credit facilities. We are also exposed to interest rate risk in connection with refinancing of maturing debt. We had U.S.$402.34 million (Ps.5,921.74 million) of fixed rate debt and U.S.$334.41 million (Ps.4,921.98 million) in floating rate debt as of December 31, 2014. A hypothetical 100 basis point increase or decrease in interest rates would not have a significant effect on the fair value of our fixed rate debt. The following table sets forth, as of December 31, 2014, principal cash flows and the related weighted average interest rates by expected maturity dates for our debt obligations.

	Maturity Dates						
	2015	2016	2017	2018	Thereafter	Total	Fair Value
	(in millions of pesos, except percentages)						
Liabilities							
Debt							
Fixed Rate (Ps.)	$ 20.11	$ 14.43	$ 0.00	$ 0.00	$ 5,887.20	$ 5,921.74	$ 6,098.35
Average Rate	4.86%	4.85%	0%	0%	4.875%		
Floating Rate (Ps.)	$ 1,417.00	$ 617.66	$ 1,026.44	$ 1,860.88	$ 0.00	$ 4,921.98	$ 5,007.98
Average Rate	2.75%	2.16%	2.16%	2.16%	2.06%		

From time to time, we use derivative financial instruments such as interest rate swaps for purposes of hedging a portion of our debt, in order to reduce our exposure to increases in interest rates. Several of these contracts, however, do not qualify for accounting treatment as hedging transactions.

Since 2011, we have not entered into any additional interest rate swap transactions.

In the case of our cash and short-term investments, declines in interest rates decrease the interest return on floating rate cash deposits and short-term investments. A hypothetical 100 basis point decrease in interest rates would not have a significant effect on our results of operations.

In the case of our floating interest rate debt, a rise in interest rates increases the interest expense on floating rate debt. A hypothetical 100 basis point increase in interest rates would not have a significant effect on our results of operations.

FOREIGN EXCHANGE RATE RISK

Our net sales are denominated in U.S. dollars, Mexican pesos and other currencies. During 2014, 53% of our revenues were generated in U.S. dollars, 30% in pesos and 17% in other currencies. In addition, as of December 31, 2014, 70% of our total assets were denominated in currencies other than Mexican pesos, particularly U.S. dollars. A significant portion of our operations is financed through U.S. dollar-denominated debt.

We believe that we have natural foreign exchange hedges incorporated in our balance sheet, in significant part because we have subsidiaries outside Mexico, and the peso-denominated value of our equity in these subsidiaries is also exposed to fluctuations in exchange rates. Changes in the peso value of equity in our subsidiaries caused by movements in foreign exchange rates are recognized as a component of equity. See Note 4 to our audited consolidated financial statements.

As of December 31, 2014, 90.62% of our debt obligations was denominated in U.S. dollars. The following table sets forth information concerning our U.S. dollar-denominated debt as of December 31, 2014. The table does not reflect our U.S. dollar sales or our U.S. dollar-denominated assets.

	Expected Maturity Date (U.S. dollar-denominated Debt) as of December 31, 2014					
U.S. dollar-denominated debt	2015	2016	2017	Thereafter	Total	Fair Value
	(in millions of pesos)					
4.875% 10-year Bond	$ 0.00	$ 0.00	$ 0.00	$ 5,887.20	$ 5,887.20	$ 6,063.82
BBVA Syndicated Loan Facility	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	
Rabobank Syndicated Facility	$ 323.80	$ 485.69	$ 485.69	$ 1,780.88	$ 3,076.06	3,153.69
Other U.S. dollar loans	$ 863.46	$ 0.00	$ 0.00	$ 0.00	$ 863.46	863.46
TOTAL	$ 1,187.25	$ 485.69	$ 485.69	$ 7,668.08	$ 9,826.72	$ 10,080.97

An important part of our foreign exchange rate risk relates to our substantial U.S. dollar-denominated debt for our non-U.S. subsidiaries.

As indicated in Notes 4 and 20 C to our audited consolidated financial statements, during 2014, we entered into forward transactions in order to hedge the Mexican peso to U.S. dollar foreign exchange rate risk related to the price of corn purchases for the summer and winter corn harvests in Mexico. Since these exchange rate derivative financial instruments did not qualify for hedge accounting treatment, they were recognized at fair value and are subsequently re-measured at fair value. As of December 31, 2014, we did not have open positions of foreign exchange derivative transactions. The operations of these instruments terminated as of December 31, 2014, represented an unfavorable effect of approximately Ps.23.4 million recognized in income as comprehensive financing cost, net.

As of March 31, 2015, we had foreign exchange derivative transactions in effect for a nominal amount of U.S.$201.9 million with different maturities from April through July. We recognized our currency derivative instruments at fair value. The purpose of these contracts was to hedge the risks related to exchange rate fluctuations on the price of corn and wheat, which is denominated in U.S. dollars.

In recent years, political and social instability has prevailed in Venezuela, and the Venezuelan government devalued its currency and established a two tier exchange structure on January 11, 2010. On December 30, 2010, the Venezuelan government issued Exchange Agreement No. 14, which established a single exchange rate of 4.30 bolivars per U.S. dollar effective January 1, 2011. We lost control of the Venezuelan Companies on January 22, 2013. On February 8, 2013, the National Executive, through the Central Bank of Venezuela and the Ministry of Popular Power for Planning and Finance, amended the Exchange Agreement to the effect that an exchange rate of 6.30 bolivars per U.S. dollar is applicable to all operations conducted in foreign currency effective as of

February 9, 2013. The Venezuelan Companies have been deconsolidated from our operations as of January 22, 2013. As indicated in Note 4 to our audited consolidated financial statements, in March 2013, the Venezuelan government announced the creation of an alternative exchange mechanism called the Supplementary System of Foreign Exchange Administration (*Sistema Complementario de Administración de Divisas*, SICAD). The SICAD operates as an auction system that allows entities of specific sectors to buy foreign currency for imports. This is not a free auction (that is, the counterpart that offers the highest price does not necessarily have the right to receive the foreign currency). Each auction may have different rules (for example, the minimum and maximum amount of foreign currency that may be offered to exchange). Limited amounts of dollars are available and entities do not commonly get the full amount for which they entered in auction. During December 2013, the Venezuelan government authorized the Central Bank of Venezuela to publish the average exchange rate resulting of SICAD auctions. During the weeks commencing on December 23 and December 30, 2013, the Central Bank of Venezuela published on its website the average exchange rate for auctions No.13 and No.14 (11.30 Venezuelan bolivars per U.S. dollar).

On January 24, 2014, Exchange Agreement No. 25 became effective, which establishes the cases to which the SICAD 1 exchange rate (Bs.11.30 per dollar) applies for sale of foreign currency transactions. In addition, the agreement also provides that the sale operation of foreign currency, whose clearance has been requested to the Central Bank of Venezuela before the Exchange Agreement No. 25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No.25 will result in a net foreign exchange loss of Ps.17 million to us in 2014, which will be presented as discontinued operations, this exchange loss resulted from certain accounts receivable maintained with the Venezuelan companies as of December 31, 2014 which are expected to be settled at this SICAD 1 exchange rate (Bs.12.00 per dollar as of December 31,2014).

During 2014, the Venezuelan Government expanded the use of SICAD rate creating a third currency exchange mechanism called SICAD 2 which may be used by entities for certain transactions. SICAD 2 initiated operations in March 2014, at the time, the bolivar sold for an average of Bs.51.86 per U.S. dollar. The SICAD 2 daily average rate was published by the Central Bank of Venezuela. Based on a simulation exercise where a different exchange rate is used, such as the SICAD 2 (Bs.49.99 per dollar at December 31, 2014) , an additional foreign exchange loss of Ps.65 million will result from certain accounts receivable of the Venezuelan companies.

On February 10, 2015, Exchange Agreement No. 33 published in the Official Gazette of Venezuela, eliminated as of February 12, 2015 the foreign exchange rate SICAD 2 and created a new foreign exchange rate mechanism called SIMADI (Foreign Exchange Marginal System). According to the decree, the foreign exchange rate will be the one freely agreed by the parties involved in transactions for the purchase and sale of dollars in the market. The Central Bank of Venezuela will publish daily on its website the reference foreign exchange rate, corresponding to the weighted average exchange rate of the operations for each day in the markets of: a) trading transactions in local currency for foreign currency operations, and b) trading transactions in local currency for foreign currency securities. The SIMADI foreign exchange rate published on the date on which our consolidated financial statements were authorized, was Bs.171.03 per dollar.

COMMODITY AND DERIVATIVE PRICE RISK

The availability and price of corn and other agricultural commodities, as well as fuel, are subject to wide fluctuations due to factors outside our control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand/supply and global production of similar and competitive crops, as well as hydrocarbons. We hedge a portion of our production requirements through commodity futures and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, diesel and soy oils which exist as part of ongoing business operations. The open positions for hedges of purchases do not exceed the maximum production requirements for a one-year period.

During 2014, we entered into short-term hedge transactions through commodity futures and options for a portion of our requirements. All derivative financial instruments are recorded on the consolidated balance sheet at their fair value as either assets or liabilities. Changes in the fair value of derivatives are recorded each period in earnings or accumulated other comprehensive income in stockholders' equity, depending on whether the derivative qualifies for hedge accounting and is effective as part of a hedge transaction. Ineffectiveness results when the change in the fair value of the hedge instruments differs from the change in the fair value of the hedged item.

For hedge transactions that qualify and are effective, gains and losses are deferred until the underlying asset or liability is settled, and then are recognized as part of that transaction.

Gains and losses which represent hedge ineffectiveness and derivative transactions that do not qualify for hedge accounting are recognized in income.

As of December 31, 2014, 2013 and 2012 financial instruments that qualify as hedge accounting represented an unfavorable effect of Ps. 25.1 million and Ps.71.5 million in 2014 and 2013, respectively, and a favorable effect of Ps.119.3 million, in 2012, which was recognized as comprehensive income in equity. From time to time we hedge commodity price risks utilizing futures and options strategies that do not qualify for hedge accounting. As a result of non-qualification, these derivative financial instruments are recognized at their estimated fair values and are marked to market with the associated effect recorded in current period earnings. For the years ended December 31, 2014 and 2012, we recognized a favorable effect of Ps.45.5 million and Ps.17.1 million, respectively. Additionally, for the years ended December 31, 2014 and 2013, we realized Ps.76.6 million and Ps.30.2 million, respectively, in net losses on commodity price risk hedges that did not qualify for hedge accounting, while for the year ended December 31, 2012 we realized net gains of Ps.21.1 million.

Based on our commodity exposure hedged with derivative financial instruments at December 31, 2014, 2013 and 2012 a hypothetical decrease or increase of 10 percent in market prices applied to the fair value of the instruments would result in a gain or loss to income of Ps.34.7 million, Ps.54.6 million and Ps.68.8 million, respectively (for non-qualifying contracts).

COUNTERPARTY RISK

We maintain centralized treasury operations in Mexico for our Mexican operations and in the United States for our U.S. operations. Liquid assets are invested primarily in government bonds, bank repos and short-term debt instruments with a minimum “A1/P1” rating for our U.S. operations and “A” for our Mexican operations. We face credit risk from the potential non-performance by the counterparties in respect of the financial instruments that we utilize. Substantially all of these financial instruments are unsecured. We do not anticipate non-performance by the counterparties, which are principally licensed commercial banks with long-term credit ratings. In addition, we minimize counterparty solvency risk by entering into derivative instruments only with major national and international financial institutions using standard International Swaps and Derivatives Association, Inc. (“ISDA”) forms and long form confirmation agreements. For our operations in Europe, Oceania, Asia and Central America, we only invest cash reserves with well-known local banks and local branches of international banks. In addition, we also keep small investments abroad.

The above discussion of the effects on us of changes in interest rates, foreign exchange rates, commodity prices and equity prices is not necessarily indicative of our actual results in the future. Future gains and losses will be affected by actual changes in interest rates, foreign exchange rates, commodity prices, equity prices and other market exposures, as well as changes in the actual derivative instruments employed during any period.

ITEM 12 Description of Securities Other than Equity Securities.

American Depositary Shares

Our Series B Shares have been traded on the *Bolsa Mexicana de Valores, S.A.B. de C.V.*, or Mexican Stock Exchange, since 1994. The ADSs, each representing four Series B Shares, commenced trading on the New York Stock Exchange in November 1998. As of April 24, 2015, our capital stock was represented by 432,749,079 issued Series B shares, all of them fully subscribed and paid. As of December 31, 2014, 44,874,804 Series B shares of our common stock were represented by 11,218,701 ADSs held by five record holders in the United States.

Fees and Expenses

The following table summarizes the fees and expenses payable by holders of ADSs to Citibank, N.A. (the "Depositary") pursuant to the Deposit Agreement dated September 18, 1998:

Service	Rate	By Whom Paid
(1) Issuance of ADSs upon deposit of Series B Shares (excluding issuances contemplated by paragraphs 3(b) and (5) below)	Up to U.S.$5.00 per 100 ADSs (or fraction thereof) issued	Party for whom deposits are made or party receiving ADSs
(2) Delivery of Series B Shares, property and cash against surrender of ADSs	Up to U.S.$5.00 per 100 ADSs (or fraction thereof) surrendered	Party surrendering ADSs or making withdrawal
(3) Distribution of (a) cash dividend or (b) ADSs pursuant to stock dividends (or other free distribution of stock)	No fee, so long as prohibited by the exchange upon which ADSs are listed	N/A
(4) Distribution of cash proceeds (i.e. upon sale of rights or the sale of any securities or property pursuant to Sections the Deposit Agreement)	Up to $2.00 per 100 ADSs held	Party to whom distribution is made
(5) Distribution of ADSs pursuant to exercise of rights	Up to $2.00 per 100 ADSs issued	Party to whom distribution is made

In addition to the foregoing, holders of our ADSs are responsible for the following charges pursuant to the Deposit Agreement: (i) taxes (including applicable interest and penalties) and other governmental charges; (ii) such registration fees as may from time to time be in effect for the registration of Series B Shares on the share register and applicable to transfers of Series B Shares to or from the name of Citibank, S.A. (the "Custodian"), the Depositary or any nominees upon the making of deposits and withdrawals, respectively; (iii) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Series B Shares or holders of ADSs; (iv) the customary expenses and charges incurred by the Depositary in the conversion of foreign currency; and (v) such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulatory requirements applicable to Series B Shares, ADSs and ADRs.

Pursuant to the Deposit Agreement, the Depositary may deduct the amount of any taxes or other governmental charges owed from any payments to holders. It may also sell deposited securities to pay any taxes owed. Holders may be required to indemnify the Depositary, us and the Custodian from any claims with respect to taxes.

PART II

ITEM 13 Defaults, Dividend Arrearages and Delinquencies.

Not applicable.

ITEM 14 Material Modifications to the Rights of Security Holders and Use of Proceeds.

Not applicable.

ITEM 15 Controls and Procedures.

(a) *Disclosure controls and procedures*. We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2014. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or

overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Management's annual report on internal controls over financial reporting*. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Securities Exchange Act of 1934, as amended. Under the supervision and with the participation of our management, including our Board of Directors, Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and other personnel, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (v.2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on our evaluation under the framework in Internal Control—Integrated Framework (v.2013), our management concluded that our internal control over financial reporting was effective as of December 31, 2014.

(c) *Attestation Report of the registered public accounting firm*. The report of PricewaterhouseCoopers, S.C., an independent registered public accounting firm, on our internal control over financial reporting is included herein at page F-2.

(d) *Changes in internal control over financial reporting*. There has been no change in our internal control over financial reporting during 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16 Reserved

ITEM 16A. Audit Committee Financial Expert.

Our Board of Directors has determined that Everardo Elizondo Almaguer qualifies as an independent member of the board and as an "audit committee financial expert", within the meaning of this Item 16A.

ITEM 16B. Code of Ethics.

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Securities Exchange Act of 1934, as amended. Our code of ethics applies, among others, to our Chief Executive Officer, Chief Financial Officer,Chief Administrative Officer, persons performing similar functions, members of the board of directors, senior management and employees. Our code of ethics is available on our web site at www.gruma.com. If we amend any provisions of our code of ethics that apply to our Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and persons performing similar functions, or if we grant any waiver of such provisions to such persons, we will disclose such amendment or waiver on our web site at the same address.

ITEM 16C. Principal Accountant Fees and Services.

Audit and Non-Audit Fees

The following table sets forth the fees billed to us and our subsidiaries by our independent registered public accountants, PricewaterhouseCoopers, during the fiscal years ended December 31, 2014 and 2013:

	Year ended December 31,	
	2014	2013
	(thousands of Mexican pesos)	
Audit fees	Ps. 53,025	Ps. 46,306
Tax fees	8,947	10,198
Other fees	1,591	1,190
Total fees	Ps. 63,563	Ps. 57,694

Audit fees in the above table are the aggregate fees billed by PricewaterhouseCoopers and its affiliates in connection with the audit of our annual financial statements, the review of our interim financial statements and statutory and regulatory audits.

Tax fees in the above table are fees billed by PricewaterhouseCoopers and its affiliates for tax compliance services, tax planning services and tax advice services.

Other fees in the above table are fees billed by PricewaterhouseCoopers and its affiliates for non-audit services, mainly related to accounting advice on the implementation of new accounting standards as well as accounting advice on derivative financial instruments, as permitted by the applicable independence rules.

Audit Committee Approval Policies and Procedures.

We have adopted pre-approval policies and procedures under which all audit and non-audit services provided by our external auditors must be pre-approved by the audit committee. Any service proposals submitted by external auditors need to be discussed and approved by the audit committee during its meetings, which take place at least four times a year. Once the proposed service is approved, we or our subsidiaries formalize the engagement of services. The approval of any audit and non-audit services to be provided by our external auditors is specified in the minutes of our audit committee. In addition, the members of our board of directors are briefed on matters discussed in the meetings of the audit committee.

ITEM 16D. Exemptions from the Listing Standards for Audit Committees.

Not Applicable.

ITEM 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Issuer Purchase of Equity Securities

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Units)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1, 2014- January 31, 2014	0	Not applicable	0	Not applicable
February 1, 2014- February 28, 2014	0	Not applicable	0	Not applicable
March 1, 2014- March 31, 2014	0	Not applicable	0	Not applicable
April 1, 2014- April 30, 2014	0	Not applicable	0	Not applicable
May 1, 2014- May 31, 2014	0	Not applicable	0	Not applicable
June 1, 2014- June 30, 2014	0	Not applicable	0	Not applicable
July 1, 2014- July 31, 2014	0	Not applicable	0	Not applicable
August 1, 2014- August 31, 2014	0	Not applicable	0	Not applicable
September 1, 2014- September 30, 2014	0	Not applicable	0	Not applicable
October 1, 2014- October 31, 2014	0	Not applicable	0	Not applicable
November 1, 2014- November 30, 2014	0	Not applicable	0	Not applicable
December 1, 2014- December 31, 2014	0	Not applicable	0	Not applicable

In December 2012, we acquired the stake that Archer-Daniels-Midland owned in us and certain of our subsidiaries. We acquired 18.81% of our then outstanding shares directly and an additional 4.35% of our then outstanding shares indirectly via the acquisition of Valores Azteca. In 2013, we merged Valores Azteca into Gruma, S.A.B. de C.V. and subsequently cancelled those shares.

ITEM 16F. Change in Registrant's Certifying Accountant.

During the years ended December 31, 2014, 2013 and 2012 and through the date of this annual report, the principal independent registered public accountant engaged to audit our financial statements, PricewaterhouseCoopers, S.C., has not resigned, indicated that it has declined to stand for re-election after the completion of its current audit or been dismissed.

ITEM 16G. Corporate Governance.

We are a Mexican corporation with shares listed on the Mexican Stock Exchange and on the NYSE. Our corporate governance practices are governed by our bylaws and the Mexican corporate governance practices, including those set forth in the Mexican Securities Law, the *Circular Única de Emisoras* (the "Mexican Circular Única") issued by the Mexican Banking and Securities Commission and the *Reglamento Interior de la Bolsa Mexicana de Valores* (the "Mexican Stock Exchange Rules"), and to applicable US securities laws including the Sarbanes-Oxley Act of 2002 ("SOX") and the rules of the NYSE (the "NYSE Rules") to the extent SOX and the NYSE Rules apply to foreign private issuers like us. We adhere to the Code of Best Corporate Practices and the Code of Corporate Integrity and Ethics issued by the *Consejo Coordinador Empresarial*, or Mexican Entrepreneur Coordinating Board. Certain NYSE Rules relating to corporate governance are not applicable to us because of our status as a foreign private issuer. Specifically, we are permitted to follow home country practices in lieu of certain provisions of Section 303A of the NYSE Rules. In accordance with the requirement of Section 303A.11 of the NYSE Rules, the following is a summary of significant ways in which our

corporate governance practices differ from those required to be followed by U.S. domestic companies under the NYSE's listing standards.

Independence of our Board of Directors

Under the NYSE Rules, controlled companies like us (regardless of our status as a foreign private issuer) are not required to have a board of directors composed of a majority of independent directors. However, the Mexican Securities Law requires that, as a listed company in Mexico, at least 25% of the members of our Board of Directors be independent as determined under the Mexican Securities Law. We have an alternate director for each of our directors. The Mexican Securities Law further provides that alternates of independent directors be independent as well. The Mexican Securities Law sets forth detailed standards for establishing independence which differ from those set forth in the NYSE Rules.

Executive Sessions

Under the NYSE Rules, non-management directors must meet at executive sessions without management. We are not required, under Mexican law, to hold executive sessions in which non-management directors meet without the management or to hold meetings of only independent directors. Our Board of Directors must meet at least four times per year.

Audit Committee

Under the NYSE Rules, listed companies must have an audit committee with a minimum of three members who are independent directors. Under the Mexican Securities Law, listed companies are required to have an Audit Committee comprised solely of independent directors. The members of the Audit Committee are appointed by the Board of Directors, with the exception of its Chairman, who is appointed by the shareholders at the Shareholders' Meeting. Currently, our Audit Committee is comprised of three members. Our Audit Committee operates pursuant to the provisions of the Mexican Securities Law and our Bylaws. A description of the specific functions of our Audit Committee can be found in Item 10. See "Item 10. Additional Information—Audit and Corporate Governance Committees" for further information about our Audit Committee.

Audit Committee Reports

Under the NYSE Rules, Audit Committees are required to prepare an Audit Committee Report as required by the SEC to be included in the listed company's annual proxy statement. As a foreign private issuer, we are not required by the SEC to prepare and file proxy statements. In this regard, we are subject to Mexican securities law requirements. We have chosen to follow Mexican law and practice in this regard.

Corporate Governance Committee

Under both NYSE Rules and Mexican securities laws and regulations, listed companies are also required to have a Corporate Governance Committee comprised solely of independent directors. The company's Board of Directors appoints the members of the Corporate Governance Committee, with the exception of its Chairman, who is appointed by the shareholders at a Shareholders' Meeting. Currently, our Corporate Governance Committee is comprised of the same three members of our Audit Committee. Our Corporate Governance Committee operates pursuant to the provisions of the Mexican Securities Law and our Bylaws. A description of the specific functions of our Corporate Governance Committee can be found in Item 10. See "Item 10. Additional Information—— Audit and Corporate Governance Committees" for further information about our Corporate Governance Committee.

Compensation Committee

Under NYSE Rules, listed companies must have a compensation committee composed entirely of independent directors. Under our Bylaws and the Mexican securities laws and regulations, we are not required to have a compensation committee. Currently, we do not have such a committee.

Corporate Governance Guidelines and Code of Ethics

Domestic issuers listed on the NYSE are required to adopt and disclose corporate governance guidelines and a code of business conduct and ethics for directors, officers and employees and promptly disclose any waivers of such code for directors or executive officers. We are not required to adopt and disclose corporate governance guidelines under Mexican law to the same extent as the NYSE Rules. However, pursuant to regulations of the *Bolsa Mexicana de Valores* or Mexican Stock Exchange we are required to annually file with the Mexican Stock Exchange a statement relating to our level of adherence to the Mexican Code of Best Corporate Practices. Our statement can be found on our corporate web page. We are not required to adopt a Code of Ethics under

Mexican law. However, in April 2003, we adopted a Code of Ethics applicable to our directors, officers and employees. Our Code of Ethics can also be found on our corporate web page under “Corporate Governance.”

Solicitation of Proxies

Under NYSE Rules, listed companies are required to solicit proxies and provide proxy materials for all meetings of shareholders. Such proxy solicitations are to be provided to the NYSE. We are not required to solicit proxies from our shareholders. Under our Bylaws and Mexican securities laws and regulations, we inform shareholders of all meetings by public notice, which states the requirements for admission to the meeting. Under the deposit agreement relating to our ADSs, holders of our ADSs receive notice of shareholders’ meetings together with information explaining how to instruct the depositary bank to exercise the voting rights of the securities represented by ADSs.

ITEM 16H. Mine Safety Disclosure.

Not Applicable.

PART III

ITEM 17 Financial Statements.

Not Applicable.

ITEM 18 Financial Statements.

See pages F-1 through F-81, incorporated herein by reference.

ITEM 19 Exhibits.

Pursuant to the rules and regulations of the SEC, we have filed certain agreements as exhibits to this annual report on Form 20-F. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to such agreements if those statements turn out to be inaccurate, (ii) may have been qualified by disclosures that were made to such other party or parties and that either have been reflected in the company’s filings or are not required to be disclosed in those filings, (iii) may apply materiality standards different from what may be viewed as material to investors, and (iv) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments. Accordingly, these representations and warranties may not describe our actual state of affairs at the date hereof.

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Documents filed as exhibits to this annual report:

Exhibit No.	
1	Our bylaws (*estatutos sociales*) as amended through May 15, 2013, together with an English translation. (1)
2(a)	Deposit Agreement, dated as of September 18, 1998, by and among us, Citibank, N.A. as Depositary and the Holders and Beneficial Owners of American Depositary Shares Evidenced by American Depositary Receipts Issued Thereunder (including form of American Depositary Receipt).(2)
2(b)	Indenture, dated as of December 5, 2014, between us and The Bank of New York Mellon., as Indenture Trustee representing up to U.S.$400,000,000 of our 4.875% Senior Notes due 2024.
4(a)(1)	U.S.$225 million credit facility by and among us, the Lenders party thereto and BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, as Administrative Agent, dated March 22, 2011(3) as amended as of December 3, 2012.(5)
4(a)(2)	U.S.$200 million revolving credit facility among Gruma Corporation, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Documentation Agent, Swing Line Lender, and Letter of Credit Issuer, dated June 20, 2011,(4), as amended on November 21, 2012(4) and November 24, 2014
4(a)(3)	Ps.1,200 million credit facility by and among us, the Lenders party thereto and BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, as Administrative Agent, dated June 15, 2011(4), and its amendment dated December 3, 2012.(5)
4(a)(5)(1)	U.S.$50 million credit facility by and among us and Centrale Raiffeisen-Boerenleenbank B.A. dated June 15, 2011 (4) as amended on June 28, 2012(5) and November 29, 2012(5).
4(a)(6)	U.S.$220 million syndicated credit facility dated June 13, 2013 with Rabobank Nederland(6)
4(a)(7)	Ps 2,300 million syndicated credit facility dated June 10, 2013 with Inbursa(6)
4(a)(8)	Equity Purchase Agreement by and among us, Archer-Daniels-Midland Company, ADM Milling, Co., and ADM Bio Productos, S.A. de C.V. dated December 14, 2012.(5)
5	Trademark License Agreement by and among us and GIMSA, dated November 29, 2013. (6)
8	List of Principal Subsidiaries.
12(a)(1)	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2015.
12(a)(2)	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2015.
13	Officer Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2015.

(1) Previously filed in annual report on Form 20-F (File No. 001-14852), originally filed with the SEC on April 30, 2014. Incorporated herein by reference.
(2) Previously filed in Registration Statement on Form F-6 (File No. 333-9282), originally filed with the SEC on August 13, 1998. Incorporated herein by reference.
(3) Previously filed in annual report on Form 20-F (File No. 1-14852), originally filed with the SEC on June 8, 2011. Incorporated herein by reference.
(4) Previously filed in annual report on Form 20-F (File No. 1-14852), originally filed with the SEC on April 30, 2012. Incorporated herein by reference.
(5) Previously filed in annual report on Form 20-F (File No. 1-14852), originally filed with the SEC on April 30, 2013. Incorporated herein by reference.
(6) Previously filed in annual report on Form 20-F (File No. 1-14852), originally filed with the SEC on April 30, 2014. Incorporated herein by reference.

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SIGNATURES

The registrant, Gruma, S.A.B. de C.V., hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GRUMA, S.A.B. de C.V.

/S/ HOMERO HUERTA MORENO
Name: Homero Huerta Moreno
Title: Chief Administrative Officer

Dated: April 30, 2015

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GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 AND 2013

AND FOR THE YEARS ENDED

DECEMBER 31, 2014, 2013 AND 2012

CONTENT

Report of Independent Registered Public Accounting Firm

To the Stockholders of
Gruma, S. A. B. de C. V.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows, present fairly, in all material respects, the financial position of Gruma, S. A. B. de C. V. and its subsidiaries (the "Company"), at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing in Item 15. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

We draw attention to the disclosed in notes to the financial statements: (i) Notes 2-D and 26, related to the sale of the wheat flour operations in México on December 2014 and as a result, the financial performance and cash flows for those operations, on the accompanying financial statements, were classified as discontinued operations, which were retrospectively presented on this manner, as required by IFRS; in addition, and in order to segregate the continued from the discontinued operations, some disclosures notes from prior years have been updated. (ii) Notes 26 and 28, where is mentioned that, on January 22, 2013, the Ministry of Justice and Internal Relations in Venezuela designated individuals as special managers representing the Bolivarian Republic of Venezuela, for the foreign subsidiaries located in that country, providing the right to take control over such subsidiaries. Consequently and as a result of the loss of control, the Company stopped consolidating the financial information of the Venezuelan subsidiaries as of January 22, 2013.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers, S. C.

/S/ VICTOR A. ROBLEDO GÓMEZ

C.P.C. Víctor A. Robledo Gómez

Monterrey, Nuevo León, México
April 30, 2015

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2014 AND 2013
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Note	2014	2013
Assets			
Current:			
Cash and cash equivalents	6	Ps. 1,465,088	Ps. 1,338,555
Derivative financial instruments	20	96,376	120,562
Accounts receivable, net	7	6,489,396	7,193,317
Inventories	8	6,556,777	7,644,130
Recoverable income tax		707,242	1,768,539
Prepaid expenses		153,770	167,739
		15,468,649	18,232,842
Asset held for sale	11	—	103,300
Total current assets		15,468,649	18,336,142
Non-current:			
Long-term notes and accounts receivable	9	182,843	190,863
Investment in associate	10	—	148,881
Property, plant and equipment, net	11	17,814,336	17,904,972
Intangible assets, net	12	2,792,146	2,631,101
Deferred tax assets	13	1,269,743	287,668
Investment in Venezuela available for sale	26	3,109,013	3,109,013
Total non-current assets		25,168,081	24,272,498
Total Assets		Ps. 40,636,730	Ps. 42,608,640
Liabilities			
Current:			
Short-term debt	14	Ps. 1,437,108	Ps. 3,275,897
Trade accounts payable		3,555,521	3,547,498
Derivative financial instruments	20	49,024	71,540
Provisions	15	129,047	53,980
Income tax payable		623,867	1,525,933
Other current liabilities	16	3,011,424	2,875,593
Total current liabilities		8,805,991	11,350,441
Non-current:			
Long-term debt	14	9,324,052	13,096,443
Provision for deferred taxes	13	2,344,759	2,046,118
Employee benefits obligations	17	619,983	629,043
Provisions	15	445,177	323,804
Other non-current liabilities	29	1,012,522	735,931
Total non-current liabilities		13,746,493	16,831,339
Total Liabilities		22,552,484	28,181,780
Equity			
Shareholders' equity:			
Common stock	18	5,363,595	5,363,595
Reserves		(171,932)	(132,209)
Retained earnings	18	11,371,983	7,741,678
Total shareholders' equity		16,563,646	12,973,064
Non-controlling interest		1,520,600	1,453,796
Total Equity		18,084,246	14,426,860
Total Liabilities and Equity		Ps. 40,636,730	Ps. 42,608,640

The accompanying notes are an integral part of these consolidated financial statements.

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GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(In thousands of Mexican pesos, except per-share data)
(Notes 1, 2 and 3)

	Note	2014	2013	2012
Net sales		Ps. 49,935,328	Ps. 49,035,523	Ps. 49,270,534
Cost of sales		(31,574,750)	(32,265,587)	(33,548,061)
Gross profit		18,360,578	16,769,936	15,722,473
Selling and administrative expenses		(12,040,402)	(11,937,116)	(13,040,182)
Other expenses, net	22	(297,262)	(193,069)	(73,198)
Operating income		6,022,914	4,639,751	2,609,093
Comprehensive financing cost, net	24	(1,105,403)	(987,625)	(880,390)
Income before income tax		4,917,511	3,652,126	1,728,703
Income tax expense	25	(1,059,583)	(195,361)	(905,280)
Consolidated net income from continuing operations		3,857,928	3,456,765	823,423
Income (loss) from discontinued operations, net	26	598,852	(146,796)	880,336
Consolidated net income		Ps. 4,456,780	Ps. 3,309,969	Ps. 1,703,759
Attributable to:				
Shareholders		Ps. 4,287,310	Ps. 3,163,133	Ps. 1,115,338
Non-controlling interest		169,470	146,836	588,421
		Ps. 4,456,780	Ps. 3,309,969	Ps. 1,703,759
From continuing operations:				
Basic and diluted earnings per share (pesos)		Ps. 8.38	Ps. 7.28	Ps. 0.82
From discontinued operations:				
Basic and diluted earnings per share (pesos)		Ps. 1.53	Ps. (0.12)	Ps. 1.18
From continuing and discontinued operations:				
Basic and diluted earnings per share (pesos)		Ps. 9.91	Ps. 7.16	Ps. 2.00
Weighted average shares outstanding (thousands)		432,749	441,835	558,712

The accompanying notes are an integral part of these consolidated financial statements.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Note	2014	2013	2012
Consolidated net income		Ps. 4,456,780	Ps. 3,309,969	Ps. 1,703,759
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of employment benefit obligations	17	(11,414)	(170,618)	(105,967)
Income taxes	13	(4,223)	42,298	10,783
		(15,637)	(128,320)	(95,184)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation adjustments (net of the reclassification adjustment from discontinued operations of Ps.432,458 in 2013)		(162,033)	156,847	29,130
Share of other comprehensive income of associated companies		—	—	71,217
Cash flow hedges		110,810	(585,811)	461,687
Other		—	—	(71,810)
Income taxes	13	17,981	142,545	(125,113)
		(33,242)	(286,419)	365,111
Other comprehensive income, net of tax		(48,879)	(414,739)	269,927
Total comprehensive income		Ps. 4,407,901	Ps. 2,895,230	Ps. 1,973,686
Attributable to:				
Shareholders		Ps. 4,239,705	Ps. 2,630,867	Ps. 1,378,161
Non-controlling interest		168,196	264,363	595,525
		Ps. 4,407,901	Ps. 2,895,230	Ps. 1,973,686

The accompanying notes are an integral part of these consolidated financial statements.

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GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Common stock (Note 18-A)		Reserves						
	Number of shares (thousands)	Amount	Foreign currency translation (Note 18-D)	Share of equity of associated companies	Cash flow hedges and other reserves	Retained earnings (Note 18-B)	Total shareholders' equity	Non-controlling interest	Total equity
Balances at January 1, 2012	563,651	Ps. 6,972,425	Ps. (76,972)	Ps. (71,217)	Ps. 3,953	Ps. 6,603,014	Ps. 13,431,203	Ps. 4,281,581	Ps. 17,712,784
Transactions with owners of the Company:									
Dividends paid from net tax profit account							—	(96,187)	(96,187)
Contribution from non-controlling interest							—	165,710	165,710
Acquisition of Company's own shares	(106,335)	(1,304,346)				(2,707,003)	(4,011,349)	—	(4,011,349)
Contingent payment due to acquisition of Company's own shares (Note 29)						(492,272)	(492,272)	—	(492,272)
Effect of acquisition of non-controlling interest, net of taxes (Note 29)						995,923	995,923	(1,914,578)	(918,655)
	(106,335)	(1,304,346)	—	—	—	(2,203,352)	(3,507,698)	(1,845,055)	(5,352,753)
Comprehensive income:									
Net income of the year						1,115,338	1,115,338	588,421	1,703,759
Foreign currency translation adjustment (Net of taxes of Ps.825)			9,860				9,860	20,095	29,955
Other				71,217	(328)	(71,217)	(328)	(265)	(593)
Remeasurement of employment benefit obligations (Net of taxes of Ps.10,783)						(82,458)	(82,458)	(12,726)	(95,184)
Cash flow hedges (Net of taxes of Ps.(125,938))					335,749		335,749	—	335,749
Comprehensive income of the year	—	—	9,860	71,217	335,421	961,663	1,378,161	595,525	1,973,686
Balances at December 31, 2012	457,316	5,668,079	(67,112)	—	339,374	5,361,325	11,301,666	3,032,051	14,333,717
Transactions with owners of the Company:									
Dividends paid from CUFIN							—	(594,024)	(594,024)
Cancellation of Company's own shares due to merger with shareholder (Note 10)	(24,567)	(304,484)				(705,364)	(1,009,848)	—	(1,009,848)
Decrease of non-controlling interest due to cease of consolidation of Venezuela (Note 26)							—	(1,057,497)	(1,057,497)
Effect on acquisition of non-controlling interest, net of taxes						50,379	50,379	(191,097)	(140,718)
	(24,567)	(304,484)	—	—	—	(654,985)	(959,469)	(1,842,618)	(2,802,087)
Comprehensive income:									
Net income of the year						3,163,133	3,163,133	146,836	3,309,969
Foreign currency translation adjustment (Net of taxes of Ps. (14,391))			(278,338)				(278,338)	2,727	(275,611)

Currency translation of discontinued operations			317,133				317,133	115,325	432,458
Remeasurement of employment benefit obligations (Net of taxes of Ps.42,298)						(127,795)	(127,795)	(525)	(128,320)
Cash flow hedges (Net of taxes of Ps.156,936)					(443,266)		(443,266)	—	(443,266)
Comprehensive income of the year	—	—	38,795	—	(443,266)	3,035,338	2,630,867	264,363	2,895,230
Balances at December 31, 2013	432,749	Ps. 5,363,595	Ps. (28,317)	Ps. —	Ps. (103,892)	Ps. 7,741,678	Ps. 12,973,064	Ps. 1,453,796	Ps. 14,426,860

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Common stock (Note 19-A)		Reserves						
	Number of shares (thousands)	Amount	Foreign currency translation (Note 19-D)	Share of equity of associated companies	Cash flow hedges and other reserves	Retained earnings (Note 19-B)	Total shareholders' equity	Non-controlling interest	Total equity
Balances at December 31, 2013	432,749	Ps. 5,363,595	Ps. (28,317)	Ps. —	Ps. (103,892)	Ps. 7,741,678	Ps.12,973,064	Ps. 1,453,796	Ps.14,426,860
Transactions with owners of the Company:									
Dividends paid (Ps.1.50 per share)						(649,123)	(649,123)	(101,392)	(750,515)
	—	—	—	—	—	(649,123)	(649,123)	(101,392)	(750,515)
Comprehensive income:									
Net income of the year						4,287,310	4,287,310	169,470	4,456,780
Foreign currency translation adjustment (Net of taxes of Ps.30,712)			(137,802)				(137,802)	6,481	(131,321)
Remeasurement of employment benefit obligations (Net of taxes of Ps.(4,223))						(7,882)	(7,882)	(7,755)	(15,637)
Cash flow hedges (Net of taxes of Ps.(12,731))					98,079		98,079	—	98,079
Comprehensive income of the year	—	—	(137,802)	—	98,079	4,279,428	4,239,705	168,196	4,407,901
Balances at December 31, 2014	432,749	Ps. 5,363,595	Ps. (166,119)	Ps. —	Ps. (5,813)	Ps. 11,371,983	Ps.16,563,646	Ps. 1,520,600	Ps.18,084,246

The accompanying notes are an integral part of these consolidated financial statements.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	2014	2013	2012
Operating activities:			
Income before taxes	Ps. 4,917,511	Ps. 3,652,126	Ps. 1,728,703
Foreign exchange (gain) loss from working capital	(188,825)	(7,712)	91,630
Net cost of the year for employee benefit obligations	142,017	105,918	103,503
Items related with investing activities:			
Depreciation and amortization	1,460,451	1,569,376	1,522,778
Impairment of long-lived assets	14,395	45,235	4,014
Written-down fixed assets	64,503	—	37,681
Interest income	(13,273)	(16,645)	(15,057)
Loss in sale of fixed assets and damaged assets	42,788	93,089	18,528
Items related with financing activities:			
Derivative financial instruments	145,274	(32,578)	(93,501)
Foreign exchange loss (gain) from debt	116,412	(38,761)	(2,342)
Interest expense	1,008,251	1,014,656	780,790
	7,709,504	6,384,704	4,176,727
Accounts receivable, net	258,084	272,851	(206,899)
Inventories	382,429	1,945,933	(1,397,041)
Prepaid expenses	46,445	18,215	(7,688)
Trade accounts payable	(110,409)	(1,488,658)	874,387
Accrued liabilities and other accounts payables	44,845	537,578	(62,932)
Income taxes paid	(1,816,012)	(1,016,629)	(1,833,885)
Employee benefits obligations and others, net	(135,532)	(138,010)	(60,455)
Net cash flows from operating activities of discontinued operations	350,646	163,447	323,922
	(979,504)	294,727	(2,370,591)
Net cash flows from operating activities	6,730,000	6,679,431	1,806,136
Investing activities:			
Acquisitions of property, plant and equipment	(1,597,298)	(1,408,730)	(2,384,731)
Sale of property, plant and equipment	115,574	115,354	74,714
Investment in Valores Azteca, S.A. de C.V. (associate)	—	—	(895,640)
Acquisition of subsidiaries, net of cash acquired	(122,081)	—	—
Acquisition of intangible assets	(17,126)	(2,580)	(14,063)
Sale of wheat flour operation in Mexico	3,677,788	—	—
Interests collected	13,273	16,498	15,057
Other	922	12,382	15,345
Net cash flows used in investing activities of discontinued operations	(75,464)	(257,825)	(266,311)
Net cash flows provided by (used in) investing activities	1,995,588	(1,524,901)	(3,455,629)
Cash to be used in (provided by) financing activities	8,725,588	5,154,530	(1,649,493)
Financing activities:			
Proceeds from debt	8,838,154	12,361,530	14,617,718
Payment of debt	(15,649,521)	(15,873,548)	(6,970,516)
Interests paid	(1,010,976)	(994,675)	(767,618)
Derivative financial instruments collected	(13,832)	24,366	143,889
Acquisition of Company's own shares	—	—	(4,011,348)
Acquisition of non-controlling interest (1)	—	(37,418)	(996,575)
Capital contribution from non-controlling interest	—	—	165,710
Dividends paid	(750,515)	(594,024)	(96,187)
Net cash flows used in financing activities of discontinued operations	(4,556)	1,373	(267,398)
Net cash flows (used in) provided by financing activities	(8,591,246)	(5,112,396)	1,817,675
Net increase in cash and cash equivalents	134,342	42,134	168,182
Exchange differences on cash	(7,809)	9,053	(60,465)
Cash and cash equivalents at the beginning of the year	1,338,555	1,287,368	1,179,651
Cash and cash equivalents at the end of the year	$ 1,465,088	Ps. 1,338,555	Ps. 1,287,368

The accompanying notes are an integral part of these consolidated financial statements.

(1) At December 31, 2013, an account payable for Ps.103,300 resulted from this transaction.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014 AND 2013
(In thousands of Mexican pesos, except where otherwise indicated)

1. ENTITY AND OPERATIONS

Gruma, S.A.B. de C.V. (GRUMA) is a Mexican company with subsidiaries located in Mexico, the United States of America, Central America, Europe, Asia and Oceania, together referred to as the "Company". The Company's main activities are the production and sale of corn flour, tortillas and related products.

GRUMA is a publicly held corporation (S*ociedad Anónima Bursátil de Capital Variable)* organized under the laws of Mexico. The address of its registered office is Rio de la Plata 407 in San Pedro Garza García, Nuevo León, Mexico. GRUMA is listed on the Mexican Stock Exchange and the New York Stock Exchange.

The consolidated financial statements were authorized by the Chief Administrative Office of the Company on February 25, 2015.

2. BASIS OF PREPARATION

The consolidated financial statements of Gruma, S.A.B. de C.V. and Subsidiaries for all the periods presented have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The IFRS also include the International Accounting Standards (IAS) in force, as well as all the related interpretations issued by the IFRS Interpretations Committee, including those previously issued by the Standing Interpretations Committee.

The Company applied IFRS that were effective at December 31, 2014. The following standards have been adopted by the Company for the first time for the year beginning on January 1, 2014 and had the following impact:

- Amendment to IAS 32, "Financial instruments: Presentation", issued in December 2011, included changes in the accounting requirements related with the offsetting of financial assets and liabilities. The implementation of these changes had no impact on the Company's financial position or performance.

- Amendment to IAS 39, "Financial instruments: Recognition and Measurement", issued in June 2013 to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, as long as certain criteria are met. The application of this amendment had no impact on the Company's financial position or performance.

- IFRIC Interpretation 21, "Levies", issued in May 2013, clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation had no impact on the Company's financial position or performance.

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A) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of historical cost, except for Venezuela's financial information for the year 2012, due to its hyperinflationary environment, and for the fair value of certain financial instruments as described in the policies shown below (see Note 3-K).

The preparation of financial statements requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

B) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Mexican pesos, which is the functional currency of GRUMA.

C) USE OF ESTIMATES AND JUDGMENTS

The relevant estimates and assumptions are reviewed on a regular basis. The review of accounting estimates are recognized in the period in which the estimate was reviewed and in any future period that is affected.

In particular, the information for assumptions, uncertainties from estimates, and critical judgments in the application of accounting policies, that have the most significant effect in the recognized amounts in these consolidated financial statements are described below:

- The assumptions used for the determination of fair values of financial instruments (Note 20).
- The assumptions and uncertainties with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income (Notes 13 and 25).
- The key assumptions in impairment testing for long-lived assets used for the determination of the recoverable amount for the different cash generating units (Notes 11 and 12).
- The actuarial assumptions used for the determination of employee benefits obligations (Note 17).
- The key assumptions in impairment testing of the investment in Venezuela (Notes 26 and 28).

D) RECLASSIFICATIONS IN THE FINANCIAL STATEMENTS FOR COMPARATIVE PURPOSES

As mentioned in Note 26 "Discontinued Operations", in December 2014, the Company concluded the sale of its wheat flour operations in Mexico. Therefore, the income and cash flows provided by the wheat flour operations in Mexico, for the periods presented, are classified as a discontinued operation. As indicated by IFRS, the presentation as a discontinued operation was applied retrospectively for the periods presented in these financial statements. Additionally, certain other disclosures have also been updated to segregate amounts between continuing and discontinued operations for the periods presented.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF CONSOLIDATION

a. Subsidiaries

The subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns through its power over the investee. The financial statements of subsidiaries are incorporated in the consolidated financial statements commencing on the date on which the control begins, until the date when that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

At December 31, 2014 and 2013, the main subsidiaries included in the consolidation were:

	% of ownership	
	At December 31, 2014	At December 31, 2013
Gruma Corporation and subsidiaries	100.00	100.00
Grupo Industrial Maseca, S.A.B. de C.V. and subsidiaries	83.18	83.18
Molinera de México, S.A. de C.V. and subsidiaries (Note 26 and 29)	—	100.00
Gruma International Foods, S.L. and subsidiaries	100.00	100.00
Productos y Distribuidora Azteca, S.A. de C.V	100.00	100.00
Investigación de Tecnología Avanzada, S.A. de C.V. and subsidiaries (1)	—	100.00

(1) During March 2014, Investigación de Tecnología Avanzada, S.A. de C.V. was merged with Gruma, S.A.B. de C.V.

At December 31, 2014 and 2013, there were no significant restrictions for the investment in the subsidiaries mentioned above, except for those described in Note 26.

b. Transactions with non-controlling interest without change of control

The Company applies a policy of treating transactions with non-controlling interest as transactions with equity owners of the Company. When purchases from non-controlling interest take place, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognized as operations with holders of equity instruments; therefore, no goodwill is recognized with these acquisitions. Disposals to non-controlling interests result in gains and losses for the group and are also recorded in equity when there is no loss of control.

c. Business combinations

Business combinations are recognized through the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets given, the

liabilities incurred by the Company with the previous owners and the equity instruments issued by the Company. The cost of an acquisition also includes the fair value of any contingent payment.

The related acquisition costs are recognized in the income statement when incurred.

Identifiable assets acquired, liabilities assumed and contingent liabilities in a business combination are measured at fair value at the acquisition date.

The Company recognizes any non-controlling interest as the proportional share of the net identifiable assets of the acquired entity.

The Company recognizes goodwill when the cost including any amount of non-controlling interest in the acquired entity exceeds the fair value at acquisition date of the identifiable assets acquired and liabilities assumed.

B) FOREIGN CURRENCY

a. Transactions in foreign currency

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The differences that arise from the translation of foreign currency transactions are recognized in the income statement.

b. Foreign currency translation

The financial statements of the Company's entities are measured using the currency of the main economic environment where each entity operates (functional currency). The consolidated financial statements are presented in Mexican pesos, currency that corresponds to the presentation currency of the Company.

The financial position and results of all of the group entities that have a functional currency which differs from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate of the period.
- Income and expenses are translated at average exchange rates when it has not fluctuated significantly during the year.
- Equity is translated at the exchange rate in effect at the date when the contributions were made and the earnings were generated.
- All resulting exchange differences are recognized in other comprehensive income as a separate component of equity denominated "Foreign currency translation adjustments".

Previous to the translation to Mexican pesos, the financial statements of foreign subsidiaries with functional currency from a hyperinflationary environment are adjusted by inflation in order to reflect the changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the closing rate at the date of the most recent balance sheet. To determine the existence of hyperinflation, the Company evaluates the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by IFRS of an accumulated inflation rate equal or higher than 100% in the past three years.

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The Company applies hedge accounting to foreign exchange differences originated between the functional currency of a foreign subsidiary and the functional currency of the Company. Exchange differences resulting from the translation of a financial liability designated as hedge for a net investment in a foreign subsidiary, are recognized in other comprehensive income as a separate component denominated "Foreign currency translation adjustments" while the hedge is effective. See Note 3-L for the accounting of the net investment hedge.

The closing exchange rates used for preparing the financial statements are as follows:

	As of December 31, 2014	As of December 31, 2013
Pesos per U.S. dollar	14.7180	13.0765
Pesos per Euro	17.8912	18.0430
Pesos per Swiss franc	14.8847	14.7241
Pesos per Venezuelan bolivar (Bs.)	1.2265	2.0756
Pesos per Australian dollar	12.0462	11.6443
Pesos per Chinese yuan	2.4040	2.1428
Pesos per Pound sterling	22.9042	21.5684
Pesos per Malaysian ringgit	4.2081	3.9692
Pesos per Costa Rica colon	0.0270	0.0258
Pesos per Ukrainian hryvnia	0.9302	1.6341
Pesos per Russian ruble	0.2616	0.3995
Pesos per Turkish lira	6.3470	6.1268

C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short term highly liquid investments with original maturities of less than three months. These items are recognized at historical cost, which do not differ significantly from its fair value.

D) ACCOUNTS RECEIVABLE

Trade receivables are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method, less provision for impairment. The Company has determined that the amortized cost does not represent significant differences with respect to the invoiced amount from short-term trade receivables, since the transactions do not have relevant associated costs.

Allowances for doubtful accounts or impairment represent the Company's estimates of losses that could arise from the failure or inability of customers to make payments when due. These estimates are based on the ageing of customers' balances, specific credit circumstances and the Company's historical bad receivables experience.

E) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the average cost method. The net realizable value is the estimated selling price of inventory in the normal course of business, less applicable variable selling expenses. The cost of finished goods and production in process comprises raw materials, direct labor, other direct costs and related production overheads.

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Cost of inventories may also include the transfer from equity of any gains or losses on qualifying cash flow hedges for purchases of raw materials.

F) INVESTMENTS IN ASSOCIATES

Associates are all entities over which the Company has significant influence over, but does not control the financial and operative decisions. It is assumed that significant influence exists when there is a shareholding of between 20% and 50% of the voting rights of the other entity or less than 20% when it is clearly demonstrated that such significant influence exists.

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Company's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying value of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains and losses from transactions held with associates are eliminated from the investment in proportion to the Company's share in the entity.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and recognized impairment losses. Cost includes expenses that are directly attributable to the asset acquisition.

Subsequent costs, including major improvements, are capitalized and are included in the carrying value of the asset or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the costs can be measured reliably. Repairs and maintenance are recognized in the income statement when incurred. Major improvements are depreciated during the remaining useful life of the related asset. Leasehold improvements are depreciated using the lower of the lease term or useful life. Land is not depreciated.

Costs of borrowings, general and specific, of qualifying assets that require a substantial period of time (over one year) for acquisition or construction, are capitalized as part of the acquisition cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

Depreciation is calculated over the asset cost less residual value, considering its components separately. Depreciation is recognized in income using the straight-line method and applying annual rates that reflect the estimated useful lives of the assets. The estimated useful lives are summarized as follows:

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	Years
Buildings	25 — 50
Machinery and equipment	5 — 25
Leasehold improvements	10 *

* The lesser of 10 years or the term of the leasehold agreement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses from sale of assets result from the difference between revenues of the transaction and the book value of the assets, which is included in the income statement as other expenses, net.

H) INTANGIBLE ASSETS

a. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment, or whenever the circumstances indicate that the value of the asset might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

b. Intangible assets with finite lives

Intangible assets with finite lives are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

	Years
Non-compete agreements	3 - 20
Patents and trademarks	3 - 20
Customer lists	5 - 20
Software for internal use	3 - 7

c. Indefinite-lived intangible assets

Indefinite-lived intangible assets are not amortized, but subject to impairment tests on an annual basis or whenever the circumstances indicate that the value of the asset might be impaired.

d. Research and development

Research costs are expensed when incurred.

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Costs from development activities are recognized as an intangible asset when such costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits will be obtained, and the Company pretends and has sufficient resources in order to complete the development and use or sell the asset. The amortization is recognized in income based on the straight-line method during the estimated useful life of the asset.

Development costs that do not qualify as intangible assets are recognized in income when incurred.

I) IMPAIRMENT OF LONG-LIVED ASSETS AND INVESTMENT IN ASSOCIATES

The Company performs impairment tests for its property, plant and equipment, intangible assets with finite lives, and investment in associates, when certain events and circumstances suggest that the carrying value of the assets might not be recovered. Indefinite-lived intangible assets and goodwill are subject to impairment tests at least once a year.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of an asset's fair value less costs to sell and value in use. To determine value in use, estimated future cash flows are discounted at present value, using a pre-tax discount rate that reflect time value of money and considering the specific risks associated with the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

Impairment losses on goodwill are not reversed. For other assets, impairment losses are reversed if a change in the estimates used for determining the recoverable amount has occurred. Impairment losses are reversed to the extent that the book value does not exceed the book value that was determined, net of depreciation or amortization, if no impairment loss was recognized.

J) LONG-LIVED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Long-lived assets are classified as held for sale when (a) their carrying amount is to be recovered mainly through a sale transaction, rather than through continuing use, (b) the assets are held immediately for sale and (c) the sale is considered highly probable in its current condition.

For the sale to be considered highly probable:

- Management must be committed to a sale plan.
- An active program must have begun in order to locate a buyer and to complete the plan.
- The asset must actively be quoted for its sale at a price that is reasonable to its current fair value; and
- The sale is expected to be completed within a year starting the date of classification.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Discontinued operations are the operations and cash flows that can be clearly distinguished from the rest of the entity, that either have been disposed of or are classified as held for sale, and:

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- Represent a line of business or geographical area of operations.
- Are part of a single coordinated plan to dispose of a line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

K) FINANCIAL INSTRUMENTS

Regular purchases and sales of financial instruments are recognized in the balance sheet on the trade date, which is the date when the Company commits to purchase or sell the instrument.

a. Financial assets

Classification

In its initial recognition and based on its nature and characteristics, the Company classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) financial assets held until maturity, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Balances of financial instruments held by the Company at December 31, 2014 and 2013 are disclosed in Note 20-A.

i. Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss when designated as held for trading or classified as such in its initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are carried at fair value, and directly attributable transaction costs and corresponding changes of fair value are recognized in the income statement. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for assets with maturities greater than 12 months. Initially, these assets are carried at fair value plus any transaction costs directly attributable to them; subsequently, these assets are recognized at amortized cost using the effective interest rate method.

iii. Financial assets held until maturity

When the Company has the intention and capacity to keep debt instruments until maturity, these financial assets are classified as held until maturity. Initially, these assets are carried at fair value plus any transaction costs directly attributable to them; subsequently, these assets are recognized at amortized cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any of the other categories. They are included in current assets, except for assets with maturities greater than 12 months. These assets are initially recognized at fair value

plus any transaction costs directly attributable to them; subsequently, these assets are recognized at fair value. If these assets cannot be measured through an active market, then they are measured at cost (See Note 26). Profit or losses from changes in the fair value are recognized in other comprehensive income in the period when incurred. At disposition date, such profit or losses are recognized in income.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of interest income. Dividends on available-for-sale equity instruments are recognized in the income statement when the Company's right to receive payments is established.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. See Note 3-D for the accounting policy for the impairment of accounts receivable.

b. Financial liabilities

i. Debt and financial liabilities

Debt and financial liabilities that are non-derivatives are initially recognized at fair value, net of transaction costs directly attributable to them: subsequently, these liabilities are recognized at amortized cost. The difference between the net proceeds and the amount payable is recognized in the income statement during the debt term, using the effective interest rate method.

ii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities for trading and financial liabilities designated at initial recognition.

L) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are initially recognized at fair value and are subsequently re-measured at their fair value; the transaction costs are recognized in the income statement when incurred. Derivative financial instruments are classified as current, except for maturities exceeding 12 months.

Fair value is determined based on recognized market prices. When not quoted in markets, fair value is determined using valuation techniques commonly used in the financial sector. Fair value reflects the credit risk of the instrument and includes adjustments to consider the credit risk of the Company or the counterparty, when applicable.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge and, if so, the nature of the item being hedged. The Company designates derivative financial instruments as follows:

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- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, including objectives, strategies for risk management and the method for assessing effectiveness in the hedge relationship.

a. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. At December 31, 2014 and 2013, the Company did not have this type of hedging.

b. Cash flow hedges

For cash flow hedge transactions, changes in the fair value of the derivative financial instrument are included as other comprehensive income in equity, based on the evaluation of the hedge effectiveness, and are reclassified to the income statement in the periods when the projected transaction is realized, see Note 20-C.

Hedge effectiveness is determined when changes in the fair value or cash flows of the hedged position are compensated with changes in the fair value or cash flows of the hedge instrument in a quotient that ranges between 80% and 125% of inverse correlation. Ineffective portions from changes in the fair value of derivative financial instruments are recognized immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately registered in the income statement.

c. Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold, see Note 18-D.

M) LEASES

a. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the period of the lease.

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b. Finance leases

Leases where the Company has substantially all the risks and rewards of ownership, are classified as finance leases.

Under finance leases, at the initial date, both assets and liabilities are recognized at the lower of the fair value of the leased property and the present value of the minimum lease payments. In order to discount the minimum payments, the Company uses the interest rate implicit in the lease, if this practicable to determine; if not, the Company's incremental borrowing rate is used.

Lease payments are allocated between the interest expense and the reduction of the pending liability. Interest income is recognized in each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

N) EMPLOYEE BENEFITS

a. Post-employment benefits

In Mexico, the Company has the following defined benefit plans:

- Single-payment retirement plan, when employees reach the required retirement age, which is 60.
- Seniority premium, after 15 years of service.

The Company has established trust funds in order to meet its obligations for the seniority premium. Employees do not contribute to these funds.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation, less the fair value of plan assets. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using discount rates in accordance with IAS-19, that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401 (k) contributions with matching contributions of the Company in this country. The Company's contributions are recognized in the income statement when incurred.

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b. Termination benefits

Termination benefits are payable when employment is terminated by decision of the Company, before the normal retirement date.

The Company recognizes termination benefits as a liability at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring representing a provision and involves the payment of termination benefits. Termination benefits that do not meet this requirement are recognized in the income statement in the period when incurred.

c. Short term benefits

Short term employee benefits are measured at nominal base and are recognized as expenses as the service is rendered. If the Company has the legal or constructive obligation to pay as a result of a service rendered by the employee in the past and the amount can be estimated, an obligation is recognized for short term bonuses or profit sharing.

O) PROVISIONS

Provisions are recognized when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

P) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Q) REVENUE RECOGNITION

Sales are recognized upon shipment to, and acceptance by, the Company’s customers or when the risk of ownership has passed to the customers. Revenue comprises the fair value of the consideration received or receivable, net of returns, discounts, and rebates. Provisions for discounts and rebates to customers, returns and other adjustments are recognized in the same period that the related sales are recorded and are based upon either historical estimates or actual terms.

R) INCOME TAXES

The tax expense of the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized from the analysis of the balance sheet considering temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been approved or substantially approved at the date of the balance sheet and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for tax loss carry-forwards not used, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In each period-end deferred income tax assets are reviewed and reduced to the extent that it is not probable that the benefits will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to set off assets against liabilities and are related to income tax levied by the same tax authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

S) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, which include convertible debt and share options.

For the years ended December 31, 2014, 2013 and 2012, the Company had no dilutive instruments issued.

T) SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity. Operating results from an operating segment are regularly reviewed by the entity’s chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. RISK AND CAPITAL MANAGEMENT

A) RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk and liquidity risk. The group’s overall risk management

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focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. The Company uses derivative financial instruments to hedge some of these risks.

Currency risk

The Company operates internationally and thus, is exposed to currency risks, particularly with the U.S. dollar. Currency risks arise from commercial operations, recognized assets and liabilities and net investments in foreign subsidiaries.

The following tables detail the exposure of the Company to currency risks at December 31, 2014 and 2013. The tables show the carrying amount of the Company's financial instruments denominated in currencies other than Mexican pesos.

At December 31, 2014:

	Amounts in thousands of Mexican pesos				
	U.S. Dollar	Pound sterling	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current (1)	Ps. 2,917,159	Ps. 370,185	Ps. 384,298	Ps. 1,402,849	Ps. 5,074,491
Non-current	9,994	—	836	19,742	30,572
Monetary liabilities:					
Current	(5,476,106)	(278,869)	(291,244)	(869,436)	(6,915,655)
Non-current	(9,100,161)	(2,075)	(36,458)	(180,569)	(9,319,263)
Net position	Ps. (11,649,114)	Ps. 89,241	Ps. 57,432	Ps. 372,586	Ps. (11,129,855)

At December 31, 2013:

	Amounts in thousands of Mexican pesos				
	U.S. Dollar	Pound sterling	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current (1)	Ps. 2,776,046	Ps. 265,952	Ps. 764,541	Ps. 1,077,969	Ps. 4,884,508
Non-current	9,912	—	7,406	10,854	28,172
Monetary liabilities:					
Current	(5,459,193)	(271,561)	(247,916)	(544,162)	(6,522,832)
Non-current	(9,536,365)	(2,157)	(20,864)	(53,503)	(9,612,889)
Net position	Ps. (12,209,600)	Ps. (7,766)	Ps. 503,167	Ps. 491,158	Ps. (11,223,041)

(1) Approximately 70% of this balance corresponds to accounts receivable.

For the years ended December 31, 2014, 2013 and 2012, the effects of exchange rate differences on the Company's monetary assets and liabilities were recognized as follows:

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	2014	2013	2012
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investment in foreign subsidiaries, recorded directly to equity as an effect of foreign currency translation adjustments	Ps. (961,855)	Ps. (46,412)	Ps. 468,381
Exchange differences arising from foreign currency transactions recognized in the income statement	72,413	46,473	(82,577)
	Ps. (889,442)	Ps. 61	Ps. 385,804

Net sales are denominated in Mexican pesos, U.S. dollars, and other currencies. Sales generated in Mexican pesos were 30% in 2014, 33% in 2013 and 35% in 2012 of total net sales. Sales generated in U.S. dollars were 53% in 2014, 51% in 2013 and 50% in 2012 of total net sales. Additionally, at December 31, 2014 and 2013, 70% and 71%, respectively, of total assets were denominated in different currencies other than Mexican pesos, mainly in U.S. dollars. An important portion of operations are financed through debt denominated in U.S. dollars. For the years ended December 31, 2014, 2013 and 2012, net sales in currencies other than Mexican pesos amounted to Ps.34,825,230, Ps.32,925,736 and Ps.32,139,710, respectively.

An important currency risk for the debt denominated in U.S. dollars is present in subsidiaries that are not located in the United States, which represented 100% of total debt denominated in U.S. dollars.

At December 31, 2014, the Company had no open positions of foreign exchange derivative instruments. At December 31, 2013, the Company had foreign exchange derivative instruments for a nominal amount of U.S.$65 million maturing in January 2014. The purpose of these instruments is to hedge the risks related to exchange rate variations on corn price, in those cases in which is denominated in U.S. dollars.

The effect of foreign exchange differences recognized in the income statements for the years ended December 31, 2014, 2013 and 2012, related with the assets and liabilities denominated in foreign currency, totaled a gain of Ps.72,413, a gain of Ps.46,473 and a loss of Ps.(82,577), respectively. Considering the exposure at December 31, 2014, 2013 and 2012, and assuming an increase or decrease of 10% in the exchange rates while keeping constant the rest of the variables such as interest rates, the effect after taxes in the Company's consolidated results will be an increase or a decrease of Ps.12,521, Ps.35,796 and Ps.458,069, respectively.

Interest rate risk

The variations in interest rates could affect the interest expense of financial liabilities bearing variable interest rates, and could also modify the fair value of financial liabilities bearing fixed interest rates.

For the Company, interest rate risk is mainly derived from debt financing transactions, including debt securities, bank and vendor credit facilities and leases. These financing transactions generate exposure to interest rate risk, principally due to changes in relevant base rates (mainly, LIBOR, and to a lesser extent, TIIE and EUROLIBOR) that are used to determine the interest rates applicable to the borrowings.

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The following table shows, at December 31, 2014 and 2013, the Company's debt at fixed and variable rates:

	Amounts in thousands of Mexican pesos	
	2014	2013
Debt at fixed interest rate	Ps. 5,855,096	Ps. 3,747,511
Debt at variable interest rate	4,906,064	12,624,829
Total	Ps. 10,761,160	Ps. 16,372,340

From time to time, the Company uses derivative financial instruments such as interest rate swaps for the purposes of hedging a portion of its debt, in order to reduce the Company's exposure to increases in interest rates.

For variable rate debt, an increase in interest rates will increase interest expense. A hypothetical increase of 100 basis points in interest rates on debt at December 31, 2014, 2013 and 2012 will have an effect on the results of the Company of Ps.49,061, Ps.126,248 and Ps.161,370, respectively, considering debt and interest rates at that date, and assuming that the rest of the variables remain constant.

Commodity price risk and derivatives

The availability and price of corn, wheat and other agricultural commodities and fuels, are subject to wide fluctuations due to factors outside of the Company's control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand/supply and global production of similar and competitive crops, as well as fuels. The Company hedges a portion of its production requirements through commodity futures and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, diesel and soy oils which exist as part of ongoing business operations. The open positions for hedges of purchases do not exceed the maximum production requirements for a period no longer than 18 months, based on the Company's corporate policies.

During 2014, the Company entered into short-term hedge transactions through commodity futures and options to hedge a portion of its requirements. All derivative financial instruments are recorded at their fair value as either assets or liabilities. Changes in the fair value of derivatives are recorded each period in earnings or accumulated other comprehensive income in equity, depending on whether the derivative qualifies for hedge accounting and is effective as part of a hedge transaction. Ineffectiveness results when the change in the fair value of the hedge instruments differs from the change in the fair value of the position.

For hedge transactions that qualify and are effective, gains and losses are deferred until the underlying asset or liability is settled, and then are recognized as part of that transaction.

Gains and losses which represent hedge ineffectiveness and derivative transactions that do not qualify for hedge accounting are recognized in the income statement.

At December 31, 2014, 2013 and 2012, financial instruments that qualify as hedge accounting represented a unfavorable effect of Ps.25,133 and Ps.71,540 in 2014 and 2013, respectively, and a favorable effect of Ps.119,275 in 2012, which was recognized as comprehensive income in equity.

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From time to time the Company hedges commodity price risks utilizing futures and options strategies that do not qualify for hedge accounting. As a result of non-qualification, these derivative financial instruments are recognized at their fair values and the associated effect is recorded in current period earnings. For the years ended December 31, 2014 and 2012, the Company recognized a favorable effect of Ps.45,534 and Ps.17,090, respectively. Additionally, as of December 31, 2014 and 2013 the Company realized Ps.76,635 and Ps.30,160, respectively, in net losses on commodity price risk hedges that did not qualify for hedge accounting; likewise, as of December 31, 2012, realized net gains of Ps.21,058.

Based on the Company's overall commodity exposure at December 31, 2014, 2013 and 2012, a decrease or increase of 10 percent in market prices applied to the fair value of these instruments would result in a gain or loss to the income statement of Ps.34,693, Ps.54,568 and Ps.68,811, respectively (for non-qualifying contracts).

In Mexico, to support the commercialization of corn for Mexican corn growers, Mexico's Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Ministry (Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, or SAGARPA), through the Agricultural Incentives and Services Agency (Apoyos y Servicios a la Comercialización Agropecuaria, or ASERCA), a government agency founded in 1991, implemented a program designed to promote corn sales in Mexico. The program includes the following objectives:

- Ensure that the corn harvest is brought to market, providing certainty to farmers concerning the sale of their crops and supply security for the buyer.
- Establish a minimum price for the farmer and a maximum price for the buyer, which are determined based on international market prices, plus a basic formula specific for each region.
- Implement a corn hedging program to allow both farmers and buyers to minimize their exposure to price fluctuations in the international markets.

To the extent that this or other similar programs are canceled by the Mexican government, we may be required to incur additional costs in purchasing corn for our operations, and therefore we may need to increase the prices of our products to reflect such additional costs.

Credit risk

The Company's regular operations expose it to defaults when customers and counterparties are unable to comply with their financial or other commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations.

The Company is also exposed to risks in connection with its cash management activities and temporary investments, and any disruption that affects its financial intermediaries could also adversely affect its operations.

The Company's exposure to risk due to trade receivables is limited given the large number of its customers located in different parts of Mexico, the United States, Central America, Europe, Asia and Oceania. For this reason, there is not a significant concentration of credit risk. However, the Company still maintains allowances for doubtful accounts. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

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Since most of the clients do not have an independent rating of credit quality, the Company's management determines the maximum credit risk for each one, taking into account its financial position, past experience, and other factors. Credit limits are established according to policies set by the Company, which also includes controls that assure its compliance.

During 2014 and 2013, credit limits were complied with and, consequently, management does not expect any important losses from trade accounts receivable.

The Company has centralized its treasury operations in Mexico and in the United States for its operations in that country. Liquid assets are invested primarily in government bonds and short term debt instruments with a minimum grade of "A1/P1" in the case of operations in the United States and "A" for operations in Mexico. For operations in Central America, only invests cash reserves with leading local banks and local branches of international banks. Additionally, small investments are maintained abroad. The Company faces credit risk from potential defaults of their counterparts with respect to financial instruments they use. Substantially all of these financial instruments are not guaranteed. Additionally, when the Company enters into hedge contracts for exchange rates, interest rates and/or commodities, it minimizes the risk of default by the counterparts by contracting derivative financial instruments only with major national and international financial institutions using contracts and standard forms issued by the International Swaps and Derivatives Association, Inc. ("ISDA") and operations standard confirmation formats.

Investment risk in Venezuela

The recent political and civil instability that has prevailed in Venezuela represents a risk to the Company's investment in this country. The Company does not have insurance for the risk of expropriation of its investments. See Note 26 for additional information.

The exchange rate controlled by the Foreign Exchange Administration Commission (Comisión de Administración de Divisas, CADIVI) at December 31, 2012 was 4.30 Venezuelan bolivars per U.S. dollar. Certain entities in specific sectors such as the food industry, were allowed to use foreign currency to settle accounts payable or to remit dividends using the exchange rate established by CADIVI. There are often substantial delays to obtain foreign currency through this mechanism.

In March 2013, the Venezuelan government announced the creation of an alternative exchange mechanism called the Supplementary System of Foreign Exchange Administration (Sistema Complementario de Administración de Divisas, SICAD). The SICAD operates as an auction system that allows entities of specific sectors to buy foreign currency for imports. This is not a free auction (that is, the counterpart that offers the highest price does not necessarily have the right to receive the foreign currency). Each auction may have different rules (for example, the minimum and maximum amount of foreign currency that may be offered to exchange). Limited amounts of dollars are available and entities do not commonly get the full amount for which they entered in auction. During December 2013, the Venezuelan government authorized the Central Bank of Venezuela to publish the average exchange rate resulting of SICAD auctions. During weeks of December 23 and December 30, 2013, the Central Bank of Venezuela published on its website the average exchange rate for auctions No.13 and No.14 (11.30 Venezuelan bolivars per U.S. dollar).

On January 24, 2014, Exchange Agreement No. 25 became effective, which establishes the concepts to which the SICAD exchange rate (11.30 Venezuelan bolivars per U.S. dollar) applies to, for foreign currency transactions. In addition, the agreement also provides that the sale operation of foreign currency, whose clearance has been requested to the Central Bank of Venezuela before the Exchange

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Agreement No. 25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No.25 resulted in a net foreign exchange loss of Ps.16,642 in 2014, which was presented as discontinued operations. This exchange loss is originated by certain accounts receivable maintained with the Venezuelan companies as of December 31, 2014 which are expected to be settled at this new exchange rate (12.00 Venezuelan bolivars per U.S. dollar).

During 2014, the Venezuelan Government expanded the use of SICAD rate creating a third currency exchange mechanism called SICAD 2 which may be used by entities for certain transactions. SICAD 2 initiated operations in March 2014, at this date the average exchange rate was 51.86 Venezuelan bolivars per U.S. dollar. The SICAD 2 daily average rate is published by the Central Bank of Venezuela. See Note 26-B.

Liquidity risk

The Company funds its liquidity and capital resource requirements, in the ordinary course of business, through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- medium- and long-term debt contracting;
- offerings in Bond markets; and
- sales of its equity securities and those of its subsidiaries and affiliates from time to time.

Factors that could decrease the sources of liquidity include a significant decrease in the demand for, or price of, products, each of which could limit the amount of cash generated from operations, and a lowering of the corporate credit rating or any other credit downgrade, which could further impair the liquidity and increase costs with respect to new debt and cause stock price to suffer. The Company's liquidity is also affected by factors such as the depreciation or appreciation of the peso and changes in interest rates.

The following tables show the remaining contractual maturities of financial liabilities of the Company:

At December 31, 2014:

	Less than a year	From 1 to 3 years	From 3 to 5 years	More than 5 years	Total
Short and long term debt	Ps. 1,428,641	Ps. 1,647,598	Ps. 1,860,880	Ps. 5,887,200	Ps. 10,824,319
Interest payable from short and long term debt	387,229	692,162	589,194	287,001	1,955,586
Financing leases	8,467	10,931	—	—	19,398
Trade accounts and other payables	7,319,859	—	—	—	7,319,859
Other non-current liabilities	—	823,960	—	—	823,960
Derivative financial instruments	49,024	—	—	—	49,024
	Ps. 9,193,220	Ps. 3,174,651	Ps. 2,450,074	Ps. 6,174,201	Ps. 20,992,146

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At December 31, 2013:

	Less than a year	From 1 to 3 years	From 3 to 5 years	More than 5 years	Total
Short and long term debt	Ps. 3,272,118	Ps. 4,262,055	Ps. 5,153,781	Ps. 3,922,950	Ps. 16,610,904
Interest payable from short and long term debt	687,821	1,214,130	897,858	304,029	3,103,838
Financing leases	3,771	11,024	—	—	14,795
Trade accounts and other payables	8,003,004	—	—	—	8,003,004
Other non-current liabilities	—	671,069	—	—	671,069
Derivative financial instruments	71,540	—	—	—	71,540
	Ps. 12,038,254	Ps. 6,158,278	Ps. 6,051,639	Ps. 4,226,979	Ps. 28,475,150

The Company expects to meet its obligations with cash flows generated by operations. Additionally, the Company has access to credit line agreements with various banks to address potential cash needs.

B) CAPITAL MANAGEMENT

The Company's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to provide sustainable returns for shareholders and benefits to stockholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

In addition, to monitor capital, debt agreements contain financial covenants which are disclosed in Note 14.

5. SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products in different geographical regions. These business units are managed separately because each business segment requires different technology and marketing strategies.

The Company's reportable segments are as follows:

- Corn flour and packaged tortilla division (United States and Europe):
  Manufactures and distributes more than 20 varieties of corn flour that are used mainly to produce and distribute different types of tortillas and tortilla chip products in the United States. The main brands are MASECA for corn flour and MISSION and GUERRERO for packaged tortillas.

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- Corn flour division (Mexico):
  Engaged principally in the production, distribution and sale of corn flour in Mexico under MASECA brand. Corn flour produced by this division is used mainly in the preparation of tortillas and other related products.

- Corn flour, wheat flour and other products division (Venezuela) — Discontinued operation:
  Engaged, mainly, in producing and distributing grains used principally for industrial and human consumption. The main brands are JUANA, TIA BERTA and DECASA for corn flour; ROBIN HOOD and POLAR for wheat flour; MONICA for rice and LASSIE for oats.

- Other segments:
  This section represents those segments whose amounts on an individual basis do not exceed 10% of the consolidated total of net sales, operating income and assets. These segments are:
  a) Corn flour, hearts of palm, rice, and other products (Central America).
  b) Wheat flour (México) — Discontinued operation.
  c) Packaged tortillas (México).
  d) Wheat flour tortillas and snacks (Asia and Oceania).
  e) Technology and equipment, which conducts research and development regarding flour and tortilla manufacturing equipment, produces machinery for corn flour and tortilla production and is engaged in the construction of the Company's corn flour manufacturing facilities.

All inter-segment sales prices are market-based. The Chief Executive Officer evaluates performance based on operating income of the respective business units. The accounting policies for the reportable segments are the same as the policies described in Notes 2 and 3.

Segment information as of and for the year ended December 31, 2014:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 29,278,747	Ps. 14,601,217	Ps. 6,033,808	Ps. 21,556	Ps. 49,935,328
Inter-segment net sales	44,162	472,889	1,128,571	(1,645,622)	—
Operating income (loss)	2,861,967	2,129,365	355,281	676,301	6,022,914
Depreciation and amortization	1,066,561	698,493	242,269	(467,974)	1,539,349
Total assets	18,742,701	10,908,911	8,327,030	2,658,088	40,636,730
Total liabilities	7,452,455	2,943,529	3,688,623	8,467,877	22,552,484
Expenditures for fixed assets	796,255	343,813	426,239	30,991	1,597,298

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Segment information as of and for the year ended December 31, 2013:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 27,760,984	Ps. 15,575,243	Ps. 5,626,457	Ps. 72,839	Ps. 49,035,523
Inter-segment net sales	39,639	368,796	1,172,465	(1,580,900)	—
Operating income (loss)	2,136,570	2,447,975	266,692	(211,486)	4,639,751
Depreciation and amortization	1,066,910	321,244	220,988	5,469	1,614,611
Total assets	17,364,824	11,547,873	10,384,077	3,311,866	42,608,640
Investment in associates	—	—	64,713	84,168	148,881
Total liabilities	8,942,631	4,238,286	3,204,957	11,795,906	28,181,780
Expenditures for fixed assets	849,693	566,512	187,260	(194,735)	1,408,730

Segment information as of and for the year ended December 31, 2012:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Corn flour, wheat flour and other products division (Venezuela)- Discontinued operation	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 26,900,883	Ps. 16,510,471	Ps. —	Ps. 5,822,755	Ps. 36,425	Ps. 49,270,534
Inter-segment net sales	30,672	437,189	—	1,097,289	(1,565,150)	—
Operating income (loss)	1,334,615	1,749,125	—	(60,064)	(414,583)	2,609,093
Depreciation and amortization	1,058,384	346,146	—	255,372	(95,429)	1,564,473
Total assets	17,600,503	12,793,474	7,087,569	11,318,494	660,362	49,460,402
Investment in associates	—	—	—	146,388	1,009,863	1,156,251
Total liabilities	7,931,084	3,808,836	2,948,192	4,630,339	15,808,234	35,126,685
Expenditures for fixed assets	1,630,227	451,771	—	184,794	117,939	2,384,731

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A summary of information by geographic segment for the years ended December 31, 2014, 2013 and 2012 is presented below:

	2014	%	2013	%	2012	%
Net sales to external customers:						
United States and Europe	Ps. 29,278,747	59	Ps. 27,760,984	57	Ps. 26,900,883	55
Mexico	15,110,099	30	16,109,787	33	17,130,824	34
Central America	3,478,894	7	3,385,916	7	3,368,693	7
Asia and Oceania	2,067,588	4	1,778,836	3	1,870,134	4
	Ps. 49,935,328	100	Ps. 49,035,523	100	Ps. 49,270,534	100
Capital expenditures:						
United States and Europe	Ps. 796,255	47	Ps. 849,693	60	Ps. 1,630,227	68
Mexico	621,123	36	385,242	27	631,359	27
Central America	83,213	5	49,614	4	70,078	3
Asia and Oceania	96,707	12	124,181	9	53,067	2
	Ps. 1,597,298	100	Ps. 1,408,730	100	Ps. 2,384,731	100
Identifiable assets						
United States and Europe	Ps. 18,742,701	46	Ps. 17,364,824	41	Ps. 17,600,503	36
Mexico	16,397,034	40	19,510,613	46	18,695,391	38
Venezuela — Discontinued operation	—	—	—	—	7,087,569	14
Central America	2,416,331	6	2,239,126	5	2,376,482	5
Asia and Oceania	3,080,664	8	3,494,077	8	3,700,457	7
	Ps. 40,636,730	100	Ps. 42,608,640	100	Ps. 49,460,402	100

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

	At December 31, 2014	At December 31, 2013
Cash at bank	Ps. 1,250,167	Ps. 809,905
Short-term investments (less than 3 months)	214,921	528,650
	Ps. 1,465,088	Ps. 1,338,555

7. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following:

	At December 31, 2014	At December 31, 2013
Trade accounts and notes receivable	Ps. 4,893,079	Ps. 5,177,963
Accounts receivable with Venezuelan companies	1,123,900	1,137,718
Employees	2,647	9,545
Recoverable value-added tax	327,938	901,570
Other debtors	396,899	294,377
Allowance for doubtful accounts	(255,067)	(327,856)
	Ps. 6,489,396	Ps. 7,193,317

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The age analysis of accounts receivable is as follows:

	Total	Not past due date balances	Past due balances 1 to 120 days	Past due balances 121 to 240 days	Past due balances More than 240 days
Accounts receivable	Ps. 6,744,463	Ps. 4,327,191	Ps. 1,196,623	Ps. 39,869	Ps. 1,180,780
Allowance for doubtful accounts	(255,067)	(132,714)	(55,424)	(5,285)	(61,644)
Total at December 31, 2014	Ps. 6,489,396	Ps. 4,194,477	Ps. 1,141,199	Ps. 34,584	Ps. 1,119,136

	Total	Not past due date balances	Past due balances 1 to 120 days	Past due balances 121 to 240 days	Past due balances More than 240 days
Accounts receivable	Ps. 7,521,173	Ps. 4,577,857	Ps. 1,494,638	Ps. 82,260	Ps. 1,366,418
Allowance for doubtful accounts	(327,856)	(60,217)	(40,619)	(50,217)	(176,803)
Total at December 31, 2013	Ps. 7,193,317	Ps. 4,517,640	Ps. 1,454,019	Ps. 32,043	Ps. 1,189,615

For the years ended December 31, 2014 and 2013, the movements on the allowance for doubtful accounts are as follows:

	2014	2013
Beginning balance	Ps. (327,856)	Ps. (368,234)
Allowance for doubtful accounts	(20,426)	(52,208)
Receivables written off during the year	99,870	92,700
Exchange differences	(6,655)	(114)
Ending balance	Ps. (255,067)	Ps. (327,856)

8. INVENTORIES

Inventories consisted of the following:

	At December 31, 2014	At December 31, 2013
Raw materials, mainly corn and wheat	Ps. 3971,721	Ps. 5,182,139
Finished products	939,410	925,917
Materials and spare parts	1,223,602	1,132,007
Production in process	160,243	148,755
Advances to suppliers	90,267	76,223
Inventory in transit	171,534	179,089
	Ps. 6,556,777	Ps. 7,644,130

For the years ended December 31, 2014, 2013 and 2012, the cost of raw materials consumed and the changes in the inventories of production in process and finished goods, recognized as cost of sales amounted to Ps.19,047,263, Ps.20,036,893 and Ps.22,735,345, respectively.

For the years ended December 31, 2014, 2013 and 2012, the Company recognized Ps.93,013, Ps.69,178 and Ps.88,713, respectively, for inventory that was damaged, slow-moving and obsolete.

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9. LONG-TERM NOTES AND ACCOUNTS RECEIVABLE

Long-term notes and accounts receivable are as follows:

	At December 31, 2014	At December 31, 2013
Long-term notes receivable from sale of tortilla machines	Ps. 134,502	Ps. 144,142
Guarantee deposits	29,596	29,874
Long-term recoverable value-added tax	7,453	6,531
Other	11,292	10,316
	Ps. 182,843	Ps. 190,863

At December 31, 2014 and 2013, long-term notes receivable are denominated in pesos, maturing from 2016 to 2018 and bearing monthly interests at an annual average rate of 16.5% for both years.

10. INVESTMENT IN ASSOCIATE

Investment in associate is comprised of the following:

	At December 31, 2014	At December 31, 2013
Harinera de Monterrey, S.A. de C.V (Mexican company)	Ps. —	Ps. 148,881
	Ps. —	Ps. 148,881

The percentage of interest held in associate is:

	At December 31, 2014	At December 31, 2013
Harinera de Monterrey, S.A. de C.V	—	40%

Harinera de Monterrey, S.A. de C.V.

On June 10, 2014, GRUMA reached an agreement with Grupo Trimex, S.A. de C.V. for the sale of its wheat flour operations in Mexico. The sale concluded in December 2014. The associate Harinera de Monterrey, S.A. de C.V. was part of this sale operation. See Note 26-A for additional information.

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Valores Azteca, S.A. de C.V.

The Extraordinary Stockholders' Meeting held on May 15, 2013 agreed on the merger by incorporation of Valores Azteca as merged company that is extinguished, with GRUMA as merging company. In accordance with this merger, GRUMA as owner of 45% of the capital stock of Valores Azteca, received 24,566,561 ordinary shares, with no par value, Series B, Class I, of GRUMA. The effect in the Company's equity as a result of this merger was $1,009,848, derived from cancellation of the Company's investment in Valores Azteca, whose only asset was represented by GRUMA's shares.

At December 31, 2012, Valores Azteca had 9.66% of the outstanding shares of the Company. As of December 31, 2012 and until the date of the merger, Valores Azteca had assets amounting to Ps.1,094,016 and no liabilities. From January 1, 2013 and until the date of the merger, Valores Azteca did not perform any operation and for the year ended December 31, 2012, had no revenues and reported a net profit of Ps.107,963. Valores Azteca was a private company and did not perform any operation or activity besides owning the shares of GRUMA. Derived from the multiple transactions completed on December 14, 2012 (see Note 29), the Company acquired 45% of the outstanding shares of Valores Azteca.

11. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the years ended December 31, 2014 and 2013 were as follows:

	Land and buildings	Machinery and equipment	Leasehold improvements	Construction in progress	Total
At December 31, 2012					
Cost	Ps. 8,908,549	Ps. 28,915,146	Ps. 1,152,567	Ps. 1,403,066	Ps. 40,379,328
Accumulated depreciation	(2,923,702)	(16,009,897)	(528,195)	—	(19,461,794)
Net book value	Ps. 5,984,847	Ps. 12,905,249	Ps. 624,372	Ps. 1,403,066	Ps. 20,917,534
For the year ended December 31, 2013					
Opening net book value	Ps. 5,984,847	Ps. 12,905,249	Ps. 624,372	Ps. 1,403,066	Ps. 20,917,534
Exchange differences	(53,934)	(46,458)	6,951	2,659	(90,782)
Additions	6,691	384,303	1,953	1,075,379	1,468,326
Disposals	(7,680)	(221,036)	(8,578)	(11,919)	(249,213)
Depreciation charge from continuing operations	(163,255)	(1,098,155)	(90,264)	—	(1,351,674)
Transfers to assets held for sale	—	(103,300)	—	—	(103,300)
Transfers (1)	160,523	1,196,601	209,329	(1,566,453)	—
Impairment	—	(16,930)	—	—	(16,930)
Discontinued operations	(875,211)	(1,657,813)	(6,058)	(129,907)	(2,668,989)
Closing net book value	Ps. 5,051,981	Ps. 11,342,461	Ps. 737,705	Ps. 772,825	Ps. 17,904,972
At December 31, 2013					
Cost	Ps. 7,747,517	Ps. 26,801,643	Ps. 1,314,759	Ps. 772,825	Ps. 36,636,744
Accumulated depreciation	(2,695,536)	(15,459,182)	(577,054)	—	(18,731,772)
Net book value	Ps. 5,051,981	Ps. 11,342,461	Ps. 737,705	Ps. 772,825	Ps. 17,904,972

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	Land and buildings	Machinery and equipment	Leasehold improvements	Construction in progress	Total
For the year ended December 31, 2014					
Opening net book value	Ps. 5,051,981	Ps. 11,342,461	Ps. 737,705	Ps. 772,825	Ps. 17,904,972
Exchange differences	278,400	699,298	80,285	36,649	1,094,632
Additions	138,727	427,996	13,791	1,132,298	1,712,812
Disposals	(4,684)	(232,215)	(2,341)	(14,095)	(253,335)
Depreciation charge from continuing operations	(176,029)	(1,090,620)	(88,750)	—	(1,355,399)
Transfers (1)	404,565	967,484	31,194	(1,403,243)	—
Acquisition through business combinations	—	26,282	—	—	26,282
Impairment	(14,395)	—	—	—	(14,395)
Discontinued operations	(596,689)	(681,295)	(658)	(22,591)	(1,301,233)
Closing net book value	Ps. 5,081,876	Ps. 11,459,391	Ps. 771,226	Ps. 501,843	Ps. 17,814,336
At December 31, 2014					
Cost	Ps. 7,661,597	Ps. 27,864,912	Ps. 1,504,589	Ps. 501,843	Ps. 37,532,941
Accumulated depreciation	(2,579,721)	(16,405,521)	(733,363)	—	(19,718,605)
Net book value	Ps. 5,081,876	Ps. 11,459,391	Ps. 771,226	Ps. 501,843	Ps. 17,814,336

(1) Transfers correspond to capitalizations of construction in progress.

For the years ended December 31, 2014, 2013 and 2012, depreciation expense was recognized as follows:

	2014	2013	2012
Cost of sales	Ps. 1,094,832	Ps. 1,073,355	Ps. 1,111,572
Selling and administrative expenses	260,567	278,319	290,385
	Ps. 1,355,399	Ps. 1,351,674	Ps. 1,401,957

At December 31, 2014 and 2013, property, plant and equipment included idle assets with a carrying value of approximately Ps.476,760 and Ps.668,068, respectively, resulting from the temporary shut-down of the productive operations of various plants in Mexico and the United States, mainly in the corn flour division in Mexico and packaged tortilla division in the United States.

For the years ended December 31, 2014 and 2013, the Company recognized impairment losses on fixed assets by Ps.14,395 and Ps. 16,930, respectively, within “Other expenses”.

The impairment loss recognized in 2014 for Ps.14,395 referred to the subsidiary Gruma Centroamérica, which is part of “other segments”. This impairment loss reflects a decrease in the recoverable value of the fixed assets of this CGU since these assets will not be used for the purposes they were acquired for.

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The impairment loss recognized in 2013 for Ps.16,930 referred to the subsidiary Transporte Aéreo Técnico Ejecutivo, S.A. de C.V., which is part of "other segments". On December 16, 2013, the Company entered into a purchase-sale contract with retention of title to sell an Eurocopter aircraft for a total of Ps.103,300. At December 31, 2013, the Company reclassified this item as "Asset held for sale" within current assets and the difference between its carrying value and its sale price was recognized in income as an impairment loss. During January 2014, the sale was terminated at the agreed price.

The Company recognized equipment under finance lease arrangements that are described in Note 27-B.

12. INTANGIBLE ASSETS

Changes in intangible assets for the years ended December 31, 2014 and 2013 were as follows:

	Intangible assets acquired					Internally generated intangible assets and others	Total
	Goodwill	Covenants not to compete	Patents and trade-marks	Customer lists	Software for internal use		
At December 31, 2012							
Cost	Ps. 2,505,839	Ps. 478,820	Ps. 137,370	Ps. 146,260	Ps. 667,243	Ps. 72,134	Ps. 4,007,666
Accumulated amortization	—	(386,061)	(88,315)	(62,224)	(631,699)	(63,923)	(1,232,222)
Net book value	Ps. 2,505,839	Ps. 92,759	Ps. 49,055	Ps. 84,036	Ps. 35,544	Ps. 8,211	Ps. 2,775,444
For the year ended December 31, 2013							
Opening net book value	Ps. 2,505,839	Ps. 92,759	Ps. 49,055	Ps. 84,036	Ps. 35,544	Ps. 8,211	Ps. 2,775,444
Exchange differences	(33,147)	(26)	148	(575)	(37)	5,936	(27,701)
Additions	—	—	—	—	809	2,592	3,401
Disposals	—	—	(3)	—	(69)	(838)	(910)
Amortization charge from continuing operations	—	(47,252)	(9,315)	(8,817)	(1,521)	(3,394)	(70,299)
Impairment	—	—	(761)	(27,544)	—	—	(28,305)
Discontinued operations	—	—	—	—	(19,619)	(910)	(20,529)
Closing net book value	Ps. 2,472,692	Ps. 45,481	Ps. 39,124	Ps. 47,100	Ps. 15,107	Ps. 11,597	Ps. 2,631,101
At December 31, 2013							
Cost	Ps. 2,472,692	Ps. 465,125	Ps. 135,508	Ps. 71,657	Ps. 417,002	Ps. 23,980	Ps. 3,585,964
Accumulated amortization	—	(419,644)	(96,384)	(24,557)	(401,895)	(12,383)	(954,863)
Net book value	Ps. 2,472,692	Ps. 45,481	Ps. 39,124	Ps. 47,100	Ps. 15,107	Ps. 11,597	Ps. 2,631,101
For the year ended December 31, 2014							
Opening net book value	Ps. 2,472,692	Ps. 45,481	Ps. 39,124	Ps. 47,100	Ps. 15,107	Ps. 11,597	Ps. 2,631,101
Exchange differences	67,676	401	5,679	5,416	995	(474)	79,693
Additions	—	—	—	—	10,434	6,692	17,126
Disposals	—	—	—	—	(34)	(3,326)	(3,360)
Amortization charge from continuing operations	—	(43,012)	(5,684)	(6,561)	(1,836)	(849)	(57,942)
Acquisition through business combinations	84,089	—	44,287	29,049	—	—	157,425
Discontinued operations	(28,774)	—	—	—	(1,742)	(1,381)	(31,897)
Closing net book value	Ps. 2,595,683	Ps. 2,870	Ps. 83,406	Ps. 75,004	Ps. 22,924	Ps. 12,259	Ps. 2,792,146
At December 31, 2014							
Cost	Ps. 2,595,683	Ps. 467,357	Ps. 197,384	Ps. 109,748	Ps. 389,933	Ps. 23,138	Ps. 3,783,243
Accumulated amortization	—	(464,487)	(113,978)	(34,744)	(367,009)	(10,879)	(991,097)
Net book value	Ps. 2,595,683	Ps. 2,870	Ps. 83,406	Ps. 75,004	Ps. 22,924	Ps. 12,259	Ps. 2,792,146

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At December 31, 2014 and 2013, except for goodwill, the Company does not have indefinite-lived intangible assets.

For the years ended December 31, 2014, 2013 and 2012, amortization expense of intangible assets from continuing operations amounted to Ps.57,942, Ps.70,299 and Ps.62,416, respectively, which were recognized in the income statement as selling and administrative expenses.

For the year ended December 31, 2013, the Company recognized an impairment loss of intangible assets amounting Ps.28,305, within "Other expenses". The impairment loss recognized in 2013 referred to "other segments" and was originated by a decrease of the asset's ability to generate future economic benefits.

Research and development costs of Ps.152,967, Ps.144,563 and Ps.136,826 that did not qualify for capitalization were recognized in the income statement for the years ended December 31, 2014, 2013 and 2012, respectively.

Goodwill acquired in business combinations is allocated at acquisition date to the cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations. The carrying values of goodwill allocated to the CGU or a group of CGU are as follows:

Cash-generating unit	At December 31, 2014	At December 31, 2013
Mission Foods Division (1)	Ps. 875,427	Ps. 802,845
Gruma Seaham Ltd (2)	335,748	338,596
Gruma Corporation	212,765	212,765
Rositas Investments Pty, Ltd (2)	177,676	171,748
Semolina, A.S (2)	158,582	153,084
Gruma Holding Netherlands B.V (1)	137,643	123,507
Azteca Milling, L.P (1)	108,369	71,228
Grupo Industrial Maseca, S.A.B. de C.V	98,622	98,622
NDF Azteca Milling Europe SRL (2)	92,177	93,317
Agroindustrias Integradas del Norte, S.A. de C.V (3)	86,325	115,099
MexiFoods, S.L. (2)	84,089	—
Altera LLC (2)	54,510	95,755
Gruma Centroamérica (2)	51,207	51,207
Solntse Mexico (2)	42,443	64,819
Molinos Azteca de Chiapas, S.A. de C.V (3)	28,158	28,158
Harinera de Yucatán, S.A. de C.V (3)	18,886	18,886
Harinera de Maíz de Mexicali, S.A. de C.V (3)	17,424	17,424
Molinos Azteca, S.A. de C.V (3)	8,926	8,926
Harinera de Maíz de Jalisco, S.A. de C.V (3)	6,706	6,706
	Ps. 2,595,683	Ps. 2,472,692

(1) Subsidiary of Gruma Corporation
(2) Subsidiary of Gruma International Foods, S.L.
(3) Subsidiary of Grupo Industrial Maseca, S.A.B. de C.V.

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In 2014 and 2013, the discount rates and growth rates in perpetuity used by the Company for determining the discounted cash flows of the CGU with the main balances of goodwill are the following:

	After-tax discount rates		Growth rates	
Cash-generating unit	2014	2013	2014	2013
Mission Foods Division	7.0%	6.4%	1.8%	2.5%
Azteca Milling, L.P	7.0%	6.4%	1.8%	2.5%
Gruma Seaham	7.9%	8.5%	2.5%	2.5%
Gruma Corporation	6.1%	6.4%	2.5%	2.5%
Rositas Investment PTY, LTD	7.3%	7.7%	3.0%	3.0%
Gruma Holding Netherlands B.V	7.4%	8.4%	1.9%	1.9%
Agroindustrias Integradas del Norte, S.A. de C.V	8.6%	9.0%	2.5%	2.5%
Semolina A.S	9.4%	10.6%	2.5%	2.5%

The discount rate used reflects the Company's specific risks related to its operations. The long-term growth rate used is consistent with projections included in industry reports.

With respect to the determination of the CGU's value in use, the Company's management considered that a reasonably possible change in the key assumptions used, will not cause that the CGU's carrying value to materially exceed their value in use. The recovery amount of cash-generating units has been determined based on calculations of the values in use. These calculations use cash flow projections based on financial budgets approved by the Company's management for a 5-year period.

For the years ended December 31, 2014, 2013 and 2012, no impairment losses on goodwill were recognized.

13. DEFERRED TAX ASSETS AND LIABILITIES

A) COMPONENTS OF DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	At December 31, 2014	At December 31, 2013
Deferred tax asset:		
To be recovered after more than 12 months	Ps. (803,084)	Ps. (280,424)
To be recovered within 12 months	(466,659)	(7,244)
	(1,269,743)	(287,668)
Deferred tax liability:		
To be recovered after more than 12 months	2,273,512	1,964,789
To be recovered within 12 months	71,247	81,329
	2,344,759	2,046,118
Deferred tax liability, net	Ps. 1,075,016	Ps. 1,758,450

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The principal components of deferred tax assets and liabilities are summarized as follows:

	(Asset) Liability	
	At December 31, 2014	At December 31, 2013
Net operating loss carryforwards and other tax credits	Ps. (252,872)	Ps. (322,530)
Customer advances	(956)	(3,884)
Allowance for doubtful accounts	(3,460)	(17,858)
Provisions	(643,612)	(516,933)
Deferred income for trademarks license with subsidiary	(586,119)	(703,269)
Derivative financial instruments	(18,780)	(30,377)
Other	(114,107)	(115,040)
Deferred tax asset	(1,619,906)	(1,709,891)
Property, plant and equipment, net	2,143,603	1,758,421
Prepaid expenses	1,515	3,376
Inventories	2,188	15,133
Intangible assets and others	372,632	352,573
Investment in associates	—	403,384
Other	(18,946)	24,836
	2,500,992	2,557,723
Tax consolidation effect	193,930	910,618
Deferred tax liability	2,694,922	3,468,341
Net provision for deferred taxes	Ps. 1,075,016	Ps. 1,758,450

At December 31, 2014 and 2013, the Company did not recognize a deferred income tax asset of Ps.1,634,646 and Ps.1,817,029, respectively, for tax loss carryforwards, since sufficient evidence was not available to determine that these tax loss carryforwards will be realized during their amortization period. These tax losses expire in the year 2024. During 2013, the Company amortized tax losses of Ps.1,648,249 for which a deferred income tax asset was not previously recognized.

At December 31, 2014 and 2013, undistributed taxable income of subsidiaries amounted to Ps.1,930,922 and Ps.2,462,656, respectively. No deferred income tax has been recognized for this concept, since the Company has the ability to control the time for its reversal and it is probable that in the foreseeable future these temporary differences will not reverse.

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The changes in the temporary differences during the year were as follows:

	Balance at January 1, 2014	Recognized in income	Recognized in other comprehensive income	Reclassifications	Discontinued operations	Foreign currency translation	Balance at December 31, 2014
Net operating loss carryforwards and other tax credits	Ps. (322,530)	Ps. 49,757	Ps. —	Ps. (933)	Ps. 30,056	Ps. (9,222)	Ps. (252,872)
Customer advances	(3,884)	(956)	—	3,866	18	—	(956)
Allowance for doubtful accounts	(17,858)	1,289	—	42	13,134	(67)	(3,460)
Provisions	(516,933)	(112,509)	4,593	1,132	22,360	(42,255)	(643,612)
Deferred income from trademark license with subsidiary	(703,269)	117,150	—	—	—	—	(586,119)
Derivative financial instruments	(30,377)	—	12,731	—	—	(1,134)	(18,780)
Others	(115,040)	2,131	—	(32)	—	(1,166)	(114,107)
Deferred tax asset	(1,709,891)	56,862	17,324	4,075	65,568	(53,844)	(1,619,906)
Property, plant and equipment	1,758,421	363,920	—	5,937	(78,161)	93,486	2,143,603
Prepaid expenses	3,376	(681)	—	—	(1,180)	—	1,515
Inventories	15,133	(16,375)	—	3,020	—	410	2,188
Intangible assets and others	352,573	(38,978)	—	17,346	1,091	40,600	372,632
Investment in associates	403,384	(490,059)	—	—	—	86,675	—
Others	24,836	(7,755)	(31,082)	(3,966)	—	(979)	(18,946)
	2,557,723	(189,928)	(31,082)	22,337	(78,250)	220,192	2,500,992
Tax consolidation effect	910,618	(716,688)	—	—	—	—	193,930
Deferred tax liability	3,468,341	(906,616)	(31,082)	22,337	(78,250)	220,192	2,694,922
Net provision for deferred taxes	Ps. 1,758,450	Ps. (849,754)	Ps. (13,758)	Ps. 26,412	Ps. (12,682)	Ps. 166,348	Ps. 1,075,016

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	Balance at January 1, 2013	Recognized in income	Recognized in other comprehensive income	Reclassifications	Discontinued operations	Foreign currency translation	Balance at December 31, 2013
Net operating loss carryforwards and other tax credits	Ps. (686,260)	Ps. 364,975	Ps. —	Ps. —	Ps. (30,056)	Ps. 28,811	Ps. (322,530)
Customer advances	(3,722)	(144)	—	—	(18)	—	(3,884)
Allowance for doubtful accounts	(4,637)	(43)	—	(71)	(13,134)	27	(17,858)
Provisions	(799,140)	34,495	(42,298)	7,335	282,062	613	(516,933)
Deferred income from trademark license with subsidiary	—	(703,269)	—	—	—	—	(703,269)
Derivative financial instruments	125,938	—	(156,936)	—	—	621	(30,377)
Others	(102,387)	(13,168)	—	45	766	(296)	(115,040)
Deferred tax asset	(1,470,208)	(317,154)	(199,234)	7,309	239,620	29,776	(1,709,891)
Property, plant and equipment	2,075,116	(166,724)	—	(280)	(156,831)	7,140	1,758,421
Prepaid expenses	3,782	246	—	—	(652)	—	3,376
Inventories	38,458	(15,461)	—	—	(7,864)	—	15,133
Intangible assets and others	322,962	29,238	—	—	(1,091)	1,464	352,573
Investment in associates	407,958	(6,821)	—	—	—	2,247	403,384
Others	8,792	8,870	14,391	(1,343)	—	(5,874)	24,836
	2,857,068	(150,652)	14,391	(1,623)	(166,438)	4,977	2,557,723
Tax consolidation effect	2,189,312	(1,278,694)	—	—	—	—	910,618
Deferred tax liability	5,046,380	(1,429,346)	14,391	(1,623)	(166,438)	4,977	3,468,341
Net provision for deferred taxes	Ps. 3,576,172	Ps. (1,746,500)	Ps. (184,843)	Ps. 5,686	Ps. 73,182	Ps. 34,753	Ps. 1,758,450

B) TAX LOSS CARRYFORWARDS

At December 31, 2014, the Company had tax loss carryforwards which amounted to approximately Ps.5,605,486. Based on projections prepared by the Company's management of expected future taxable income, it has been determined that only tax losses for an amount of Ps.156,670 will be used. Therefore, the Company did not recognize a deferred tax asset for the difference. Tax losses that will be used have the following expiration dates:

Year	Amount
2015	Ps. 48,392
2016	9,683
2017	7,604
2018	5,453
2019 to 2023	85,538
Total	Ps. 156,670

C) UNCERTAIN TAX POSITIONS

At December 31, 2014 and 2013, the Company recognized a liability for uncertain tax positions of Ps.41,200 and Ps. 41,421, respectively, excluding interest and penalties, and it is included in Other non-current liabilities. The following table shows a reconciliation of the Company's uncertain tax positions, excluding interest and penalties:

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	2014	2013
Uncertain tax positions at beginning of year	Ps. 41,421	Ps. 38,688
Translation adjustment of the beginning balance	(7,178)	(1,758)
Increase as result of uncertain tax positions taken in the year	5,225	6,538
Reductions due to a lapse of the statute of limitations	1,732	(2,047)
Uncertain tax positions at end of year	Ps. 41,200	Ps. 41,421

It is expected that the amount of uncertain tax positions will change in the next 12 months; however, the Company does not expect the change to have a significant impact on its consolidated financial position or results of operations. The Company had accrued interest and penalties of approximately Ps.4,298 and Ps. 3,609 related to uncertain tax positions for 2014 and 2013, respectively.

D) TAX EFFECTS FROM OTHER COMPREHENSIVE INCOME

Deferred taxes related to other comprehensive income are comprised of:

	At December 31, 2014	At December 31, 2013	At December 31, 2012
Foreign currency translation adjustments	Ps. (30,712)	Ps. 14,391	Ps. 14,701
Remeasurement of employment benefit obligations	4,223	(42,298)	(10,783)
Cash flow hedges	12,731	(156,936)	125,938
Total	Ps. (13,758)	Ps. (184,843)	Ps. 129,856

E) TAX CONSOLIDATION

Until December 31, 2013, Gruma, S.A.B. de C.V. determined its income tax under the tax consolidation regime, together with its subsidiaries in Mexico.This, due to the abrogation of the Income Tax Law effective until December 31, 2013, which eliminated this tax regime. The Company decided not to join the new Optional Regime for Company Groups for the year 2014.

Due to the elimination of the tax consolidation regime, the Company has the obligation to pay the deferred tax determined at that time during the following five-year period. The payment corresponding to the 25% of the income tax resulting from the deconsolidation was paid in 2014 and the remaining income tax (restated with inflation factors) must be paid to the tax authority in accordance with the following deadlines:

1. 25% no later than April 30, 2015.
2. 20% no later than April 30, 2016.
3. 15% no later than April 30, 2017.
4. 15% no later than April 30, 2018.

In accordance with subsection d) of section XV of the transitional Article 9 of the 2014 Income Tax Law, and since the Company was the parent entity at December 31, 2013 and at such date was subject to the payment schedule contained in the section VI of Article 4 of the transitional provisions of the Income Tax Law published in the Official Gazette on December 7, 2009, or Article 70-A of the 2013

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Income Tax Law that was abrogated, the Company shall continue to settle its deferred income tax from tax consolidation pertaining to 2007 and previous years, under the provisions above mentioned, until its payment is completed.

At December 31, 2014, the liability arising from tax consolidation regime effective December 31, 2013 amounted to Ps.305,493 and is estimated to be incurred as follows:

Year of payment	Amount
2015	Ps. 111,563
2016	83,439
2017	58,400
2018	52,091
Total	Ps. 305,493

At December 31, 2014, income tax to be settled in the next 12 months was classified in the statement of financial position as short-term income tax payable for Ps.111,563. The remaining liability considered as long-term for Ps.193,930 in accordance with the requirements of the Income Tax Law, was included as a component of the deferred income taxes.

14. DEBT

Debt is summarized as follows:

Short-term:

	At December 31, 2014	At December 31, 2013
Bank loans	Ps. 973,499	Ps. 2,612,997
Current portion of long-term bank loans	455,142	659,129
Current portion of financing lease liabilities	8,467	3,771
	Ps. 1,437,108	Ps. 3,275,897

Long-term:

	At December 31, 2014	At December 31, 2013
Bank loans	Ps. 9,768,263	Ps. 10,011,831
Perpetual notes	—	3,732,717
Financing lease liabilities	19,398	14,795
	Ps. 9,787,661	Ps. 13,759,343
Current portion of long-term bank loans	(455,142)	(659,129)
Current portion of financing lease liabilities	(8,467)	(3,771)
	Ps. 9,324,052	Ps. 13,096,443

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The terms, conditions and carrying values of debt are as follows:

	Currency	Interest rate	Maturity date	At December 31, 2014	At December 31, 2013
10-year Senior notes	U.S.$	4.875%	2024	Ps. 5,820,558	Ps. —
Syndicated loan	U.S.$	LIBOR + 1.5%	2015-2018	3,060,147	2,855,248
Credit	U.S.$	2.55% - 3.50%	2015	863,457	725,750
Syndicated loan	Pesos	TIIE + 1.625%	2015-2018	800,000	1,193,683
Credit	Liras	5.00%	2015	101,096	75,717
Credit	Pesos	3.51% - 6.53%	2017	81,364	88,082
Financing lease liability	Euros	1.70% - 5.73%	2014-2017	19,398	14,795
Credit	Euros	1.50% - 4.00%	2015-2020	15,140	—
Perpetual notes	U.S.$	7.75%	(a)	—	3,732,717
Syndicated loan	Pesos	TIIE +2% (b)	2014-2018	—	2,284,283
Credit	U.S.$	LIBOR + 1.75%	2014-2016	—	1,951,575
Credit	Pesos	5.19%	2014	—	1,550,000
Revolving credit	U.S.$	LIBOR + 1.375%	2019	—	1,038,800
Credit	Pesos	TIIE + 1.875%	2015-2018	—	597,702
Credit	U.S.$	LIBOR + 0.9935%	2014	—	261,530
Credit	U.S.$	LIBOR + 2%	2014	—	2,458
Total				Ps. 10,761,160	Ps. 16,372,340

(a) Redeemable starting 2009 at the Company's option.
(b) Interbank Equilibrium Interest Rate.

At December 31, 2014 and 2013, short-term debt bore interest at an average rate of 3.42% and 4.13%, respectively. At December 31, 2014, 2013 and 2012, interest expense included interest related to debt amounting Ps.1,008,251, Ps.1,014,656 and Ps.780,790, respectively.

At December 31, 2014, the annual maturities of long-term debt outstanding were as follows:

Year	Amount
2016	Ps. 632,090
2017	1,026,440
2018	1,844,964
2019	—
2020 and thereafter	5,820,558
Total	Ps. 9,324,052

To perform the acquisition of the non-controlling interest from ADM mentioned in Note 29, GRUMA obtained bridge loan facilities with maturity dates of up to a year for a total amount of Ps.5,103,360 (U.S.$400 million), lent by Goldman Sachs Bank USA, Banco Santander and Banco Inbursa (the "Short-Term Loan Facilities"), and used Ps.637,920 (U.S.$50 million) of Gruma Corporation's revolving syndicated long term credit facility with Bank of America, which matures in 2016. For the execution of the Short-Term Loan Facilities, GRUMA's permitted leverage ratios established under the loan facilities as of December 31, 2012 were increased to allow GRUMA to increase its leverage as a result of the obtainment of the Short-Term Loan Facilities.

In order to refinance the Short-Term Loan Facilities, on June 10, 2013, the Company obtained a 5-year Syndicated Credit Facility for Ps.$2,300,000 with Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as administrative agent, with an average life of 4.2 years and amortizations starting on December 2014, at a rate of TIIE plus a spread between 162.5 and 262.5 basis points based on the

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Company's leverage ratio. Banco Nacional de Comercio Exterior, S.N.C., Banca de Desarrollo and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, also participated in this facility. On December 10, 2014, this credit facility was fully paid in advance.

Likewise, on June 13, 2013, the Company obtained a 5-year Syndicated Credit Facility for U.S.$220 million with Coöperatieve Centrale Raiffeisen Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as administrative agent, with an average life of 4.2 years and semiannual amortizations starting on December 2014, at a rate of LIBOR plus a spread between 150 and 300 basis points based on the Company's leverage ratio. BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Bank of America, N.A., also participated in this facility.

On November 24, 2014 the conditions were renegotiated for Gruma Corporation revolving credit with Bank of America, N.A., which was carried out on June 20, 2011 for U.S.$250 million. Its maturity date was extended from June 2016 to November 2019, and the interest rate was reduced by 25 basis points to LIBOR plus a spread between 112.5 and 175 basis points, based on the Company's leverage ratio.

In order to refinance the perpetual notes, on December 5, 2014 the Company issued 10-year senior notes of Ps.5,820,558 (U.S.$400 million) in international markets, payable at maturity on December 1, 2024. The senior notes have an annual fixed interest rate of 4.875% payable semi-annually. The senior notes were placed by Goldman Sachs & Co. and Santander Investment Securities Inc., as leading agents, and Banco Bilbao Vizcaya Argentaria, SA, Credit Agricole Securities and Scotia Capital Inc., as secondary agents. The proceeds were used to redeem the Perpetual Notes on December 15, 2014 and for the repayment of additional indebtedness of U.S.$100 million.

The Company has credit line agreements for Ps.6,255,150 (U.S.$425 million), which are fully available as of December 31, 2014. These credit line agreements require a quarterly payment of a commitment fee ranging from 0.15% to 0.60% over the unused amounts, which is recognized as interest expense of the year.

The outstanding credit agreements contain covenants mainly related to compliance with certain financial ratios and delivery of financial information, which, if not complied with during the period, as determined by creditors, may be considered a cause for early maturity of the debt.

Financial ratios are calculated according to formulas established in the credit agreements. The main financial ratios contained in the credit agreements are the following:

- Interest coverage ratio, defined as the ratio of consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of the last twelve months to consolidated interest charges, should not be less than 2.50 to 1.00.

- Leverage ratio, defined as the ratio of total consolidated indebtedness (as described in the credit agreements) to consolidated EBITDA, should be as follows:

Period	Leverage ratio
From December 8, 2012 to September 30, 2013	No greater than 4.75 to 1.00
From October 1, 2013 to September 30, 2014	No greater than 4.50 to 1.00
From October 1, 2014 to September 30, 2015	No greater than 4.00 to 1.00
From October 1, 2015 and thereafter	No greater than 3.50 to 1.00

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At December 31, 2014 and 2013, the Company was in compliance with the financial covenants, as well as with the delivery of the required financial information.

15. PROVISIONS

The movements of provisions are as follows:

	Labor provisions	Restoration provision	Tax provision	Compensation for import of contaminated rice	Subtotal
Balance at December 31, 2012	Ps. 236,582	Ps. 128,659	Ps. 21,232	Ps. —	Ps. 386,473
Charge (credit) to income:					
Additional provisions	73,636	—	1,501	—	75,137
Unused amounts reversed	—	(5,800)	—	—	(5,800)
Used during the year	(45,989)	—	—	—	(45,989)
Exchange differences	1,715	623	214	—	2,552
Discontinued operations	(34,589)	—	—	—	(34,589)
Balance at December 31, 2013	231,355	123,482	22,947	—	377,784
Charge (credit) to income:					
Additional provisions	289,715	14,729	15,719	12,146	332,309
Unused amounts reversed	(1,481)	(1,763)	—	—	(3,244)
Used during the year	(190,719)	(1,015)	(62)	—	(191,796)
Exchange differences	38,551	16,637	2,715	1,268	59,171
Balance at December 31, 2014	Ps. 367,421	Ps. 152,070	Ps. 41,319	Ps. 13,414	Ps. 574,224
Of which current	Ps. 126,074	Ps. 2,973	Ps. —	Ps. —	Ps. 129,047
Of which non-current	241,347	149,097	41,319	13,414	445,177

	Subtotal	Unregulated labor security obligations	Total
Balance at December 31, 2012	Ps. 386,473	Ps. 1,070	Ps. 387,543
Charge (credit) to income:			
Additional provisions	75,137	—	75,137
Unused amounts reversed	(5,800)	—	(5,800)
Used during the year	(45,989)	—	(45,989)
Exchange differences	2,552	—	2,552
Discontinued operations	(34,589)	(1,070)	(35,659)
Balance at December 31, 2013	377,784	—	377,784
Charge (credit) to income:			
Additional provisions	332,309	—	332,309
Unused amounts reversed	(3,244)	—	(3,244)
Used during the year	(191,796)	—	(191,796)
Exchange differences	59,171	—	59,171
Balance at December 31, 2014	Ps. 574,224	Ps. —	Ps. 574,224
Of which current	Ps. 129,047	Ps. —	Ps. 129,047
Of which non-current	445,177	—	445,177

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Labor provisions

In the United States, when permitted by law, the Company self insures against workers' compensation claims. As claims are filed for workers' compensation, the Company recognizes an obligation to settle these claims. Certain actuarial information is used to estimate the expected outflows of economic resources and projected timing of the settlement of these claims. The discount rate applied during 2014 was 3.20%.

Likewise, the subsidiary in Italy esablished a provision to meet legal costs arising from labor claims related mainly to work accidents.

Subsidiaries in Venezuela established a provision for labor claims filed against the Company related to work accidents and the payment of certain labor benefits, and to meet the terms of the collective labor contracts that, as of the date hereof, are still being negotiated with workers' unions.

Restoration provision

In the United States and Europe, the Company has recognized an obligation to remove equipment and leasehold improvements from certain of its leased manufacturing facilities in order to restore the facilities to their original condition, less normal wear and tear as determined by the terms of the lease. The Company has estimated the expected outflows of economic resources associated with these obligations and the probability of possible settlement dates based upon the terms of the lease. These estimates are used to calculate the present value of the estimated expenditures using a pre-tax discount rate and taking into account any specific risks associated with these obligations. The discount rate applied during 2014 was 4.99%.

Tax provision

In Central America, for the periods from 2005 to 2011, tax authorities have lodged tax assessments against the Company for approximately Ps.26,000 (971 million colons) in connection with sales and income tax. Based on the criteria of the Company's management and the opinion of tax consultants hired for the Company´s defense, there is a probability that some of the tax assessments will be settled. For this reason, the Company has accrued the necessary amounts to cover the payment of these obligations.

Additionally in Central America, during 2014 tax authorities have decided not to issue authorizations for the use of tax loss carryforwards from previous years, arguing that they are reviewing the procedure for granting such tax benefit. Tax loss carryforwards prescribing during 2014 amounted to Ps.53,000 (1,988 million colons); therefore, the Company has accrued approximately Ps.16,000 (596 million colons) corresponding to the tax impact of this matter, considering that the Company will excercise its right in court, where a favorable outcome is reserved.

Compensation for import of contaminated rice

At December 31, 2014 in Central America, the Company recognized a provision for $13,414 (496 million colons) corresponding to the probable loss due to the refusal of the government due to its determination of excess of agrochemicals in imported rice.

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Unregulated labor security obligations

In Venezuela, the Organic Law of Prevention, Conditions and Work Environment (Ley Orgánica de Prevención, Condiciones y Medio Ambiente de Trabajo) establishes the substitution of certain security obligations for other more onerous. This regulation has not been officially released by the Venezuelan government, making it difficult to determine the payment date for this obligation.

16. OTHER CURRENT LIABILITIES

At December 31, 2014 and 2013, Other current liabilities includes the following:

	At December 31, 2014	At December 31, 2013
Employee benefits payable	Ps. 802,706	Ps. 590,722
Promotion and advertising payable	255,694	224,099

The rest of the items that comprise Other current liabilities correspond to accrued expenses payable.

17. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations recognized in the balance sheet, by country, were as follows:

Country	At December 31, 2014	At December 31, 2013
Mexico	Ps. 505,798	Ps. 523,427
United States and Europe	103,864	96,871
Central America	10,321	8,745
Total	Ps. 619,983	Ps. 629,043

A) MEXICO

In Mexico, labor obligations recognized by the Company correspond to the single-payment retirement plan and seniority premium. The benefits for the retirement plan and seniority premium are defined benefit plans, based on the projected salary at the date in which the employee is assumed to receive the benefits. Currently, the plan operates under Mexican law, which does not require minimum funding.

The plans in Mexico typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk:

- Investment risk. The expected return rate for investment funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and fixed-rate instruments. Due to the long-term nature of the plan liabilities, the Company considers appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund; however, a minimum 30% must be invested in government bonds as required by Mexican tax laws.

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- Interest risk. A decrease in the interest rate will increase the plan liability; the volatility in interest rates depends exclusively in the economic environment.

- Longevity risk. The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

- Salary risk. The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary expectancy of the plan participants will increase the plan's liability.

The reconciliation between the beginning and ending balances of the present value of the defined benefit obligations (DBO) is as follows:

	2014	2013
DBO at beginning of the year	Ps. 579,667	Ps. 456,691
Add (deduct):		
Current service cost	28,083	16,032
Financial cost	31,591	21,852
Remeasurement for the period	7,851	167,985
Benefits paid	(85,747)	(84,445)
Past service cost	—	1,552
DBO at end of the year	Ps. 561,445	Ps. 579,667

At December 31, 2014 and 2013, liabilities relating to vested employee benefits amounted to Ps.337,619 and Ps.391,860, respectively.

The reconciliation between the beginning and ending balances of the employee benefit plan assets at fair value for the years 2014 and 2013 is shown below:

	2014	2013
Plan assets at fair value at beginning of the year	Ps. 56,240	Ps. 48,910
Add (deduct):		
Return on plan assets	2,970	2,494
Return on plan assets recognized in other comprehensive income	(3,563)	4,836
Plan assets at fair value at end of the year	Ps. 55,647	Ps. 56,240

The following table shows the reconciliation between the present value of the defined benefit obligation and the plan assets at fair value, and the projected net liability included in the balance sheet:

	At December 31, 2014	At December 31, 2013
Employee benefit (assets) liabilities:		
DBO	Ps. 561,445	Ps. 579,667
Plan assets	(55,647)	(56,240)
Employee benefits obligations	Ps. 505,798	Ps. 523,427

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The value of the DBO related to the pension plan amounted to Ps.495,808 and Ps.507,826 at December 31, 2014 and 2013, respectively, while the value of the DBO related to seniority premiums amounted to Ps.65,637 and Ps.71,841, respectively.

At December 31, 2014, 2013 and 2012, the components of net cost comprised the following:

	2014	2013	2012
Current service cost	Ps. 28,083	Ps. 16,032	Ps. 19,907
Past service cost	—	1,552	—
Financial cost	31,591	21,852	22,296
Return on plan assets	(2,970)	(2,494)	(4,085)
Net cost for the year	Ps. 56,704	Ps. 36,942	Ps. 38,118

The net cost for the year 2014, 2013 and 2012 of Ps.56,704, Ps.36,942 and Ps.38,118, respectively, was recognized as follows:

	2014	2013	2012
Cost of sales	Ps. 10,150	Ps. 10,470	Ps. 3,640
Selling and administrative expenses	41,498	21,993	30,711
Discontinued operations	5,056	4,479	3,767
Net cost for the year	Ps. 56,704	Ps. 36,942	Ps. 38,118

Remeasurements of the defined benefit obligation recognized in other comprehensive income are comprised of:

	2014	2013	2012
Return on plan assets (excluding amounts included in net cost of the year)	Ps. 3,563	Ps. (4,836)	Ps. (5,975)
Actuarial gains and losses arising from changes in demographic assumptions	59,940	—	—
Actuarial gains and losses arising from changes in financial assumptions	(15,234)	(19,366)	67,269
Actuarial gains and losses arising from experience adjustments	(36,855)	187,351	44,621
Acquisition/disposal or excision of business	—	—	52
	Ps. 11,414	Ps. 163,149	Ps. 105,967

The total amount recognized in other comprehensive income is described below:

	2014	2013
Balance at the beginning of the year	Ps. 274,004	Ps. 110,885
Remeasurements that occurred during the year	11,414	163,149
Balance at the end of the year	Ps. 285,418	Ps. 274,004

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At December 31, 2014 and 2013, plan assets stated at fair value and related percentages with respect to total plan assets were analyzed as follows:

	At December 31, 2014		At December 31, 2013	
Equity securities, classified by type of industry:	Ps. 42,508	76%	Ps. 42,180	75%
Consumer industry	10,191		7,907	
Financial institutions	32,317		34,273	
Fixed rate securities	13,139	24%	14,060	25%
Fair value of plan assets	Ps. 55,647	100%	Ps. 56,240	100%

The Company has a policy of maintaining at least 30% of its trust assets in Mexican Federal Government instruments. Guidelines have been established for the remaining 70% and investment decisions are taken in accordance with these guidelines to the extent market conditions and available funds allow it.

As of December 31, 2014, the funds maintained in plan assets were considered sufficient to face the Company's short-term needs; therefore, the Company's management has determined that for the time being there is no need for additional contributions to increase these assets.

The main actuarial assumptions used were as follows:

	At December 31, 2014	At December 31, 2013
Discount rate	6.25%	5.75%
Future increase rate in compensation levels	4.50%	4.50%
Long-term inflation rate	3.50%	3.50%

At December 31 2014 and 2013, the impact in DBO for a decrease of 25 basis points in the discount rate amounts to Ps.10,147 and Ps.9,470, respectively.

The sensitivity analysis mentioned above is based on the change in the discount rate while keeping constant the rest of the assumptions. In practice, this is unlikely to occur, and changes in some of the assumptions can be correlated.

The methods used in preparing the sensitivity analysis did not change from those used in prior years.

The average duration of the benefit obligation at December 31, 2014 and 2013 is 13 and 14 years, respectively.

The Company does not expect to contribute during the next fiscal year.

B) OTHER COUNTRIES

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401(k) contributions with matching contributions from the Company in this country. For the years ended December 31, 2014, 2013 and 2012, total expenses related to this plan amounted to Ps.81,215, Ps.68,658 and Ps.62,340, respectively (U.S.$6,082, U.S.$5,351 and U.S.$4,737 thousand, respectively).

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Additionally, the Company has established an unfunded nonqualified deferred compensation plan for a selected group of management and highly compensated employees. The plan is voluntary and allows employees to defer a portion of their salary or bonus in excess of the savings and investment plan limitations. The employees elect investment options and the Company monitors the result of those investments and records a liability for the obligation. For the years ended December 31, 2014, 2013 and 2012, total expenses related to this plan were approximately Ps.7,184, Ps.2,515 and Ps.6,014, respectively (U.S.$538, U.S.$196 and U.S.$457 thousand, respectively). At December 31, 2014 and 2013, the liability recognized for these items amounted to Ps.94,151 and Ps.87,469, respectively (U.S.$6,397 and U.S.$6,689 thousand, respectively).

In Central America, the retirement and severance provisions are determined according to the current Labor Legislation of each country. At December 31, 2014 and 2013, the liability recognized for this item amounted to Ps.10,321 and Ps.8,745, respectively, and the total labor obligation cost amounted Ps.1,586 and Ps.1,843, respectively.

18. EQUITY

A) COMMON STOCK

At December 31, 2014 and 2013, the Company's outstanding common stock consisted of 432,749,079 Series "B" shares, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval.

The Extraordinary Stockholders' Meeting held on May 15, 2013 agreed on the merger by incorporation of Valores Azteca, S.A. de C.V. as merged company that is extinguished, with GRUMA as merging company. In accordance with this merger, GRUMA as owner of 45% of the capital stock of Valores Azteca, received 24,566,561 ordinary shares, with no par value, Series B, Class I, of GRUMA. The effect in the Company's equity as a result of this merger was $1,009,848.

Additionally, the following shares of GRUMA were approved to be cancelled:

Amount of shares cancelled	Description
1,523,900 shares	Shares held in Treasury, repurchased by GRUMA
106,335,069 shares	Shares held in Treasury, acquired by GRUMA from ADM in December 2012 (Note 29)
24,566,561 shares	Shares received by GRUMA, due to the merger of Valores Azteca with GRUMA (Note 10)

B) RETAINED EARNINGS

In accordance with Mexican Corporate Law, the legal reserve must be increased annually by 5% of annual net profits until it reaches a fifth of the fully paid common stock amount. The legal reserve is included within retained earnings.

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Movements in the legal reserve for the years ended December 31, 2014 and 2013 are as follows:

	Amount
Balance at December 31, 2012	Ps. 304,631
Increases during the year	—
Balance at December 31, 2013	304,631
Increases during the year	283,674
Balance at December 31, 2014	Ps. 588,305

In October 2013, the Chamber of Senators and Deputies approved the issuance of the new Income Tax Law, effective starting January 1, 2014. Among other, the Law establishes a 10% tax rate on earnings from 2014 and thereafter, for dividend paid to foreign residents and Mexican individuals; additionally, this law states that for the years 2001 to 2013, the net taxable income will be determined in accordance with the Income Tax Law that was effective for each year.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (CUFIN) and will be taxed at a rate that fluctuates between 32% and 35% if they are paid from the reinvested Net Tax Profit Account. Dividends paid that exceed CUFIN and reinvested CUFIN are subject to an income tax payable at a rate of 30% if paid in 2015. The tax is payable by the Company and may be credited against the normal income tax payable by the Company in the year in which the dividends are paid or in the following two years. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment.

C) PURCHASE OF COMMON STOCK

The Shareholders' Meeting held on April 26, 2013 approved to increase the reserve to repurchase the Company's own shares up to Ps.650,000, while the Shareholders' Meeting held on December 13, 2012 approved to increase the reserve to repurchase the Company's own shares up to Ps.4,500,000. The maximum amount of proceeds that can be used to purchase the Company's own shares cannot exceed, in any case, the net earnings of the entity, including retained earnings. The difference between the acquisition cost of the repurchased shares and their stated value, composed of common stock and share premium, is recognized as part of the reserve to repurchase the Company's own shares, which is included within retained earnings from prior years. The gain or loss on the sale of the Company's own shares is recorded in retained earnings.

Movements in the reserve for acquisition of Company's own shares for the years ended December 31, 2014 and 2013 are as follows. During 2014, no movements were recognized in this reserve.

	Amount
Balance at December 31, 2012	Ps. 467,388
Increase in reserve for repurchase of Company's own shares approved by the Stockholders' Meeting in April 26, 2013	650,000
Cancellation of repurchased shares in 2013	(467,388)
Balance at December 31, 2014 and 2013	Ps. 650,000

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D) FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

Foreign currency translation adjustments consisted of the following as of December 31:

	2014	2013
Balance at beginning of year	Ps. (10,895)	Ps. (64,081)
Effect of the year from translating net investment in foreign subsidiaries	793,342	(217,535)
Reclassification adjustment for foreign currency translation from discontinued operations (1)	—	317,133
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investments in foreign subsidiaries	(961,855)	(46,412)
Balance at end of year	Ps. (179,408)	Ps. (10,895)

(1) Corresponds to the shareholders' portion of the foreign currency translation effect. The non-controlling portion of the foreign currency translation effect at December 31, 2013 amounts to Ps.115,325.

The investment that the Company maintains in its operations in the United States and Europe generated a hedge of up to U.S.$597 and U.S.$651 million at December 31, 2014 and 2013, respectively.

At December 31, 2014 and 2013, the accumulated effect of translating net investment in foreign subsidiaries impacted non-controlling interest in the amounts of Ps.6,481 and Ps.(8,769), respectively.

19. SUBSIDIARIES

The table below shows details of non-wholly subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary	Country of incorporation and business	% of non-controlling interest At December 31, 2014	% of non-controlling interest At December 31, 2013	Income allocated to non-controlling interest For the years ended December 31, 2014	2013	2012
Grupo Industrial Maseca, S.A.B. de C.V.	Mexico	16.82%	16.82%	Ps. 201,651	Ps. 301,328	Ps. 241,575

Name of subsidiary	Accumulated non-controlling interest At December 31, 2014	2013
Grupo Industrial Maseca, S.A.B. de C.V.	Ps. 1,566,037	Ps. 1,473,531

Summarized financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarized financial information below represents amounts before inter-company eliminations.

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Grupo Industrial Maseca, S.A.B. de C.V.

	At December 31, 2014	At December 31, 2013
Current assets	Ps. 4,375,184	Ps. 4,440,185
Non-current assets	6,533,727	7,141,225
Current liabilities	2,291,459	3,647,105
Non-current liabilities	652,070	624,718
Equity attributable to owners of the Company	6,513,209	5,836,056
Non-controlling interests	1,566,037	1,473,531
Dividends paid to non-controlling interests	101,392	594,024

	For the year ended December 31,		
	2014	2013	2012
Net sales	Ps. 5,074,107	Ps. 15,944,039	Ps. 16,947,660
Net income	1,199,763	1,767,978	1,352,888
Comprehensive income	1,162,092	1,760,949	1,295,452
Cash flows:			
Operating activities	Ps. 2,481,087	Ps. 4,473,355	Ps. 842,946
Investment activities	(171,624)	(2,792,669)	(457,388)
Financing activities	(2,111,933)	(1,886,033)	(351,475)

20. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

The carrying values of financial instruments by category are presented below:

	At December 31, 2014				
	Loans, receivables and liabilities at amortized cost	Financial assets and liabilities at fair value through profit or loss	Hedge derivatives	Assets available for sale	Total categories
Financial assets:					
Cash and cash equivalents	Ps. 1,465,088	Ps. —	Ps. —	Ps. —	Ps. 1,465,088
Derivative financial instruments	—	8,575	87,801	—	96,376
Accounts receivable	6,489,396	—	—	—	6,489,396
Investment in Venezuela available for sale	—	—	—	3,109,013	3,109,013
Long term notes receivable from sale of tortilla machines and other (Note 9)	145,794	—	—	—	145,794

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	At December 31, 2014				
	Loans, receivables and liabilities at amortized cost	Financial assets and liabilities at fair value through profit or loss	Hedge derivatives	Assets available for sale	Total categories
Financial liabilities:					
Current debt	Ps. 1,437,108	Ps. —	Ps. —	Ps. —	Ps. 1,437,108
Trade accounts payable	3,555,521	—	—	—	3,555,521
Derivative financial instruments	—	49,024	—	—	49,024
Long-term debt	9,324,052	—	—	—	9,324,052
Contingent payment due to repurchase of the Company's own shares (Note 29)	—	823,960	—	—	823,960
Other liabilities (excludes non-financial liabilities)	27,053	—	—	—	27,053

	At December 31, 2013				
	Loans, receivables and liabilities at amortized cost	Financial assets and liabilities at fair value through profit or loss	Hedge derivatives	Assets available for sale	Total categories
Financial assets:					
Cash and cash equivalents	Ps. 1,338,555	Ps. —	Ps. —	Ps. —	Ps. 1,338,555
Derivative financial instruments	—	12,282	108,280	—	120,562
Accounts receivable	7,193,317	—	—	—	7,193,317
Investment in Venezuela available for sale	—	—	—	3,109,013	3,109,013
Long term notes receivable from sale of tortilla machines and other (Note 9)	154,458	—	—	—	154,458

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	At December 31, 2013				
	Loans, receivables and liabilities at amortized cost	Financial assets and liabilities at fair value through profit or loss	Hedge derivatives	Assets available for sale	Total categories
Financial liabilities:					
Current debt	Ps. 3,275,897	Ps. —	Ps. —	Ps. —	Ps. 3,275,897
Trade accounts payable	3,547,498	—	—	—	3,547,498
Derivative financial instruments	—	—	71,540	—	71,540
Long-term debt	13,096,443	—	—	—	13,096,443
Contingent payment due to repurchase of the Company's own shares (Note 29)	—	671,069	—	—	671,069
Other liabilities (excludes non-financial liabilities)	51,924	—	—	—	51,924

B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, trade accounts payable and other current liabilities approximate their fair value, due to their short maturity. In addition, the net book value of accounts receivable and recoverable taxes represent the expected cash flow to be received.

The estimated fair value of the Company's financial instruments is as follows:

	At December 31, 2014	
	Carrying amount	Fair value
Assets:		
Derivative financial instruments — fuel (1)	Ps. 7,804	Ps. 7,804
Derivative financial instruments — corn (1)	88,572	88,572
Investment in Venezuela available for sale	3,109,013	3,109,013(2)
Long-term notes receivable from sale of tortilla machines	134,502	145,780
Liabilities:		
10-year Bonds in U.S. dollars bearing fixed interest at an annual rate of 4.875%	5,820,558	6,063,816
Short and long-term debt	4,940,602	5,042,515
Contingent payment due to repurchase of the Company's own shares	823,960	823,960
Derivative financial instruments - other raw materials	49,024	49,024

(1) At December 31, 2014, the balance of derivative financial instruments receivable amounted to Ps.96,376, and is comprised of Ps.23,127 corresponding to the gain from the valuation of open positions in corn and fuel derivative financial instruments at the end of the year, and Ps.119,503 corresponding to revolving funds or margin calls that arise from price changes in the underlying asset that the Company maintains with the third party, to be applied against payments, related to corn and fuel derivatives.

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(2) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 26.

	At December 31, 2013	
	Carrying amount	Fair value
Assets:		
Derivative financial instruments — exchange rate (1)	Ps. 12,282	Ps. 12,282
Investment in Venezuela available for sale	3,109,013	3,109,013(2)
Long-term notes receivable from sale of tortilla machines	144,142	127,182
Liabilities:		
Perpetual bonds in U.S. dollars bearing fixed interest at an annual rate of 7.75%	3,732,717	3,967,083
Short and long-term debt	12,639,623	12,924,889
Contingent payment due to repurchase of the Company's own shares	671,069	671,069
Derivative financial instruments - other raw materials	71,540	71,540

(1) At December 31, 2013, the balance of derivative financial instruments receivable amounted to Ps.120,562, and is comprised of Ps.12,282 corresponding to the gain from the valuation of open positions in exchange rate derivative financial instruments at the end of the year, and Ps.108,280 corresponding to revolving funds or margin calls that arise from price changes in the underlying asset that the Company maintains with the third party, to be applied against payments, related to corn derivatives.

(2) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 26.

The fair values al December 31, 2014 and 2013 were determined by the Company as follows:

- The fair values of bonds in U.S. dollars were determined based on available market prices. Fair values of bonds are classified as level 1 in the fair value hierarchy.

- The fair value for the rest of the long-term debt was based on the present value of the cash flows discounted at interest rates based on readily observable market inputs. Fair value of long-term debt is classified as level 3 in the fair value hierarchy. The average discount rate used was 3.34% in 2014 and 3.74% in 2013.

- Long-term notes receivable from sale of tortilla machines are classified as level 2 in the fair value hierarchy. Its fair value was based on the present value of future cash flows using a discount rate of 9.01% in 2014 and 2013.

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C) DERIVATIVE FINANCIAL INSTRUMENTS

At December 31, 2014 derivative financial instruments comprised the following:

Type of contract	Notional amount	Fair value	
		Asset	Liability
Corn futures	12,345,000 Bushels	Ps. —	Ps. 21,249
Natural gas swaps	3,360,000 Mmbtu	—	49,024
Fuel swaps	5,544,000 Gallons	—	1,878

At December 31, 2014, open positions of corn derivatives were recorded at fair value. The result of the valuation of financial instruments that qualified as cash flow hedge represented a loss of Ps.25,133, which was recognized in comprehensive income within equity. At December 31, 2014, the Company had open positions of financial instruments for corn, natural gas and fuel that did not qualify as hedge accounting. These open positions represented a loss of Ps.45,534, which was recognized in income as other expenses, net.

Operations terminated at December 31, 2014 on corn and natural gas derivatives represented a loss of Ps.76,365 which was recognized in income as other expenses, net (Note 22).

Exchange rate derivative financial instruments were recorded at fair value. At December 31, 2014, the Company had no open positions of these instruments. Likewise, for the year ended December 31, 2014, terminated operations of these instruments represented a loss of Ps.23,375, which was recognized in income as comprehensive financing cost, net (Note 24).

At December 31, 2014, the Company had revolving funds denominated “margin calls” amounting Ps.119,503, which are required to be applied against payments, due to price changes in the underlying asset.

For the year ended December 31, 2014, the Company reclassified the amount of Ps.251,746 from comprehensive income and recognized it as part of inventory. This amount refers to the loss from the terminated operations for corn hedges, in which the grain, subject to these hedges, was received. Additionally, the corn hedges terminated during the period and for which no corn has been received, originated a gain of Ps.2,395, which was recognized in comprehensive income.

At December 31, 2013 derivative financial instruments comprised the following:

Type of contract	Notional amount	Fair value	
		Asset	Liability
Corn futures	6,365,000 Bushels		Ps. 71,540
Exchange rate forwards	$ 65,280,000 USD	Ps. 12,282	

At December 31, 2013, open positions of corn derivatives were recorded at fair value. The result of the valuation of financial instruments that qualified as cash flow hedge represented a loss of Ps.71,540, which was recognized in comprehensive income within equity. At December 31, 2013, the Company had no open positions of financial instruments that did not qualify as hedge accounting.

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Operations terminated at December 31, 2013 on corn and natural gas derivatives represented a loss of Ps.30,160 which was recognized in income as other expenses, net (Note 22).

Exchange rate derivative financial instruments were recorded at fair value. At December 31, 2013, the open positions of exchange rate derivatives represented a gain of Ps.9,543 which was recognized in income as comprehensive financing cost, net (Note 24). Likewise, for the year ended December 31, 2013, terminated operations of these instruments represented a gain of Ps.24,377, which was recognized in income as comprehensive financing cost, net (Note 24).

At December 31, 2013, the Company had revolving funds denominated “margin calls” amounting Ps.108,280, which are required to be applied against payments, due to price changes in the underlying asset.

For the year ended December 31, 2013, the Company reclassified the amount of Ps.207,241 from comprehensive income and recognized it as part of inventory. This amount refers to the gain from the terminated operations for corn hedges, in which the grain, subject to these hedges, was received. Additionally, the corn hedges terminated during the period and for which no corn has been received, originated a loss of Ps.62,009, which was recognized in comprehensive income.

D) FAIR VALUE HIERARCHY

A three-level hierarchy is used to measure and disclose fair values. An instrument’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation.

The following is a description of the three hierarchy levels:

- Level 1—Quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

a. Determination of fair value

When available, the Company generally uses quoted market prices to determine fair value and classifies such items in Level 1. If quoted market prices are not available, fair value is valued using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rates, currency rates, volatilities, etc. Items valued using such inputs are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some inputs that are readily observable. In addition, the Company considers assumptions for its own credit risk and the respective counterparty risk.

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b. Measurement

Assets and liabilities measured at fair value are summarized below:

	At December 31, 2014		
	Level 1	Level 3	Total
Assets:			
Plan assets — seniority premium fund	Ps. 55,647	Ps. —	Ps. 55,647
Derivative financial instruments — corn	88,572	—	88,572
Derivative financial instruments — fuel	7,804	—	7,804
Investment in Venezuela available for sale	—	3,109,013	3,109,013(1)
	Ps. 152,023	Ps. 3,109,013	Ps. 3,261,036
Liabilities:			
Derivative financial instruments — natural gas	Ps. —	Ps. 49,024	Ps. 49,024
Contingent payment due to repurchase of the Company's own shares	—	823,960	823,960
	Ps. —	Ps. 872,984	Ps. 872,984

(1) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 26.

	At December 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Plan assets — seniority premium fund	Ps. 56,240	Ps. —	Ps. —	Ps. 56,240
Derivative financial instruments — exchange rate	—	12,282	—	12,282
Investment in Venezuela available for sale	—	—	3,109,013	3,109,013(1)
	Ps. 56,240	Ps. 12,282	Ps. 3,109,013	Ps. 3,177,535
Liabilities:				
Derivative financial instruments — corn	Ps. 71,540	Ps. —	Ps. —	Ps. 71,540
Contingent payment due to repurchase of the Company's own shares	—	—	671,069	671,069
	Ps. 71,540	Ps. —	Ps. 671,069	Ps. 742,609

(2) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 26.

There were no transfers between the three levels in the period.

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Level 1 - Quoted prices for identical instruments in active markets

Financial instruments that are negotiated in active markets are classified as Level 1. The inputs used in the Company's financial statements to measure the fair value include quoted market prices of corn listed on the Chicago Board of Trade.

Level 2 - Quoted prices for similar instruments in active markets

Financial instruments that are classified as Level 2 refer mainly to quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, as well as model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Derivative financial instruments — exchange rate

Exchange rate financial instruments were recorded at fair value, which was determined based on future cash flows discounted to present value. Significant data used to determine the fair value of these instruments were as follows:

	At December 31, 2013
Forward exchange rate	13.12
Discount rate	3.79%

Level 3 - Valuation techniques

The Company has classified as Level 3 those financial instruments whose fair values are obtained using valuation models that include observable inputs but also include certain unobservable inputs.

The table below includes a roll-forward of the balance sheet amounts for the years ended December 31, 2014 and 2013 for financial instruments classified by the Company within Level 3 of the valuation hierarchy. When a determination is made to classify a financial instrument within Level 3, it is due to the use of significant unobservable inputs. However, Level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due, in part, to observable factors that are part of the valuation methodology:

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	Contingent payment due to repurchase of the Company's own shares	Derivative financial instruments — other raw materials	Investment available for sale
Balance as of December 31, 2012	Ps. 606,495	Ps. 28,832	Ps. —
Investment in Venezuela available for sale	—	—	3,109,013
Total gains or losses:			
In the income statement	64,574	(28,832)	—
In the comprehensive income statement	—	—	—
Additional provision	—	—	—
Balance as of December 31, 2013	671,069	—	3,109,013
Investment in Venezuela available for sale			
Total gains or losses:			
In the income statement	152,891	49,024	—
In the comprehensive income statement	—	—	—
Additional provision	—	—	—
Balance as of December 31, 2014	Ps. 823,960	Ps. 49,024	Ps. 3,109,013

Contingent payment due to repurchase of the Company's own shares

Regarding the contingent payment due to repurchase of the Company's own shares and as mentioned in Note 29, the Company recognized a contingent payment liability amounting to Ps.823,960 (U.S.$55,983 million) and Ps. 671,069 (U.S.$ 51.3 million) at December 31, 2014 and 2013, respectively, regarding the scenario identified as (i) in that Note. This provision is related to the increase in GRUMA's shares market price, over the closing price of GRUMA's shares determined for purposes of the transaction, at the end of a 42-month period.

The contingent payment liability was recognized at fair value, which was determined using discounted future cash flows and a discount rate which represented the average rate of return of bonds issued by companies comparable to GRUMA. Subsequent changes in the fair value of the contingent payment liability will be recognized in the income statement. The Monte Carlo simulation model was used to estimate the future price of the shares; this model includes the expected return and weighted volatility of historical prices of GRUMA's shares over a period of 42 months.

Significant data used to determine the fair value of the contingent payment liability is as follows:

	At December 31,	
	2014	2013
Weighted volatility of historical prices of GRUMA's shares	27.05%	38.83%
Weighted average price of GRUMA's shares (simulated)	Ps. 364.97 per share	Ps. 316.95 per share
Forward exchange rate	Ps. 15.27 per dollar	Ps. 14.07 per dollar
Discount rate	4.87%	6.80%

An increase or decrease of 10% in the discount rate used for the calculation of fair value, would result in an effect of Ps.5,480 and Ps.9,571, at December 31, 2014 and 2013, respectively.

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Derivative financial instruments — natural gas

Natural gas derivative financial instruments were recognized at fair value, which was determined using future cash flow discounted to present value, using quoted market prices of natural gas listed on the NYMEX Exchange.

For the Company, the unobservable input included in the valuation of this Level 3 financial instrument refers solely to the Company's own credit risk. For the year 2014 the Company's management believes that a possible reasonable change in this unobservable assumption will not cause a change where the fair value can materially exceed the carrying value.

Investment available for sale

The investment in Venezuela available for sale is recognized at the best estimated amount considered by the Company, which is represented by its carrying value, since no active market exists for this investment. See Note 26 for more information.

21. EXPENSES BY NATURE

Expenses by nature are presented in the income statement within the captions of cost of sales and selling and administrative expenses and are analyzed as follows:

	2014	2013	2012
Cost of raw materials consumed and changes in inventory (Note 8)	Ps. 19,047,263	Ps. 20,036,893	Ps. 22,735,345
Employee benefit expenses (Note 23)	11,824,788	11,127,071	11,211,456
Depreciation	1,402,509	1,400,412	1,447,034
Amortization	57,942	168,964	75,744
Rental expense of operating leases (Note 27)	875,293	733,861	722,739
Research and development expenses (Note 12)	152,967	144,563	136,826

22. OTHER EXPENSES, NET

Other expenses, net comprised the following:

	2014	2013	2012
Net loss from sale of fixed assets	Ps. (40,981)	Ps. (89,941)	Ps. (17,966)
Net gain from sale of scrap	1,845	1,073	2,092
Impairment loss on long-lived assets	(14,395)	(45,235)	(4,014)
Cost of written-down fixed assets	(64,503)	—	(37,681)
Current employees' statutory profit sharing	(53,677)	(53,415)	(51,123)
Non-recoverable cost of damaged assets	(3,652)	(4,221)	(2,654)
Result from derivative financial instruments	(121,899)	(1,330)	38,148
Total	Ps. (297,262)	Ps. (193,069)	Ps. (73,198)

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23. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are comprised of the following:

	2014	2013	2012
Salaries, wages and benefits (including termination benefits)	Ps. 11,028,190	Ps. 10,408,024	Ps. 10,481,833
Social security contributions	654,581	613,129	626,120
Employment benefits (Note 17)	142,017	105,918	103,503
Total	Ps. 11,824,788	Ps. 11,127,071	Ps. 11,211,456

24. COMPREHENSIVE FINANCING COST

Comprehensive financing cost, net is comprised by:

	2014	2013	2012
Interest expense (Note 14)	Ps. (1,189,993)	Ps. (1,105,268)	Ps. (897,021)
Interest income	35,552	37,250	43,856
Gain from derivative financial instruments (Note 20)	(23,375)	33,920	55,352
Gain (loss) from foreign exchange differences, net	72,413	46,473	(82,577)
Comprehensive financing cost, net	Ps. (1,105,403)	Ps. (987,625)	Ps. (880,390)

25. INCOME TAX EXPENSE

A) INCOME BEFORE INCOME TAX

The domestic and foreign components of income before income tax are the following:

	For the years ended December 31,		
	2014	2013	2012
Domestic	Ps. 1,987,178	Ps. 1,361,499	Ps. 671,136
Foreign	2,930,333	2,290,627	1,057,567
	Ps. 4,917,511	Ps. 3,652,126	Ps. 1,728,703

B) COMPONENTS OF INCOME TAX EXPENSE

The components of income tax expense are the following:

	2014	2013	2012
Current tax:			
Current tax on profits for the year	Ps. (2,103,594)	Ps. (2,079,506)	Ps. (530,500)
Adjustments in respect of prior years	194,257	137,645	(38,568)
Total current tax	(1,909,337)	(1,941,861)	(569,068)

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	2014	2013	2012
Deferred tax:			
Origin and reversal of temporary differences	865,992	98,251	(474,286)
Tax credit derived from foreign dividends	—	—	138,074
Use of tax loss carryforwards not previously recognized	(16,238)	1,648,249	—
Total deferred tax	849,754	1,746,500	(336,212)
Total income tax expense	Ps. (1,059,583)	Ps. (195,361)	Ps. (905,280)

Domestic federal, foreign federal and state income taxes in the consolidated statements of income consisted of the following components:

	For the years ended December 31,		
	2014	2013	2012
Current:			
Domestic federal	Ps. (714,311)	Ps. (1,022,764)	Ps. (210,103)
Foreign federal	(1,082,163)	(810,651)	(315,224)
Foreign state	(112,863)	(108,446)	(43,741)
	(1,909,337)	(1,941,861)	(569,068)
Deferred:			
Domestic federal	709,553	1,601,949	(187,958)
Foreign federal	156,612	160,320	(153,677)
Foreign state	(16,411)	(15,769)	5,423
	849,754	1,746,500	(336,212)
Total income taxes	Ps. (1,059,583)	Ps. (195,361)	Ps. (905,280)

C) RECONCILIATION OF FINANCIAL AND TAXABLE INCOME

For the years ended December 31, 2014, 2013 and 2012, the reconciliation between statutory income tax amounts and the effective income tax amounts is summarized as follows:

	2014	2013	2012
Statutory federal income tax (30% for 2014, 2013 and 2012)	Ps. (1,475,253)	Ps. (1,095,638)	Ps. (518,611)
Effects related to inflation	(109,626)	(146,883)	(99,747)
Foreign income tax rate differences	(41,826)	(86,918)	(57,008)
Tax credit derived from foreign dividends	718,135	—	383,740
Recoverable asset tax written off	—	—	(209,940)
Tax loss carryforwards used	23,341	1,131,434	(86,620)
Recovery of asset tax from previous years	—	216,204	—
Nondeductible expenses and others	(174,354)	(213,560)	(317,094)
Effective income tax (21.55%, 5.35% and 52.37% for 2014, 2013 and 2012, respectively)	Ps. (1,059,583)	Ps. (195,361)	Ps. (905,280)

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In October 2013, the Chamber of Senators and Deputies approved the issuance of the new Income Tax Law, effective starting January 1, 2014, abrogating the Income Tax Law published on January 1, 2002. The new Income Tax Law captures the essence of the previous Income Tax Law; however, this new law makes significant changes, including an income tax rate of 30% for 2014 and the following years; compared to the previous Income Tax Law, which established tax rates of 30%, 29% and 28% for 2013, 2014 and 2015, respectively. This change had no significant effect in the income of the year.

26. DISCONTINUED OPERATIONS

A) AGREEMENT FOR THE SALE OF THE WHEAT FLOUR OPERATIONS IN MEXICO

On June 10, 2014, GRUMA reached an agreement with Grupo Trimex, S.A. de C.V. (“Grupo Trimex”) for the sale of its wheat flour operations in Mexico. This transaction is in line with the Company’s strategy of focusing on its core businesses. Through this transaction, Grupo Trimex acquired all the shares representing Molinera de México, S.A. de C.V.’s capital stock (including transfer of personnel and assets), as well as the assets owned by Agroindustrias Integradas del Norte, S.A. de C.V., subsidiary of Grupo Industrial Maseca, S.A. B. de C.V. related to wheat flour production.

During December 2014, the Company concluded the sale of its wheat flour operations in Mexico. The total sale price was Ps.3,677,788.

The Company recognized in income a gain of Ps.214,755 as discontinued operations.

Income and cash flows related to the wheat flour operations in Mexico for the periods presented were classified as discontinued operations.

The assets and liabilities of the wheat flour operations in Mexico, at November 30, 2014 and at December 31, 2013 are shown below:

	At November 30, 2014	At December 31, 2013
Accounts receivable, net	Ps. 823,764	Ps. 917,417
Inventories	1,332,661	1,095,199
Other current assets	119,895	38,613
Total current assets	2,276,320	2,051,229
Property, plant and equipment	1,323,744	1,301,233
Other non-current assets	233,284	230,874
Total non-current assets	1,557,028	1,532,107
Total assets	Ps. 3,833,348	Ps. 3,583,336
Current liabilities	268,971	204,662
Non-current liabilities	101,344	45,811
Total liabilities	Ps. 370,315	Ps. 250,473

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The analysis of the gain or loss from discontinued operations related with the sale of the wheat flour operations in Mexico is as follows:

	2014	2013	2012
Net sales	Ps. 4,807,420	Ps. 5,070,781	Ps. 5,138,916
Cost of sales	(3,824,071)	(4,245,166)	(4,301,215)
Gross profit	983,349	825,615	837,701
Selling and administrative expenses	(540,674)	(635,341)	(605,014)
Other expenses, net	(8,411)	574	(27,771)
Operating income	434,264	190,848	204,916
Share of profits of associated company	3,036	2,562	2,976
Comprehensive financing cost, net	(9,652)	19,211	53,697
Income before income taxes	427,648	212,621	261,589
Income taxes	(3,516)	(3,088)	42,499
Income from discontinued operation, net	Ps. 424,132	Ps. 209,533	Ps. 304,088
Net gain from the sale of wheat flour operations in Mexico	214,755	—	—
Income from discontinued operations of wheat flour operations in Mexico	Ps. 638,887	Ps. 209,533	Ps. 304,088
Attributable to:			
Shareholders	Ps. 670,907	Ps. 210,455	Ps. 221,062
Non-controlling interest	(32,020)	(922)	83,026
	Ps. 638,887	Ps. 209,533	Ps. 304,088

B) LOSS OF CONTROL OF VENEZUELA

The Ministry of Popular Power for Internal Relations and Justice published on January 22, 2013 Administrative Providence number 004-13 dated January 21, 2013 (the “Providence”) in the Official Gazette of the Bolivarian Republic of Venezuela (the “Republic”). Given this Providence, which designated special managers with the broadest management faculties conferred by the Republic, GRUMA determined that it had lost control of the subsidiaries in Venezuela: Molinos Nacionales, C.A. (“MONACA”) and Derivados de Maíz Seleccionado, DEMASECA, C.A. (“DEMASECA”). Refer to Note 28 for additional detail on the processes in Venezuela.

Following the principles set by IFRS, the Company lost the ability to affect the variable returns and concluded that it had lost the control of MONACA and DEMASECA on January 22, 2013. Consequently and as a result of such loss of control, the Company proceeded with the following:

a) Ceased the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013 and derecognized the assets and liabilities of these companies from the consolidated balance sheet. For disclosure and presentation purposes, the Company considered these subsidiaries as a significant segment and therefore, applied the guidelines from IFRS 5 for their accounting treatment as discontinued operations. Consequently, the results and cash flows generated by the Venezuelan companies for the periods presented were classified as discontinued operations.

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b) The amounts recognized in other comprehensive income relating to these companies were reclassified in the year 2013 to the consolidated income statement as part of the results from discontinued operations, considering that MONACA and DEMASECA were disposed of due to the loss of control.

c) Recognized the investment in MONACA and DEMASECA as a financial asset, classifying it as an available-for-sale financial asset. The Company classified its investment in these companies as available for sale since management believed that is the appropriate treatment applicable to a non-voluntary disposition of assets and the asset did not fulfill the requirements of classification in another category of financial assets. Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value translated to the functional currency of the Company using an exchange rate of $2.9566 Mexican pesos per bolivar (Bs.4.3 per U.S. dollar), which was effective at the date of the loss of control, and not at its fair value. The investment in MONACA and DEMASECA is subject to impairment tests at the end of each reporting period when there is objective evidence that the financial asset is impaired.

While negotiations with the government may take place from time to time, the Company cannot assure that such negotiations will be successful or will result in the Investors receiving adequate compensation, if any, for their investments subject to the Expropriation Decree. Additionally, the Company cannot predict the results of any arbitral proceeding, or the ramifications that costly and prolonged legal disputes could have on its results of operations or financial position, or the likelihood of collecting a successful arbitration award. The Company and its subsidiaries reserve and intend to continue to reserve the right to seek full compensation for any and all expropriated assets and investments under applicable law, including investment treaties and customary international law.

As required by IFRS, GRUMA performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount, using two valuation techniques: 1) an income approach considering estimated future cash flows as a going concern business, discounted at present value using an appropriate discount rate (weighted average cost of capital), and 2) a market approach, such as the public company market multiple method using implied multiples such as earnings before interest, taxes, depreciation and amortization, and revenues of comparable companies adjusted for liquidity, control and disposal expenses. In both cases, the potential recoverable amounts using the income and market approach were higher than the carrying value of these investments and therefore, no impairment adjustment was deemed necessary at December 31, 2014 and 2013. Regarding the calculations to determine the potential recoverable amount, the Company’s management believes that a possible reasonable change in the key assumptions would not cause the carrying value of the Company’s investment in MONACA and DEMASECA materially exceed the potential recoverable amount before described.

For purposes of these calculations, the Company used the SICAD 1 available exchange rate (12.00 Venezuelan bolivars per U.S. dollar as of December 31, 2014 and 11.30 Venezuelan bolivars per U.S. dollar as of December 31, 2013) which is the reference considered by Management for settlement, based on its legal ability to do so. The Venezuelan exchange system, comprising the SICAD, involves different rates at which certain transactions should be executed, including “foreign investments and payment of royalties” for which the reference rate is 12.00 Venezuelan bolivars per U.S. dollar. For a simulation exercise where a different exchange rate is used for impairment tests, such as the SICAD 2 (49.99 Venezuelan bolivars per U.S. dollar at December 31, 2014), the calculations would result in an

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impairment loss in income of Ps.124,578 related with the Company's investment in MONACA and DEMASECA.

The historical value of the net investment in MONACA and DEMASECA at January 22, 2013, the date when the Company ceased the consolidation of the financial information of these entities, was Ps.2,913,760 and Ps.195,253, respectively.

On January 24, 2014, Exchange Agreement No. 25 became effective, which establishes the concepts to which the SICAD 1 exchange rate applies, for foreign currency transactions. In addition, the agreement also provides that the sale operation of foreign currency, whose clearance has been requested to the Central Bank of Venezuela before the Exchange Agreement No.25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No.25 resulted in a net foreign exchange loss of Ps.16,642 to the Company for the year 2014, which was presented as discontinued operations. This exchange loss is originated by certain accounts receivable maintained with the Venezuelan companies as of December 31, 2014 which are expected to be settled at this SICAD 1 exchange rate (12.00 Venezuelan bolivars per U.S. dollar as of December 31, 2014). For a simulation exercise where a different exchange rate is used, such as the SICAD 2, an additional foreign exchange loss of Ps.64,745 will result from certain accounts receivable maintained with the Venezuelan companies.

The financial information of MONACA and DEMASECA at January 22, 2013 and December 31, 2012 is:

	At January 22, 2013*	At December 31, 2012*
Current assets	Ps. 4,345,709	Ps. 4,463,157
Non-current assets	2,558,444	2,624,411
Total assets	6,904,153	7,087,569
Percentage of consolidated total assets	14.0%	14.3%
Current liabilities	2,641,540	2,853,060
Non-current liabilities	96,103	95,132
Total liabilities	2,737,643	2,948,192
Percentage of consolidated total liabilities	7.8%	8.4%
Total net assets	4,166,510	4,139,377
Percentage of consolidated total net assets	29.1%	28.8%
Non-controlling interest	1,057,497	1,049,088
Interest of Gruma in total net assets	Ps. 3,109,013	Ps. 3,090,289

* No material transactions between MONACA and DEMASECA and the Company need to be eliminated.

Additionally, at December 31, 2014 and 2013 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies for a total amount of Ps.1,123,904 and Ps.1,137,718, respectively. According to tests performed by the Company, these receivables are not impaired (see Note 7).

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The analysis of the gain or loss from discontinued operation related to the loss of control of the Venezuelan subsidiaries is:

	2014	2013	2012
Net sales	Ps. —	Ps. 880,991	Ps. 9,907,182
Cost of sales	—	(668,091)	(7,500,396)
Gross profit		212,900	2,406,786
Selling and administrative expenses	(23,393)	(129,960)	(1,707,076)
Other expenses, net	—	(1,431)	(687)
Operating income	(23,393)	81,509	699,023
Comprehensive financing cost, net	—	21,471	97,735
Income before income taxes	(23,393)	102,980	796,758
Income taxes	—	(26,850)	(220,510)
Discontinued operations	(23,393)	76,130	576,248
Foreign exchange loss of accounts receivable with Venezuela	(16,642)	—	—
Reclassification of foreign currency translation adjustment	—	(432,459)	—
(Loss) gain from discontinued operations	Ps. (40,035)	Ps. (356,329)	Ps. 576,248
Attributable to:			
Shareholders	Ps. (8,048)	Ps. (261,461)	Ps. 439,010
Non-controlling interest	(31,987)	(94,868)	137,238
	Ps. (40,035)	Ps. (356,329)	Ps. 576,248

27. COMMITMENTS

A) OPERATING LEASES

The Company is leasing certain facilities and equipment under long-term lease agreements in effect through 2027, which include an option for renewal. These agreements are recognized as operating leases, since the contracts do not transfer substantially all risks and advantages inherent to ownership.

Future minimum lease payments under operating lease agreements are as follows:

	2014	2013
No later than 1 year	Ps. 586,002	Ps. 586,314
Later than 1 year and no later than 5 years	1,116,360	1,056,789
Later than 5 years	271,441	308,252
	Ps. 1,973,803	Ps. 1,951,355

Rental expense was approximately Ps.875,293, Ps.733,861 and Ps.722,739 for the years ended December 31, 2014, 2013 and 2012, respectively.

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B) FINANCE LEASES

At December 31, 2014 and 2013, the net carrying values of assets recorded under finance leases totaled Ps.26,264 and Ps.20,298, respectively, and corresponded to transportation and production equipment.

Future minimum lease payments under finance lease agreements are as follows:

	2014	2013
No later than 1 year	Ps. 8,467	Ps. 3,771
Later than 1 year and no later than 5 years	11,576	11,024
	20,043	14,795
Future finance charges on finance leases	(645)	—
Present value of finance lease liabilities	Ps. 19,398	Ps. 14,795

The present value of finance lease liabilities is as follows:

	2014	2013
No later than 1 year	Ps. 8,467	Ps. 3,771
Later than 1 year and no later than 5 years	10,931	11,024
Total	Ps. 19,398	Ps. 14,795

C) OTHER COMMITMENTS

At December 31, 2014 and 2013, the Company had various outstanding commitments to purchase commodities and raw materials in the United States for approximately Ps.4,466,913 and Ps.3,112,207, respectively (U.S.$303.5 million and U.S.$238 million, respectively) and in Mexico for approximately Ps.3,576,474 and Ps.2,850,677, respectively (U.S.$243 million and U.S.$218 million, respectively), which will be delivered during 2015. The Company has concluded that there are not embedded derivatives resulting from these contracts.

At December 31, 2014 and 2013, the Company had outstanding commitments to purchase machinery and equipment in the United States amounting to approximately Ps.110,385 and Ps.128,689, respectively.

28. CONTINGENCIES

MEXICO

Income Tax Claim.- The Ministry of Finance and Public Credit has lodged certain tax assessments against the Company for an amount of Ps.29,900 plus penalties, updates and charges, in connection with withholding on interest payments to our foreign creditors during the years 2001 and 2002. Mexican tax authorities claim that the Company should have withheld at a higher rate than the 4.9% actually withheld by the Company. The Company filed several motions to annul these assessments, which later were relinquished, in order to be eligible for the tax amnesty program set forth in the Provisional Article Third of the Federal Income Law for the 2013 Fiscal Year.

Thereafter on May 2013, the partial tax assessment relief was authorized, by which the Company paid Ps.3,310 on May 21, 2013 to finalize the dispute.

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On January 29, 2014, the Company was notified of an official letter whereby the International Taxation Central Administration Office lodged a tax assessment for the amount of Ps.41,192 in connection with the 2001 and 2002 years, and derived from the initial allegation made in 2005. Given that the assessment subject to allegation was partially relieved (80%) and, that the remaining amount was paid on May of 2013, on April 7, 2014, the Company filed a challenge to such assessment, same which was resolved on September 12, 2014, whereby the assessment lodged by the Ministry of Finance and Public Credit was completely annulled.

UNITED STATES

Cox v. Gruma Corporation. On or about December 21, 2012, a consumer filed a putative class action against Gruma Corporation, claiming that Mission tortilla chips should not be labeled "All Natural" if they contain certain non-natural ingredients. The plaintiff sought restitution or other actual damages including attorneys' fees. On July 2014, this matter was dismissed with prejudice.

VENEZUELA

Expropriation Proceedings by the Venezuelan Government.- On May 12, 2010, the Venezuelan Government published in the Official Gazette of Venezuela decree number 7,394 (the "Expropriation Decree"), which announced the forced acquisition of all assets, property and real estate of MONACA. The Venezuelan Government has expressed to GRUMA's representatives that the Expropriation Decree extends to DEMASECA.

GRUMA's interests in MONACA and DEMASECA are held through two Spanish companies: Valores Mundiales, S.L. ("Valores Mundiales") and Consorcio Andino, S.L. ("Consorcio Andino"). In 2010, Valores Mundiales and Consorcio Andino (collectively, the "Investors") commenced discussions with the Venezuelan Govenment regarding the Expropriation Decree and related measures affecting MONACA and DEMASECA. Through Valores Mundiales and Consorcio Andino, GRUMA participated in these discussions which have explored the possibility of (i) entering into a joint venture with the Venezuelan government; and/or (ii) obtaining adequate compensation for the assets subject to expropriation. As of this date, these discussions have not resulted in an agreement with the Venezuelan Government.

Venezuela and the Kingdom of Spain are parties to a Treaty on Reciprocal Promotion and Protection of Investments, dated November 2, 1995 (the "Investment Treaty"), under which the Investors may settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes ("ICSID"). On November 9, 2011, the Investors, MONACA and DEMASECA validly provided formal notice to Venezuela that an investment dispute had arisen as a consequence of the Expropriation Decree and related measures adopted by the Venezuelan Government. In that notification, the Investors, MONACA and DEMASECA also agreed to submit the dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

In January 2013, the Venezuelan Government issued a resolution (*providencia administrativa*) granting the "broadest powers of administration" over MONACA and DEMASECA to special managers (*administradores especiales*) that had been imposed on those companies since 2009 and 2010, respectively.

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On May 10, 2013, Valores Mundiales and Consorcio Andino submitted a Request for Arbitration to the International Centre for Settlement of Investment Disputes ("ICSID"), which was registered on June 11, 2013 under case No. ARB/13/11. The purpose of the arbitration is to seek compensation for the damages caused by Venezuela's violation of the Investment Treaty.

The tribunal that presides over this arbitration proceeding was constituted in January 2014. Valores Mundiales and Consorcio Andino filed their memorial on jurisdiction and merits in July 2014. On September 14, 2014, Venezuela filed a motion to bifurcate the proceeding into separate jurisdictional and merits phases. On October 1, 2014, the tribunal rejected Venezuela's request. Venezuela filed its counter-memorial on jurisdiction and merits in March, 2015. The arbitration proceedings are ongoing.

While discussions with the government may take place from time to time, the Company cannot assure that such discussions will be successful or will result in the Investors receiving adequate compensation, if any, for their investments subject to the Expropriation Decree and related measures. Additionally, the Company cannot predict the results of any arbitral proceeding, or the ramifications that costly and prolonged legal disputes could have on its results of operations or financial position, or the likelihood of collecting a successful arbitration award.

While awaiting resolution of this matter and as required by the IFRS, GRUMA performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount, using two valuation techniques: 1) an income approach considering estimated future cash flows as a going concern business, discounted at present value using an appropriate discount rate (weighted average cost of capital) and 2) a market approach, such as the public company market multiple method using implied multiples such as earnings before interest, taxes, depreciation and amortization, and revenues of comparable companies adjusted for liquidity, control and disposal expenses. In both cases, the potential recoverable amounts using the income and market approach were higher than the carrying value of these investments and therefore, no impairment adjustment was deemed necessary.

The historical value of the net investment in MONACA and DEMASECA at January 22, 2013, the date when the Company ceased the consolidation of the financial information of MONACA and DEMASECA, was Ps.2,913,760 and Ps.195,253, respectively. Additionally, at December 31, 2014 and December 31, 2013 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies totaling Ps.1,123,904 and Ps.1,137,718, respectively. The Company does not have insurance for the risk of expropriation of its investments.

Intervention Proceedings by the Venezuelan Government.- On December 4, 2009, the Eleventh Investigations Court for Criminal Affairs of Caracas issued an order authorizing the precautionary seizure of assets in which Ricardo Fernández Barrueco had any interest. Purportedly due to Ricardo Fernández Barrueco's indirect non-controlling interest in MONACA and DEMASECA, these subsidiaries were subject to the precautionary measure. Between 2009 and 2012, the Ministry of Finance of Venezuela, pursuant to the precautionary measure ordered by the court, designated several special managers of the indirect minority shareholding that Ricardo Fernández Barrueco previously owned in MONACA and designated several special managers of DEMASECA. On January 22, 2013, the Ministry of Justice and Internal Relations revoked the prior designations made by the Ministry of Finance of Venezuela and made a new designation of individuals as special managers and representatives on behalf of the Republic of MONACA and DEMASECA, granting those managers the "broadest powers of administration" over both companies.

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As a result of the foregoing, MONACA and DEMASECA, as well as Consorcio Andino and Valores Mundiales, as direct shareholders of the Venezuelan subsidiaries, filed a petition as aggrieved third-parties to the proceedings against Ricardo Fernández Barrueco challenging the precautionary measures and all related actions. On November 19, 2010, the Eleventh Investigations Court for Criminal Affairs of Caracas ruled that MONACA and DEMASECA are companies wholly owned and controlled by Valores Mundiales and Consorcio Andino, respectively. In spite of this ruling, the court kept the precautionary measures issued on December 4, 2009 in effect. An appeal has been filed, which is pending resolution as of this date.

The People's Defense Institute for the Access of Goods and Services of Venezuela ("INDEPABIS")(1) issued an order, authorizing the temporary occupation and operation of MONACA for a period of 90 calendar days from December 16, 2009, which was renewed for 90 days on March 16, 2010. The order expired on June 16, 2010 and as of the date hereof MONACA has not been notified of any extension. INDEPABIS has also initiated a regulatory proceeding against MONACA in connection with the alleged failure to comply with regulations governing precooked corn flour and for allegedly refusing to sell this product as a result of the December 4, 2009 precautionary asset seizure described above. MONACA filed an appeal against these proceedings that has not been resolved as of this date.

Additionally, INDEPABIS initiated an investigation of DEMASECA and issued an order authorizing the temporary occupation and operation of DEMASECA for a period of 90 calendar days from May 25, 2010, which was extended until November 21, 2010. INDEPABIS issued a new precautionary measure of occupation and temporary operation of DEMASECA, valid for the duration of this investigation. DEMASECA has challenged these measures but as of the date hereof, no resolution has been issued. The proceedings are still ongoing.

The Company intends to exhaust all legal remedies available in order to safeguard and protect the Company's legitimate interests.

Finally, the Company and its subsidiaries are involved in various pending litigations filed in the normal course of business. It is the opinion of the Company that the outcome of these proceedings will not have a material adverse effect on the financial position, results of operation, or cash flows of the Company.

29. TRANSACTIONS WITH NON-CONTROLLING INTEREST

A) ACQUISITION OF NON-CONTROLLING INTEREST FROM ARCHER DANIELS MIDLAND

On December 14, 2012, GRUMA acquired from ADM its investment owned directly and indirectly in GRUMA and certain of its subsidiaries, consisting of:

a. 23.16% of the issued shares of GRUMA, through the acquisition of 18.81% of the issued shares of GRUMA and 45% of the issued shares of Valores Azteca, a company that owns 9.66% of the issued shares of GRUMA. The acquisition was carried out against GRUMA's shareholders equity, using funds reserved for the purchase of own shares authorized by GRUMA's General Ordinary Shareholders' Meeting;

(1) By means of the "Decreto-Ley contentivo de la Ley Orgánica de Precios Justos" published on the Official Gazette of Venezuela Nº 40.340 dated January 23, 2014, INDEPABIS was absorbed by the "Superintendencia Nacional para la Defensa de los Derechos Socioeconómicos" (SUNDDE).

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b. 3% of the capital stock of Valores Mundiales, S.L. and Consorcio Andino, S.L., holding companies of GRUMA's subsidiaries in Venezuela, Molinos Nacionales, C.A. ("MONACA") and Derivados de Maíz Seleccionado, C.A. ("DEMASECA"), respectively;

c. 40% of the shares of Molinera de México; and

d. 20% of the shares of Azteca Milling (subsidiary of Gruma Corporation), through the acquisition of 100% of the shares of Valley Holding Inc., which has no assets or liabilities other than the investment in shares of Azteca Milling.

At December 31, 2014 and 2013, Other long-term liabilities included Ps.823,960 and Ps.671,069, respectively, corresponding to a contingent payment from the agreement for the acquisition of the non-controlling interest from ADM in December 2012. This liability corresponds to a contingent payment of up to U.S.$60 million, proportionally distributed between GRUMA's and Valores Azteca's shares that are part of the equity interests, payable only if during the following 42 months after closing the transaction, certain conditions are met in connection with (i) GRUMA's stock market price increase over the closing price of GRUMA's stock determined for purposes of the transaction (the "Closing Price"), at the end of the 42 months' period; (ii) the difference between GRUMA's stock price established for public offers made by GRUMA and the Closing Price; (iii) the acquisition, by a strategic investor, of 15% or more of GRUMA's capital stock; or (iv) the reduction of the percentage of GRUMA's shares that are considered to be held by the public at any time, starting from 26%.

The Company has recognized a liability solely regarding the scenario (i) as mentioned in the previous paragraph, in connection to GRUMA's stock market price increase, over GRUMA's stock Closing Price determined for purposes of the purchase of the Equity Interests, at the end of the 42 months' period. As of December 31, 2014 and 2013, the Company did not consider as probable scenarios (ii), (iii) and (iv) for the contingent payment abovementioned, so there was no contingent payment obligation recorded in connection with these cases.

The contingent payment liability was registered at fair value, which was determined using projected future cash flows discounted to present value and the discount rate used is the average rate of return of any corporate bonds issued by companies comparable to GRUMA. The Monte Carlo simulation model was used to estimate the future shares price, which includes the expected return and the weighted volatility of historical prices of GRUMA's stock over a period of 42 months. The significant data used to determine the fair value of the contingent payment liability as of December 31, 2014 and 2013 is presented in Note 20-D.

Subsequent changes in the fair value of the contingent payment liability are recognized in the income statement. For the years ended December 31, 2014 and 2013, the effect in income was Ps.152,891 and Ps.64,574, respectively, and were recognized as "Comprehensive financing cost, net".

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30. RELATED PARTIES

Related party transactions were carried out at market value.

A) SALES OF GOODS AND SERVICES

	For the years ended December 31,		
	2014	2013	2012
Sales of goods:			
Associate	Ps. 39,156	Ps. 50,821	Ps. 49,783
Sale of services:			
Entities that have significant influence over the Company	—	18,203	34,106
Associate	—	—	1,294
	Ps. 39,156	Ps. 69,024	Ps. 85,183

B) PURCHASES OF GOODS AND SERVICES

	For the years ended December 31,		
	2014	2013	2012
Purchases of goods:			
Entities that have significant influence over the Company	Ps. —	Ps. —	Ps. 2,350,350
Associate	—	—	931
Purchases of services:			
Associate	32,413	35,719	33,385
Other related parties	—	18,379	114,422
	Ps. 32,413	Ps. 54,098	Ps. 2,499,088

Other transactions with related parties are identified in Note 29.

C) KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes Board members, alternate Board members, officers and members of the Audit Committee and Corporate Practice Committee. The compensation paid to key management for employee services is shown below:

	2014	2013	2012
Salaries and other short-term employee benefits	Ps. 145,739	Ps. 132,371	Ps. 179,492
Termination benefits	25,322	66,561	33,527
Total	Ps. 171,061	Ps. 198,932	Ps. 213,019

At December 31, 2014, 2013 and 2012, the reserve for deferred compensation amounted to Ps.36,648, Ps.34,800 and Ps.62,300, respectively.

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D) BALANCES WITH RELATED PARTIES

At December 31, 2014 the Company had no balances with related parties. At December 31, 2013, the balances with related parties were as follows:

	Nature of the transaction	At December 31, 2013
Receivables from related parties:		
Associate	Commercial and services	Ps. 592
Other related parties		2,352
		Ps. 2,944

31. FINANCIAL STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new IFRS, which will become effective after the issuance of the Company's financial statements, are explained below. This list includes those IFRS standards which the Company reasonably expects to apply in the future. The Company has the intention of adopting these new IFRS on the date they become effective.

A) NEW STANDARDS

a. IFRS 15, "Revenue from contracts with customers"

IFRS 15, "Revenue from contracts with customers", issued in May 2014, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus, has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, "Revenue", and IAS 11, "Construction contracts", and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier adoption is permitted.

b. IFRS 9, "Financial instruments"

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. A new expected credit losses model replaces the incurred loss impairment model used in IAS 39. IFRS relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of these new standards.

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B) AMENDMENTS

a. IAS 16, “Property, plant and equipment” and IAS 38, “Intangible assets”

In May 2014 the IASB amended IAS 16 and IAS 38 to establish that the determination of the useful life of an asset requires the consideration that the expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technical or commercial obsolescence of the asset might reflect a reduction of the future economic benefits of the asset. Additionally, the amendment includes that a depreciation or amortization method that is based on revenue that is generated by an activity that includes the use of an asset may not be appropriate. These amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016.

b. IFRS 10, “Consolidated financial statements” and IAS 28, “Investments in associates and joint ventures” — Sale or contribution of assets between an investor and its associate or joint venture

In September 2014 the IASB amended IFRS 10 and IAS 28 to establish the guidelines for the sale or contribution of assets between an investor and its associate or joint venture. The amendment helps clarify a current inconsistency between IFRS 10 and IAS 28. The amendment address that the accounting treatment will depend if the non-monetary assets that are sold or contributed to an associate or joint venture constitute a “business”. Additionally, it states that a total gain or loss will be recognized by the investor when the non-monetary assets involve a business. If the assets do not comply with the definition of business, then a partial gain or loss is recognized by the investor up to the interest of the other investors. The amendment to IFRS 10 and IAS 28 is effective for annual periods beginning on or after January 1, 2016.

The Company’s management expects that the adoption of the amendments explained above will not have significant effects in its financial statements.

32. SUBSEQUENT EVENTS

A) PUBLICATION OF NEW FOREIGN EXCHANGE RATE IN VENEZUELA

On February 10, 2015, the Exchange Agreement No. 33 published in the Official Gazette of Venezuela, established as of February 12, 2015 the elimination of the foreign exchange rate SICAD 2 and the creation of a new foreign exchange rate mechanism called SIMADI (Foreign Exchange Marginal System).

According to the decree, the foreign exchange rate will be the one freely agreed by the parties involved in transactions of purchase and sale of dollars in the market. The Central Bank of Venezuela will publish daily on its website the reference foreign exchange rate, corresponding to the weighted average exchange rate of the operations for each day in the markets of: a) trading transactions in local currency of foreign currencies, and b) trading transactions in local currency of foreign currency securities. The SIMADI foreign exchange rate published at the date in which the consolidated financial statements were authorized, was 171.03 Venezuelan bolivars per U.S. dollar.

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B) ACQUISITION OF AZTECA FOODS EUROPE

As of March 31, 2015, the Company executed a purchase agreement through its subsidiary Gruma International Foods, S.L. together with Fat Taco, S.L. and Azteca Foods, Inc., by means of which the company acquired the operations for the production and distribution of tortillas, wraps, corn chips, salsas and processed foods in Spain.

All of the shares and ownership interests representing the capital stock of Azteca Foods Europe, S.A. and AFIFT Azteca, S.L. (jointly, “Azteca Foods Europe”) were acquired through this transaction.

The price agreed for this transaction is approximately Ps.682 million (EUR$45 million) and is subject to adjustments resulting from the final calculations for working capital and net financial debt of the acquired company.

Azteca Foods Europe owns one plant in Spain and distributes its products in Europe, the Middle East and Northern Africa.

Exhibit 2(b)

CLIFFORD
CHANCE

CLIFFORD CHANCE US LLP

Execution Copy

Dated as of December 5, 2014

GRUMA, S.A.B. de C.V.,
as the Company

and

THE BANK OF NEW YORK MELLON,
as Trustee

and

THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.,

as Paying Agent and Transfer Agent in Luxembourg

INDENTURE
4.875% SENIOR NOTES DUE 2024

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EXHIBITS

INDENTURE, dated as of December 5, 2014, among GRUMA, S.A.B. de C. V. (herein called the "Company"), a corporation (*sociedad anónima bursátil de capital variable*) organized and existing under the laws of the United Mexican States ("Mexico"), THE BANK OF NEW YORK MELLON, a New York banking corporation, as Trustee (herein called the "Trustee"), and THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A., as Paying Agent and Transfer Agent in Luxembourg.

RECITALS OF THE COMPANY

The creation of an issue of its 4.875% Senior Notes Due 2024 (the "Notes") as hereinafter set forth, has been duly authorized by the Company, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture.

All things necessary to be done by the Company to make the Notes, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company upon payment therefor by the purchasers thereof, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, respectively, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.1. Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(2) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with IFRS (as hereinafter defined) (whether or not such is indicated herein);

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) references to the payment of principal of the Notes shall include applicable premium, if any;

(6) references to the principal, premium, interest or any other amount payable in respect of the Notes shall include Additional Amounts (as hereinafter defined), if any;

(7) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture; and

(8) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article.

For purposes of the following definitions and the Indenture generally, unless otherwise specified, all calculations and determinations shall be based upon the latest available audited annual or unaudited quarterly consolidated financial statements of the Company and its Subsidiaries prepared in accordance with IFRS.

"Act" when used with respect to any Holder has the meaning specified in Section 1.4.

"Additional Amounts" has the meaning specified in the Notes.

"Additional Notes" means Notes, other than the Initial Notes, issued pursuant to the provisions of Section 3.1(a).

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified Person, where "control" means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract, ownership of securities or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Attributable Debt" means, with respect to a Sale/Leaseback Transaction, as at the time of determination, the present value (discounted at the rate per annum equivalent to the interest rate inherent in such lease (as determined in good faith by the Company in accordance with generally accepted financial practice) of the total net obligations of the lessee for rental payments (excluding any amounts required to be paid by the lessee for maintenance and repairs, insurance, taxes and similar items) during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Authenticating Agent" means any Person authorized by the Trustee to authenticate Notes under Section 6.15.

"Board" means the Board of Directors of the Company, or any duly authorized committee of the Board of Directors recognized in the *estatutos sociales* of the Company and formed in accordance with applicable law.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the Borough of Manhattan, The City of New York or, with respect to any place of payment, in such place of payment, are authorized or obligated by law, executive order or regulation to close.

"Capital Lease Obligation" means, with respect to any Person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such Person prepared in accordance with IFRS; the amount of such obligation shall be the capitalized amount thereof, determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any Person, any shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests (however designated) in such Person.

"Change of Control" means the occurrence of the following: (i) any event as a result of which the Permitted Holders shall cease, in the aggregate, to control, directly or indirectly, the power to direct or cause the direction of the Company's management and policies, whether through the ownership of voting securities, by contract or otherwise, (ii) the adoption of a plan relating to the Company's liquidation or dissolution or (iii) the direct or indirect sale, transfer, conveyance or other disposition in one or a series of related transactions, of all or substantially all of the Company's and its Subsidiaries' properties or assets taken as a whole.

"Change of Control Offer" has the meaning specified in Section 10.7(a).

"Change of Control Payment Date" has the meaning specified in Section 10.7(b).

"Change of Control Purchase Price" has the meaning specified in Section 10.7(a).

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Ratings Decline.

"Clearstream" means Clearstream Banking, S.A. and its successors.

"Closing Date" means, (i) with respect to the Initial Notes, the date of closing of the sale of such Initial Notes pursuant to the provisions of the Purchase Agreement, and (ii) with respect to any Additional Notes, the date of issuance and first delivery of such Additional Notes to the initial Holder(s) thereof.

"Code" has the meaning specified in Section 6.4(h).

"Commission" means the United States Securities and Exchange Commission.

"Company" means the Person named as the "Company" in the introductory paragraph of this Indenture, until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company and delivered to the Trustee by or on behalf of any two executive officers of the Company, one of which is Chairman of the Board, President, Chief Executive Officer, Executive Vice President, Chief Administrative Officer, General Counsel, Chief Financial Officer, the Corporate Treasurer or the Subdirector of Financial Development and the other of which may be any other executive officer of the Company or Person who has a power of attorney granted by the shareholders of the Company, the Board or any authorized attorney-in-fact of the Company and delivered to the Trustee, which shall comply with Section 1.2.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest

such Reference Treasury Dealer Quotations, as determined by the Independent Investment Banker, or (B) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Consolidated Net Tangible Assets" means, as of any date of determination, the total assets appearing on the Company's most recent internally available consolidated balance sheet, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property) shown on the Company's most recent internally available consolidated balance sheet.

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office is, at the date of execution of this instrument, located at 101 Barclay Street, Floor 7E, New York, New York 10286; Attention: International Corporate Trust.

"corporation" includes corporations, associations, companies and business trusts.

"covenant defeasance option" has the meaning specified in Section 4.1(b).

"Debt" means, with respect to any Person (without duplication):

(i) the principal of and premium, if any, in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(ii) all Capital Lease Obligations of such Person;

(iii) all obligations of such Person issued or assumed as the deferred and unpaid purchase price of Property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business; or other obligations in the ordinary course of business which are outstanding for not more than 90 days);

(iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (i) through (iii) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(v) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Redeemable Stock (but excluding any accrued dividends);

(vi) any liability under any agreements or instruments in respect of interest rate or currency swap, exchange or hedging transactions or other financial derivatives transactions;

(vii) all obligations of the type referred to in clauses (i) through (v) of other Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee (excluding any Guarantee by the Company of any obligations of its Subsidiaries or Guarantees by any Subsidiary of obligations of the Company or any other Subsidiary); and

(viii) all obligations of the type referred to in clauses (i) through (vi) of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such Property or the amount of the obligation so secured.

For purposes of Section 5.1(3) the term "Debt" shall not be deemed to include clauses (iii), (vi), (vii) and (viii) above (to the extent that such clauses (vii) and (viii) relate to clause (iii) or (vi)).

"Default" means any event, act or condition the occurrence of which is, or after notice or the passage of time or both would be, an Event of Default.

"Defaulted Interest" has the meaning specified in Section 3.9.

"DTC" means The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing agency under the Exchange Act or other applicable statute or regulation.

"DWAC" means Deposit and Withdrawal at Custodian Service.

"Euroclear" means Euroclear Bank S.A./N.V., a Belgian bank, as operator of the Euroclear System and its successors.

"Event of Default" has the meaning specified in Section 5.1.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute.

"FATCA" has the meaning specified in Section 6.4(h).

"Fitch" means Fitch Ratings Inc.

"global Note" has the meaning specified in Section 2.2(a).

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Holder" means each Person in whose name a Note is registered in the Register, and, for so long as the Notes are represented by global Notes registered in the name of DTC or its nominee, shall mean DTC or such nominee.

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Board as in effect from time to time.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more supplemental indentures hereto entered into pursuant to the applicable provisions hereof.

"Initial Notes" means the U.S.$400,000,000 aggregate principal amount of Notes issued on December 5, 2014 and sold by the Company pursuant to the Purchase Agreement.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Notes.

"legal defeasance option" has the meaning specified in Section 4.1(b).

"Lien" means any mortgage, pledge, lien, security interest or other charge or encumbrance, including any equivalent right created or arising under the laws of Mexico.

"Market Exchange Rate" means, when used in respect of the U.S. dollar equivalent on any date of any obligation denominated in a currency other than U.S. dollars, (i) the Noon Buying Rate for such other currency on such day as published by the Federal Reserve Bank of New York, (ii) in the event the Federal Reserve Bank of New York does not publish a Noon Buying Rate for such other currency on such day, the exchange rate quoted or published on such day by the relevant central bank as the rate for buying such other currency in the U.S. dollar or (iii) if no such rate is quoted or published, the rate determined by the Company based on a quotation or an average of the quotations given to the Company by commercial banks which conduct foreign exchange operations or based on such other method as the Company may reasonably determine to calculate a market exchange rate; *provided* that if such Market Exchange Rate is not then available, the Market Exchange Rate most recently available prior thereto shall be used.

"Material Subsidiary" means any Subsidiary of the Company which, as of any date of determination, either (a) had assets which, as of the date of the Company's most recent quarterly consolidated balance sheet, constituted at least 10% of the Company's total assets on a consolidated basis as of such date, or (b) had revenues for the twelve-month period ending on the date of the Company's most recent quarterly consolidated statement of income which constituted at least 10% of the Company's total net sales on a consolidated basis for such period.

"Maturity" means, when used with respect to any Note, the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Mexican Withholding Taxes" has the meaning specified in the Notes.

"Mexico" has the meaning specified in the introductory paragraph of this Indenture.

"Noon Buying Rate" means the rate published for customs purposes by The Federal Reserve Bank of New York for cable transfers payable in pesos.

"Notes" has the meaning specified in the first recital of this Indenture and includes the Initial Notes and any Additional Notes.

"Offering Memorandum" means the Company's offering memorandum dated November 20, 2014, used in connection with the offering of the Initial Notes.

"Officers' Certificate" means a certificate signed by any two executive officers of the Company, one of which is Chairman of the Board, President, Chief Executive Officer, Executive Vice President,

Chief Financial Officer, Chief Administrative Officer, General Counsel, Corporate Treasurer or any Vice President of Finance and the other of which may be any other executive officer of the Company or Person who has a power of attorney granted by the shareholders of the Company, the Board or any authorized attorney-in-fact of the Company and delivered to the Trustee, which shall comply with Section 1.2.

"Opinion of Counsel" means a written opinion of legal counsel, who may be an employee of or counsel for the Company, which is delivered to the Trustee and shall comply with Section 1.2.

"Outstanding", when used with respect to the Notes, means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes, or portions thereof, for whose payment money or securities in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Notes; *provided* that, if such Notes are to be redeemed (as provided in Article XI), notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder. Notes owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Responsible Officer of the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any Affiliate of the Company.

"Paying Agent" has the meaning specified in Section 3.6.

"Permitted Holders" means (i) Graciela Moreno Hernández, (ii) a parent, brother or sister of Graciela Moreno Hernández and/or of the deceased Roberto Gonzalez Barrera, (iii) the spouse or a former spouse of any individual referenced in clause (i) or (ii), (iv) the lineal descendants of any person referenced in clauses (i) through (iii) and the spouse or a former spouse of any such lineal descendant, (v) the estate, heir or any guardian, custodian or other legal representative of any individual referenced in clauses (i) through (iv), (vi) any trust or other investment vehicle established principally for the benefit of any one or more of the individuals (or their respective heirs) referenced in clauses (i) through (v), and (vii) any Person in which a majority of the equity interests are owned, directly or indirectly, by any one or more of the Persons referenced in clauses (i) through (vi).

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated association or governmental or any agency or political subdivision thereof.

"pesos" means the lawful currency of Mexico.

"Predecessor Note" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 3.8 in exchange for or in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

"Property" means any asset, plant, facility, revenue or other property, whether tangible or intangible, real or personal, including any right to receive income.

"Purchase Agreement" means the Purchase Agreement, dated November 20, 2014, between the Company and Goldman, Sachs & Co., Santander Investment Securities Inc., and the other initial purchasers listed on Schedule 1 attached thereto, as such agreement may be amended, modified or supplemented from time to time.

"Qualified Institutional Buyer" has the meaning set forth in Rule 144A.

"Ratings Decline" means that, at any time during the period (the "Trigger Period") commencing on the first public announcement by the Company of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period shall be extended following consummation of a Change of Control for so long as the rating of the Notes is under publicly announced consideration for possible downgrade by S&P or Fitch (or any other rating agency) or a substitute or successor of any thereof), the then-applicable rating of the Notes is decreased by either S&P or Fitch (or any other rating agency) or a substitute or successor of any thereof; *provided* that any such ratings decline is in whole or in part in connection with such Change of Control.

"Record Date" for the interest payable on any Interest Payment Date means the date specified in Section 3.9(a).

"Redeemable Stock" means any Capital Stock that by its terms or otherwise is required to be redeemed by the Company on a Stated Maturity date or that is required to be redeemed by the Company at the option of the Holder thereof.

"Redemption Date" means, when used with respect to any Note to be redeemed hereunder, the date fixed for redemption of such Note pursuant to Article XI of this Indenture and the Notes.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co. and Santander Investment Securities Inc., or their respective affiliates or successors which are primary U.S. Government securities dealers, and no less than three other leading primary U.S. Government securities dealers in The City of New York reasonably designated by the Company; *provided*, *however*, that if any of the foregoing or their affiliates shall cease to be a primary U.S. Government securities dealer in The City of New York (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such Redemption Date.

"Register" has the meaning specified in Section 3.7.

"Registrar" has the meaning specified in Section 3.7.

"Regulation S" means Regulation S under the Securities Act and any successor regulation thereto.

"Regulation S Global Note" has the meaning specified in Section 2.2(a).

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee having direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Global Note" has the meaning specified in Section 2.2(a).

"Restricted Notes" has the meaning specified in Section 2.3.

"Restricted Period" has the meaning specified in Section 2.2(a).

"Restrictive Legend" has the meaning specified in Section 2.2(a).

"Rule 144" means Rule 144 under the Securities Act and any successor rule thereto.

"Rule 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"S&P" means Standard & Poor's Ratings Services.

"Sale/Leaseback Transaction" means an arrangement relating to Property now owned or hereafter acquired whereby the Company or a Subsidiary transfers such property to a Person and the Company or a Subsidiary leases it from such Person.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and any successor statute.

"Special Record Date" for the payment of Defaulted Interest means a date fixed by the Trustee pursuant to Section 3.9(d)(i).

"Stated Maturity" means, with respect to (i) any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred), or (ii) any installment of interest on any security, the date specified in such security as the fixed date on which such installment of interest is due and payable.

"Subsidiary" means, with respect to any Person, any other Person as to which a majority of the total voting power of shares of Capital Stock (or, if such other Person is not a corporation, other ownership interests) is, as of the date of determination, beneficially owned or held, directly or indirectly, by such Person and/or one or more other Subsidiaries thereof. The term "voting power" means, in turn, power to vote in the election of directors or members of the governing body of such other Person.

"Transfer Agent" has the meaning specified in Section 3.6.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum, as determined by the Independent Investment Banker, to be equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"Trustee" means the Person named as the "Trustee" in the introductory paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is such a successor Trustee.

"Trust Indenture Act" means the U.S. Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of this Indenture; *provided*, *however*, that, in the event the Trust Indenture Act is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendments, the Trust Indenture Act of 1939 as so amended.

"United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"U.S.$" or "U.S. dollar" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" means Capital Stock of any Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right to vote has been suspended by the happening of such a contingency.

(b) [Intentionally Left Blank.]

SECTION 1.2. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action or to refrain from taking any action under any provision of this Indenture, the Company shall, if requested by the Trustee, furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel, all conditions precedent, if any, have been complied with. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by officers of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with any other requirement set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificates provided pursuant to Section 10.3) shall include

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.3. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any such certificate or Opinion of Counsel delivered by a Person on behalf of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Person knows that the certificate or opinion or representations with respect to the matters upon which such Person's certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.4. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by such Holders in Person or by any agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments or causing it to be signed. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.2) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 1.4.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Trustee deems reasonably sufficient.

(c) The ownership of Notes shall be proved by the Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the Holder of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, suffered or omitted to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to take any action under this Indenture by consent. Such record date shall be the later of 10 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 7.1 prior to such solicitation. If such a record date is fixed, those Persons who were Holders of Notes at such record date (or their duly designated proxies), and only those Persons, shall be entitled to take such action by consent or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date; *provided, however*, that unless such consent is obtained from the Holders (or their duly designated proxies) of the requisite principal amount of Notes that are Outstanding prior to the date which is the 120th day after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

SECTION 1.5. Notices, etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if in writing and (a) delivered in Person, (b) delivered by facsimile and sent by registered mail, return receipt requested, or (c) delivered by overnight courier, to the Trustee at its Corporate Trust Office, Attention: International Corporate Trust, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and (a) delivered in Person, (b) delivered by facsimile and sent by first class mail postage prepaid or (c) delivered by overnight courier, to the Company, addressed to it at Calzada del Valle, 407 Ote., Colonia del Valle, San Pedro Garza Garcia, Nuevo León, 66220, Mexico, or at any other address previously furnished in writing to the Trustee by the Company, Attention: Chief Financial Officer.

SECTION 1.6. Notice to Holders; Waiver.

Where this Indenture provides for the giving of notice to Holders of any event, the Company shall or shall cause the Trustee, at the Company's expense, to (i) in the case of the global Notes, give such notice by delivery of such notice to DTC in accordance with its applicable procedures and (ii) in the case of Notes other than the global Notes, mail such notice by first-class mail, postage prepaid, to the Holders thereof at the address appearing on the Register. In addition, for so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, and so long as it is required by the rules of such Exchange, all notices to Holders of Notes will be published in English: (i) in a leading newspaper of general circulation in Luxembourg, or (ii) if such Luxembourg publication is not practicable, on the website of the Luxembourg Stock Exchange (http://www.bourse.lu/Accueil.jsp) or in one other leading English language newspaper being published on each day in morning editions, whether or not it shall be published in Saturday, Sunday or holiday editions. Any such notice shall be conclusively presumed to have been received by such Holders. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In the event of suspension of regular mail service or for any other reason it shall become impracticable to give such notice by mail, then such a notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

All requests, demands, authorizations, directions, notices, consents, waivers and other communications required or permitted under this Indenture shall be in writing in the English language. Notice to any Holder will be deemed to have been given on the date of such publication or mailing.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, pdf, facsimile transmission or other similar unsecured electronic methods; *provided, however*, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method), the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

SECTION 1.7. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience of reference only and shall not affect the construction hereof.

SECTION 1.8. Successors and Assigns.

All covenants and agreements of the parties hereto under this Indenture shall bind their respective successors and assigns, whether or not so expressed herein.

SECTION 1.9. Separability Clause.

In case any term or provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining terms or provisions shall not in any way be affected or impaired thereby. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any term or provision hereof invalid or unenforceable in any respect.

SECTION 1.10. Benefits of Indenture.

Nothing contained in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns and the Holders from time to time of the Notes, any benefits or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.11. Reserved.

[Intentionally Left Blank]

SECTION 1.12. Governing Law.

THIS INDENTURE AND THE NOTES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 1.13. Contract Currency.

Except as otherwise expressly set forth herein, the U.S. dollar is the sole currency of account and payment for all sums payable by the Company under or in connection with the Notes, including damages. Except as otherwise expressly set forth herein, any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Company shall only constitute a discharge to the Company to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If such U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Company shall indemnify the recipient against any loss sustained by it as a result. In any event, the Company shall indemnify the recipient against the cost of making any such purchase. If the U.S. dollar amount so purchased is greater than the U.S. dollar amount expressed to be due to the recipient under any Note, the recipient agrees to pay to the Company an amount equal to the excess of such U.S. dollar amount so purchased over the U.S. dollar amount expressed to be due to the recipient under any Note. These indemnities constitute a separate and independent obligation from the other obligations of the Company, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of the Notes and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

SECTION 1.14. Submission to Jurisdiction.

Each of the parties hereto agrees that any suit, action or proceeding arising out of or based upon this Indenture or the Notes, or the transactions contemplated hereby or thereby, may be instituted in any of the Federal Courts of the United States for the Southern District of New York and the courts of the State of New York, in each case located in the Borough of Manhattan, City and State of New York, and of any competent court in the place of its corporate domicile, in respect of actions brought against such party as a defendant. In addition, each such party irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of such suit, action or proceeding brought in any such court and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum and further waives any right it may have to any other jurisdiction (including by reason of its domicile or otherwise). Each such party hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Indenture or the transactions contemplated hereby. Each such party agrees that final judgment in any proceedings brought in such a court shall be conclusive and binding upon it and may be enforced in any court to the jurisdiction of which it is subject by a suit upon such judgment.

For purposes of any such suit, action or proceeding brought in any of the foregoing courts, the Company irrevocably designates Corporation Service Company, whose address on the date hereof is 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401, U.S.A., to receive for and on behalf of its property service of copies of the summons and complaints and any other process, which may be served in any such proceeding. In the event that such agent for service of process resigns or ceases to

serve as the agent of the Company, the Company agrees to give notice (as provided herein) to the Trustee of the name and address of any new agent for service of process with respect to it appointed hereunder. The Company agrees that the failure of its agent for service of process to forward such service to it shall not impair or affect the validity of such service or of any judgment based thereon.

If, despite the foregoing, in any such suit, action or proceeding brought in any of the aforesaid courts, there is for any reason no such agent for service of process of each of the parties available to be served, then to the extent that service of process by mail shall then be permitted by applicable law, each of such parties further irrevocably consents to the service of process on it in any such suit, action or proceeding in any such court by the mailing thereof by registered or certified mail, postage prepaid, to it at its address given in or pursuant to Section 1.5 hereof.

Nothing herein contained shall preclude any party from effecting service of process in any lawful manner or from bringing any suit, action or proceeding in respect of this Indenture in any other state, country or place.

To the extent that the Company may in any jurisdiction claim for itself or its assets any immunity from suit, execution, attachment (whether in aid of execution, before judgment, or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Company irrevocably agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SECTION 1.15. Legal Holidays.

Whenever any payment to be made hereunder shall be stated to be due on a date which is not a Business Day, then (notwithstanding any other provision of this Indenture or of the Notes) payment of interest on or principal of such Note need not be made on such payment date, but may be made on the next succeeding Business Day with the same force and effect as if made on such payment date and, for the purpose of such payment, no interest shall accrue for the period from and after such payment date.

SECTION 1.16. Counterparts.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE II

FORM OF NOTES

SECTION 2.1. Forms Generally.

The Notes and the Trustee's certificate of authentication shall be in substantially the forms set forth in Exhibit A hereto, which is hereby incorporated in and made an integral part of this Indenture in its entirety, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be required to comply with the rules of any securities exchange or market or clearance system, or as may, consistently herewith, be determined by the authorized officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

Any definitive Notes shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the officers executing such Notes, as evidenced by their execution of the Notes. Global Notes do not need to be printed, lithographed or engraved.

SECTION 2.2. Global Notes.

(a) Generally. Except as otherwise provided herein, upon issuance, the Notes will be represented by one or more fully registered Notes in global form ("global Notes"). The Company shall execute and the Trustee shall, in accordance with Section 3.4 and the Company Order delivered to the Trustee thereunder, authenticate and deliver such global Notes, which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Notes to be represented by such global Notes.

(i) Restricted Global Note. Notes initially offered and sold to Qualified Institutional Buyers in reliance on Rule 144A shall be issued in the form of one or more permanent global Notes (each, a "Restricted Global Note") in definitive, fully registered form without interest coupons, substantially in the form of Exhibit A hereto, with the legend (the "Restrictive Legend") in substantially the form indicated in Exhibit A hereto and such other legends as may be applicable thereto, which Restricted Global Notes shall be deposited on behalf of the holders of the Notes represented thereby with the Trustee, at its New York office, as custodian for DTC, and registered in the name of DTC or its nominee, duly executed by the Company and authenticated by the Trustee or the Authenticating Agent as provided herein. The aggregate principal amount of a Restricted Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as the custodian for DTC, or the records of DTC or its nominee, as the case may be, as hereinafter provided.

(ii) Regulation S Global Note. Notes initially offered and sold outside the United States in reliance on Regulation S shall be issued in the form of one or more permanent global Notes (each, a "Regulation S Global Note") in definitive, fully registered form without interest coupons, substantially in the form of Exhibit A hereto, with the legend in substantially the form set forth in Exhibit A hereto and such other legends as may be applicable thereto, which Regulation S Global Notes shall be deposited on behalf of the holders of the Notes represented thereby with the Trustee, at its New York office, as custodian for DTC, and registered in the name of DTC or its nominee, duly executed by the Company and authenticated by the Trustee or an Authenticating Agent as provided herein, for credit to the accounts of the respective depositaries for Euroclear and Clearstream (or such other accounts as they may direct). Prior to or on the 40th day after the later of the commencement of the offering of the Notes and the Closing Date (the "Restricted Period"), interests in a Regulation S Global Note may be exchanged for interests in a Restricted Global Note only in accordance with the certification requirements described in Section 3.7(c)(iii) below. The aggregate principal amount of the Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, or the records of DTC or its nominee, as the case may be, as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.2(b) shall apply only to global Notes deposited with DTC or its custodian.

The Company shall execute and the Trustee shall, in accordance with this Section 2.2(b), authenticate and deliver initially one or more global Notes that (a) shall be registered in the name of DTC

or the nominee of DTC, (b) shall be held by the Trustee as custodian for DTC or pursuant to DTC's instructions and (c) shall bear legends substantially to the following effect:

> "Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Company or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of The Depository Trust Company (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of The Depository Trust Company), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful since the registered owner hereof, Cede & Co., has an interest herein."

> "Transfers of this global Note shall be limited to transfers in whole, but not in part, to nominees of The Depository Trust Company or to a successor thereof or such successor's nominee, and transfers of portions of this global Note shall be limited to transfers made in accordance with Section 3.7 of the Indenture referred to herein."

Members of, or participants in, DTC shall have no rights under this Indenture with respect to any global Note held on their behalf by DTC, and DTC may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the absolute owner and Holder of such global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall impair, as between DTC and its agent members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(c) Interests in a global Note deposited with DTC pursuant to Section 2.2(b) shall be transferred to the beneficial owners thereof in the form of definitive Notes only if such transfer complies with Section 3.7 and DTC notifies the Company that it is unwilling or unable to continue as the depositary for such global Note or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary is not appointed by the Company within 90 days of such notice, or the Company elects to discontinue the use of the system of book-entry transfers through DTC or a successor depository, or an Event of Default has occurred and is continuing.

(d) If interests in any global Note are to be transferred to the beneficial owners thereof in the form of definitive Notes pursuant to Section 2.2(c), such global Note shall be surrendered by DTC to the Trustee to be so transferred, without charge, and the Trustee shall authenticate and deliver, upon such transfer of interests in such global Note, an equal aggregate principal amount of definitive Notes of authorized denominations. The definitive Notes transferred pursuant to this Section 2.2 shall be executed, authenticated and delivered only in the denominations specified in Section 3.3 and registered in such names as DTC shall direct in writing. Any definitive Note delivered in exchange for an interest in a Restricted Global Note shall bear the Restrictive Legend.

(e) Subject to the provisions of Section 2.2(b), the registered Holder may grant proxies and otherwise authorize any Person, including agent members and Persons that may hold interests through agent members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(f) In the event of the occurrence of any of the events specified Section 2.2(c), the Company will promptly make available to the Trustee a reasonable supply of certificated Notes in definitive, fully registered form, without interest coupons.

SECTION 2.3. Restrictive Legends on Restricted Notes.

All Notes issued to Qualified Institutional Buyers in reliance upon Rule 144A shall be represented by the Restricted Global Notes (subject to Section 2.2(c) above), and all such Notes and Notes issued upon registration of transfer of, or in exchange for, such Notes, shall be Restricted Notes and shall be subject to the restrictions on transfer provided in the Restrictive Legend; *provided, however*, that the term "Restricted Notes" shall not include (a) Notes which are issued upon transfer of, or in exchange for, Notes which are not Restricted Notes or (b) Notes as to which such restrictions on transfer have been terminated in accordance with Section 3.7. All Restricted Notes shall bear the Restrictive Legend.

ARTICLE III

ISSUE, EXECUTION, DENOMINATION AND REGISTRATION OF NOTES

SECTION 3.1. Additional Notes; Title and Terms.

(a) The Company may, if authorized by Board Resolution at any time after the issuance of the Initial Notes, issue Additional Notes the terms and conditions of which shall be (i) set forth in a supplemental indenture to this Indenture executed by the Company without the consent of the Holders and by the Trustee, and (ii) identical in all respects to those of the Initial Notes, as then in effect, except in respect of (a) date of issuance and (b) first Interest Payment Date; *provided* that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes may only be created and issued if they are fungible with the Initial Notes for U.S. federal income tax purposes.

(b) The Notes shall be known and designated as the "4.875% Senior Notes Due 2024" of the Company. The Stated Maturity of the Notes with respect to principal shall be December 1, 2024, and the Notes shall bear interest at the rate of 4.875% per annum, from the date of issuance or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, payable semi-annually in arrears, on June 1 and December 1 of each year, commencing June 1, 2015 (or, with respect to any Additional Notes, on the first Interest Payment Date following the date of issuance thereof, unless otherwise provided in the supplemental indenture pursuant to which such Additional Notes shall be issued), until the principal thereof is paid or made available for payment.

(c) The principal of and interest on the Notes shall be payable as provided in the form of Notes set forth in Exhibit A hereto.

(d) The Notes shall be redeemable in accordance with Article XI.

SECTION 3.2. Ranking of the Notes.

The Initial Notes and any Additional Notes shall constitute direct senior unsecured obligations of the Company and will rank at least *pari passu* in priority of payment amongst themselves and with all other present and future unsecured and unsubordinated Debt of the Company.

SECTION 3.3. Denominations of Notes.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

SECTION 3.4. Execution, Authentication, Delivery and Dating.

The Notes shall be executed on behalf of the Company by any two executive officers of the Company, one of which is its Chairman of the Board, President, Chief Executive Officer, Executive Vice President or Chief Financial Officer and the other of which may be any other executive officer of the Company (including its Corporate Treasurer or its Subdirector of Financial Development) or Person who has a power of attorney granted by the shareholders of the Company, the Board or any attorney-in-fact of the Company.

Notes bearing the manual or facsimile signatures of individuals who at the time of signature were the proper officers or attorneys-in-fact of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices or to be attorneys-in-fact prior to the authentication and delivery of such Notes or did not hold such offices or were not attorneys-in-fact at the date of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes; and the Trustee in accordance with such Company Order shall authenticate and deliver such Notes as in this Indenture provided and not otherwise. Each Note shall be dated the date of its authentication.

A Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless executed and issued by the Company and authenticated by the manual signature of the Trustee as provided herein. The signature of the Trustee shall be conclusive evidence, and the only evidence, that the Note has been authenticated and delivered under this Indenture.

SECTION 3.5. Temporary Notes.

Pending the preparation of any definitive Notes, the Company may execute, and pursuant to a Company Order the Trustee shall authenticate and deliver, temporary Notes which are printed, lithographed, or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Notes in lieu of which they are issued and with such appropriate insertions, omissions, or such other variations as the officers executing such Notes may determine, as conclusively evidenced by their execution of such Notes.

If temporary Notes are issued, the Company shall cause any definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at any office or agency of the Company designated for such purpose, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like Outstanding principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 3.6. Trustee; Paying Agents and Transfer Agents.

The Company hereby appoints The Bank of New York Mellon, at its Corporate Trust Office, as Trustee hereunder. The Trustee shall have the powers and authority granted to and conferred upon it in this Indenture and the Notes and such further powers and authority to act on behalf of the Company as may be mutually agreed upon by the Company, and the Trustee shall keep a copy of this Indenture available for inspection during normal business hours at its Corporate Trust Office. The Trustee or any

Paying Agent shall also act as Transfer Agent. All of the terms and provisions with respect to such powers and authority contained in the Notes are subject to and governed by the terms and provisions hereof.

The Company may, at its discretion, appoint one or more agents (a "Paying Agent" or "Paying Agents") for the payment (subject to applicable laws and regulations) of the principal of, interest and Additional Amounts on, the Notes and one or more agents (a "Transfer Agent" or "Transfer Agents") for the transfer and exchange of Notes; *provided, however*, that the Company shall at all times maintain a Paying Agent, Transfer Agent and Registrar in the Borough of Manhattan, The City of New York (any or all of which may be the Trustee) and, so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and such Exchange so requires, a Paying Agent and a Transfer Agent in Luxembourg. The Company hereby initially appoints the Trustee, at its Corporate Trust Office, as Paying Agent, Transfer Agent and Registrar in The City of New York, and the Trustee hereby accepts such appointment, and the Company also appoints The Bank of New York Mellon (Luxembourg) S.A. as Paying Agent and Transfer Agent in Luxembourg (it being understood an agreed that such appointment is solely for the purposes of acting as Paying Agent and Transfer Agent in Luxembourg and that the rights, protections, immunities granted to the Trustee under Article VI shall apply mutatis mutandis to The Bank of New York Mellon (Luxembourg) S.A. as Paying Agent and Transfer Agent in Luxembourg). The Company shall promptly notify the Trustee of the name and address of any Paying Agent or Transfer Agent appointed by it and of the country or countries in which a Paying Agent or Transfer Agent may act in that capacity, and shall notify the Trustee of the resignation or termination of any such Paying Agent or Transfer Agent. Whenever the Company shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, that (i) it will hold all sums received by it as Paying Agent in trust for the benefit of the Holders or of the Trustee, until such money shall be paid to the Holders or be otherwise disposed of as provided herein, (ii) it will give the Trustee notice of any failure by the Company to make any payment of the principal of, or premium, if any, on or interest or any Additional Amounts on, the Notes and any other payments to be made by or on behalf of the Company under this Indenture, when the same shall be due and payable, and (iii) at any time during the continuance of a failure referred to in clause (ii) above, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and account for any funds disbursed; and, upon such payment and accounting by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money. Subject to the provisions of this Section 3.6, the Company may vary or terminate the appointment of the Registrar or any Paying Agent or Transfer Agent at any time with or without cause upon giving 30 days' notice to the Registrar, such Paying Agent or Transfer Agent, as the case may be, and the Trustee.

SECTION 3.7. Registrar; Registration, Registration of Transfer and Exchange.

(a) The Company shall maintain an office or agency where the Notes may be presented for registration of transfer or for exchange. The Company shall cause to be kept at such office a register (the register maintained in such office and in any other office or agency designated for such purpose being herein sometimes referred to as the "Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes entitled to be registered or transferred as provided herein. The Trustee, at its Corporate Trust Office, is initially appointed as "Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. The Company may, upon written notice to the Trustee, change the designation of the Trustee as Registrar and appoint another Person to act as Registrar for purposes of this Indenture. If any Person other than the Trustee acts as Registrar, the Trustee shall have the right at any time, upon reasonable notice, to inspect or examine the Register and to make such inquiries of the Registrar as the Trustee shall in its discretion deem necessary or desirable in performing its duties hereunder.

The Company shall enter into an appropriate agency agreement with any Person designated by the Company as Registrar or Paying Agent that is not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Registrar or Paying Agent. Prior to the designation of any such Person, the Company shall, by written notice (which notice shall include the name and address of such Person), inform the Trustee of such designation. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such for so long as such failure shall continue.

(b) Upon presentation for transfer or exchange of any Note at the office of any Transfer Agent, accompanied by a written instrument of transfer or exchange in the form approved by the Company (it being understood that, until notice to the contrary is given to Holders, the Company shall be deemed to have approved the form of instrument of transfer or exchange, if any, printed on any Note), executed by the registered Holder, in Person or by such Holder's attorney thereunto duly authorized in writing, such Note shall be transferred upon the Register, and a new Note shall be authenticated and issued in the name of the transferee.

(c) Notwithstanding any provision to the contrary herein, so long as a global Note remains Outstanding and is held by or on behalf of DTC, transfers of a global Note, in whole or in part, and transfers of beneficial interests therein, shall be made only in accordance with this Section 3.7(c).

(i) Global Note Transfers. Subject to clauses (ii) through (vii) of this Section 3.7(c), transfers of a global Note shall be limited to transfers of such global Note in whole, but not in part, to nominees of DTC or to a successor of DTC or such successor's nominee.

(ii) Restricted Global Note to Regulation S Global Note. If a holder of a beneficial interest in the Restricted Global Note deposited with DTC wishes at any time to exchange its interest in such Restricted Global Note for an interest in the Regulation S Global Note, or to transfer its interest in such Restricted Global Note to a Person who wishes to take delivery thereof in the form of an interest in such Regulation S Global Note, such holder may, subject to the rules and procedures of DTC and to the requirements set forth in the following sentence, exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in such Regulation S Global Note. Upon receipt by the Trustee, as Transfer Agent, at its office in The City of New York of (1) instructions given in accordance with DTC's procedures from or on behalf of a holder of a beneficial interest in the Restricted Global Note, directing the Trustee (via DWAC), as Transfer Agent, to credit or cause to be credited a beneficial interest in the Regulation S Global Note in an amount equal to the beneficial interest in the Restricted Global Note to be exchanged or transferred, (2) a written order given in accordance with DTC's procedures containing information regarding the Euroclear or Clearstream account to be credited with such increase and the name of such account, and (3) a certificate in the form of Exhibit B given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 under the Securities Act, the Trustee, as Transfer Agent, shall promptly deliver appropriate instructions to DTC (via DWAC), its nominee, or the custodian for DTC, as the case may be, to reduce or reflect on its records a reduction of the Restricted Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred from the relevant participant, and the Trustee, as Transfer Agent, shall promptly deliver appropriate instructions (via DWAC) to DTC, its nominee, or the custodian for DTC, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of such Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such

instructions a beneficial interest in such Regulation S Global Note equal to the reduction in the principal amount of such Restricted Global Note.

(iii) Regulation S Global Note to Restricted Global Note. If a holder of a beneficial interest in the Regulation S Global Note wishes at any time to exchange its interest in such Regulation S Global Note for an interest in the Restricted Global Note, or to transfer its interest in such Regulation S Global Note to a Person who wishes to take delivery thereof in the form of an interest in such Restricted Global Note, such holder may, subject to the rules and procedures of Euroclear or Clearstream and DTC, as the case may be, and to the requirements set forth in the following sentence, exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in such Restricted Global Note. Upon receipt by the Trustee, as Transfer Agent, at its office in The City of New York of (1) instructions given in accordance with the procedures of Euroclear or Clearstream and DTC, as the case may be, from or on behalf of a beneficial owner of an interest in the Regulation S Global Note directing the Trustee, as Transfer Agent, to credit or cause to be credited a beneficial interest in the Restricted Global Note in an amount equal to the beneficial interest in the Regulation S Global Note to be exchanged or transferred, (2) a written order given in accordance with the procedures of Euroclear or Clearstream and DTC, as the case may be, containing information regarding the account with DTC to be credited with such increase and the name of such account, and (3) prior to the expiration of the Restricted Period, a certificate in the form of Exhibit C given by the holder of such beneficial interest and stating that the Person transferring such interest in such Regulation S Global Note reasonably believes that the Person acquiring such interest in such Restricted Global Note is a Qualified Institutional Buyer (as defined in Rule 144A) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction, the Trustee, as Transfer Agent, shall promptly deliver (via DWAC) appropriate instructions to DTC, its nominee, or the custodian for DTC, as the case may be, to reduce or reflect on its records a reduction of the Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Regulation S Global Note to be exchanged or transferred, and the Trustee, as Transfer Agent, shall promptly deliver (via DWAC) appropriate instructions to DTC, its nominee, or the custodian for DTC, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of such Restricted Global Note by the aggregate principal amount of the beneficial interest in such Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such Restricted Global Note equal to the reduction in the principal amount of such Regulation S Global Note. After the expiration of the Restricted Period, the certification requirement set forth in clause (3) of the second sentence of this Section 3.7(c)(iii) will no longer apply to such transfers.

(iv) [Intentionally Left Blank]

(v) Beneficial Interest in Global Note upon Transfer. Any beneficial interest in one of the global Notes that is transferred to a Person who takes delivery in the form of an interest in the other global Note will, upon transfer, cease to be an interest in such global Note and become an interest in the other global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other global Note for as long as it remains such an interest.

(vi) Other Exchanges. In the event that a global Note is exchanged for certificated Notes in definitive registered form without interest coupons, pursuant to Section 2.2(c), such Notes may be exchanged or transferred for one another only in accordance with such procedures

as are substantially consistent with the provisions of clauses (ii), (iii) and (iv) above (including the certification requirements intended to ensure that such exchanges or transfers comply with Rule 144, Rule 144A or Regulation S, as the case may be) and as may be from time to time adopted by the Company and the Trustee; *provided* that interests in Regulation S Global Notes may not be exchanged for certificated Notes prior to the expiration of the Restricted Period.

(vii) The procedures for, and restrictions relating to, transfers of Notes set forth in clauses (ii), (iii), (iv) and (v) shall not apply to the Initial Notes following the date that is one year after the original issue date of such Initial Notes (or any Predecessor Note of such Initial Notes).

(d) Successive registrations and registrations of transfers and exchanges as aforesaid may be made from time to time as desired, and each such registration shall be noted on the Register. No service charge shall be made for any registration of transfer or exchange or conversion of the Notes, but the Company, Trustee or other agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(e) Any Transfer Agent (other than the Trustee) appointed pursuant to Section 3.6 shall provide to the Trustee such information as the Trustee may reasonably require in connection with the delivery by such Transfer Agent of Notes upon transfer or exchange of Notes.

(f) Neither the Trustee, nor any Registrar or Transfer Agent shall be required to make registrations of transfer or exchanges of definitive Notes for a period from the Record Date to the due date for any payment of principal (including upon conversion) of, or interest on, the Notes or register the transfer of or exchange any Notes for 15 days prior to selection for redemption through the Redemption Date.

(g) Upon the transfer, exchange or replacement of definitive Notes not bearing the Restrictive Legend, the Notes so issued shall not bear the Restrictive Legend. Upon the transfer, exchange or replacement of definitive Notes bearing the Restrictive Legend, or upon specific request for removal of the Restrictive Legend on a definitive Note, the Company will deliver only definitive Notes that bear such Restrictive Legend, or will refuse to remove such Restrictive Legend, as the case may be, unless there is delivered to the Company such satisfactory evidence, which may include an opinion of counsel, as may be reasonably required by the Company, that neither the Restrictive Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. Upon provision of such satisfactory evidence, the Trustee, at the direction of the Company, shall authenticate and deliver a Note that does not bear the Restrictive Legend. The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among depositary participants or beneficial owners of interests in any definitive Note or Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 3.8. Mutilated, Destroyed, Lost and Stolen Notes.

In the event that any Note shall become mutilated, defaced, destroyed, lost or stolen, the Company will execute and, upon the Company's request, the Trustee will authenticate and deliver a new Note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof) or in lieu of and

substitution for such Note. In the event that such Note is destroyed, lost or stolen, the applicant for a substitute Note shall furnish to the Company and the Trustee such security or indemnity as may be required by them to hold each of them harmless, and, in every case of destruction, loss or theft of such Note, the applicant shall also furnish to the Company and the Trustee satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof.

In case any such mutilated, defaced, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note under this Section 3.8, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Note issued pursuant to this Section 3.8 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 3.8 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 3.9. Payment; Payment Rights Preserved.

(a) Interest and any Additional Amounts on any Note which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered at the close of business on the Record Date for such payment, which shall be the May 15 or November 15 (whether or not a Business Day) immediately preceding such Interest Payment Date by U.S. dollar check drawn on a bank in The City of New York or, for Holders of at least U.S.$1,000,000 in aggregate principal amount of Notes, by wire transfer, each as set forth below.

For so long as the Trustee is acting as Paying Agent hereunder, the Company shall provide, or cause to be provided, to the Trustee outside Mexico in same day funds on the Business Day immediately preceding, each date on which a payment of principal of, premium, if any, interest or any Additional Amounts on, the Notes shall become due, as set forth in the text of the Notes, such amount, in such coin or currency, as is necessary to make such payment. The Company hereby authorizes and directs the Trustee from funds so provided to it to make or cause to be made payment of the principal of, premium, if any, interest and any Additional Amounts on, the Notes as set forth herein and in the text of such Notes. Payments in respect of the principal of, premium, if any, interest and any Additional Amounts on, the Notes will be made at the Corporate Trust Office of the Trustee or at the office of the Paying Agent in Luxembourg. Payments in respect of principal of Notes will be made only against surrender of such Notes. The Trustee shall arrange directly with any other Paying Agent which may have been appointed by it pursuant to the provisions of Section 3.6 for the payment of funds so paid by the Company of the principal of, premium, if any, interest and any Additional Amounts on, the Notes as set forth herein and in the text of the Notes. Notwithstanding the foregoing, the Company may provide, or cause to be provided, directly to a Paying Agent funds for the payment of the principal of, premium, if any, interest and any Additional Amounts on, the Notes under an agreement with respect to such funds containing substantially the same terms and conditions set forth in this Section 3.9, *provided* that the Company shall cause such

Paying Agent to notify the Trustee that such Paying Agent has received such funds not later than the Business Day prior to the date on which a payment of principal of, premium, if any, interest and any Additional Amounts on, the Notes is due, and the Trustee shall have no responsibility with respect to any funds so provided by the Company to any such Paying Agent.

The obligation of the Trustee to make payment on any date on which a payment in respect of Notes is to be made is subject to timely receipt by the Trustee of sufficient funds to make such payment at the times specified herein.

If any payment in respect of a Note is due on a day that is not a Business Day, then, at each such place of payment with respect to such Note, such payment need not be made on such day but may be made on the next succeeding Business Day, with the same force and effect as if made on the date for such payment, and no interest will accrue on such payment for the period from and after such date.

(b) Payments of principal of, premium, if any, interest and any Additional Amounts on, the Notes will be made to the Person in whose name such Notes are registered at the close of business on the Record Date immediately preceding such payment date by U.S. dollar check drawn on a bank in The City of New York or, in the case of payments of interest to a Holder of at least U.S.$1,000,000 in aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States or in Europe, *provided* that a written request from such Holder to such effect designating such account is received by the Trustee or the Paying Agent no later than 30 calendar days immediately preceding such Interest Payment Date. Unless such designation is revoked, any such designation made by such Holder with respect to such Notes shall remain in effect with respect to any future payments with respect to such Notes payable to such Holder. The Company shall pay any duly documented administrative costs imposed by banks in connection with making payments by wire transfer.

(c) The Company shall provide each Paying Agent and any withholding agent under relevant tax regulations, upon the request of such entity, with copies of each certificate, declaration or other document received by the Trustee from a Holder pursuant to the terms of the Notes. Each such Paying Agent shall, and the Company shall instruct each such withholding agent to, retain each such certificate, declaration or other document received by it for so long as any Note is Outstanding and in no event for less than four years after its receipt, and for such additional period thereafter as such certificate, declaration or other document may become material in the administration of applicable tax laws, as is indicated by the Company in writing to each such Paying Agent and withholding agent.

(d) Any interest or Additional Amount on, any Note which is payable, but which is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall cease to be payable to the Holder on the relevant Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause (i) provided. Thereupon the Trustee shall fix a special

record date ("Special Record Date") for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given to Holders in accordance with Section 1.6 hereof, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such Special Record Date and shall no longer be payable to the Holder on the original Record Date.

(ii) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause (ii), each manner of payment shall be deemed reasonably practicable by the Trustee.

SECTION 3.10. Withholding Taxes; Payment of Additional Amounts; Tax Documentation.

In respect of the Notes issued hereunder, at least 10 days prior to the first date of payment of interest on the Notes and at least 10 days prior to each subsequent date, if any, for the payment of principal of, premium, if any, interest or Additional Amounts on, the Notes (if there has been any change with respect to the matters set forth in Section 3.9(c)), the Company shall furnish the Trustee and each Paying Agent with a certificate of an authorized officer of the Company instructing such Paying Agent as to whether such payment on or with respect to such Notes shall be made without withholding or deduction for or on account of any taxes, duties, assessments or other governmental charges of whatever nature. If any such withholding or deduction shall be required, then such certificate shall specify the amount required to be withheld on or deducted from such payment to Holders, and the Company shall pay or cause to be paid to such Paying Agent Additional Amounts, if any, required by the terms of such Notes to be paid and shall certify that the Company shall pay such withholding or deduction. The Company agrees to indemnify each Paying Agent for, and to hold it harmless against, any loss, liability or expense reasonably incurred without negligence or bad faith on its part arising out of or in connection with actions taken or omitted by it in reliance on any certificate furnished pursuant to this Section 3.10 or Section 3.9.

The Company shall pay Additional Amounts, deduct or withhold Mexican Withholding Taxes and remit amounts so deducted or withheld to the relevant taxing or other authority only as provided in the form of Notes set forth in Exhibit A hereto.

The Company, upon written request, shall provide the Trustee with documentation evidencing the payment of Mexican Withholding Taxes. Copies of such documentation shall be made available to any Holder or any Paying Agent, as applicable, upon written request therefor.

All references in this Indenture to principal of, premium, if any, on and interest on, the Notes shall be deemed to mean and include all Additional Amounts, if any, payable to the Holders in respect thereof as set forth in the text of the Notes.

SECTION 3.11. Persons Deemed Owners.

Prior to due presentment of a Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Note is registered as the

owner or Holder of such Note for the purpose of receiving payment of principal of, premium, if any, interest (subject to Section 3.9) and any Additional Amounts on, such Note and for all other purposes whatsoever, whether or not such Note be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary. So long as DTC, or its nominee, is the registered owner or Holder of a global Note, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such global Note for all purposes hereunder and under the Notes.

SECTION 3.12. Cancellation.

All Notes surrendered for payment, registration of transfer or exchange shall be marked "cancelled" and, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Notes previously authenticated and delivered hereunder that the Company or any of its Subsidiaries may have acquired in any manner whatsoever (including any Notes which the Company has not issued and sold), and all Notes so delivered shall be promptly cancelled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section 3.12, except as expressly permitted by this Indenture. All cancelled Notes held by the Trustee shall be destroyed by the Trustee in accordance with its customary procedures, and the Trustee shall, upon written request, deliver a certificate of such destruction to the Company.

SECTION 3.13. Computation of Interest.

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3.14. CUSIP Number.

The Company in issuing the Notes may use "CUSIP" numbers and, if so, the Trustee shall use the applicable CUSIP number in any notices to Holders as a convenience to such representation is made as to the correctness or accuracy of any CUSIP number printed in the notice or on the Notes. The Company shall promptly notify the Trustee in writing of any change in the CUSIP numbers.

ARTICLE IV

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 4.1. Discharge of Liability on Notes; Defeasance.

(a) When (i) all Outstanding Notes (other than Notes replaced pursuant to Section 3.8) have been delivered to the Trustee for cancellation or (ii) all Outstanding Notes have become due and payable, whether at Maturity or otherwise, and the Company irrevocably deposits with the Trustee funds sufficient to pay at Maturity or otherwise all amounts payable with respect to all outstanding Notes (other than Notes replaced pursuant to Section 3.8), and if in either case the Company pays all other amounts payable hereunder by the Company, then this Indenture shall, subject to Section 4.1(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company (accompanied by an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent specified herein relating to the satisfaction and discharge of this Indenture have been complied with) and at the cost and expense of the Company.

(b) Subject to Sections 4.1(c) and 4.2, the Company at any time may terminate (i) all its obligations under the Notes and this Indenture ("legal defeasance option") or (ii) its obligations under

Sections 10.1 through 10.7, and the operation of Sections 5.1(2) (with respect to Sections 10.1 through 10.7), 5.1(3), 5.1(4) and 5.1 (5) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Sections 5.1(2) (with respect to Sections 10.1 through 10.7), 5.1(3), 5.1(4) and 5.1(5).

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding the provisions of Sections 4.1(b), the Company's obligations in Article III, Sections 6.8, 6.11, 4.4, 4.5 and 4.6 shall survive until the Notes have been paid in full. Thereafter, the Company's obligations in Sections 6.8, 4.4 and 4.5 shall survive.

SECTION 4.2. Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient to pay the principal of, premium, if any, on and interest (including Additional Amounts) on all the Notes to Maturity or to the applicable Redemption Date, as the case may be;

(2) the Company delivers to the Trustee a certificate from an internationally recognized firm of independent public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay when due principal of, premium, if any, on and interest (including Additional Amounts) on, all the Notes to Maturity or to the applicable Redemption Date, as the case may be;

(3) the Company shall have delivered to the Trustee an Opinion of Counsel, subject to certain customary qualifications, to the effect that the funds so deposited will not be subject to any rights of any other holders of Debt of the Company;

(4) the deposit does not constitute a default under any other agreement binding on the Company;

(5) the Company delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940;

(6) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since December 5, 2014 there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same

manner and at the same times as would have been the case if such legal defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(8) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes and this Indenture as contemplated by this Article IV have been complied with.

SECTION 4.3. Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article IV. The Trustee shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agents and in accordance with this Indenture to the payment of principal of, premium, if any, on and interest (including Additional Amounts) on, the Notes.

SECTION 4.4. Repayment to Company. The Trustee and the Paying Agents shall promptly turn over to the Company upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

Subject to any applicable abandoned property law, the Trustee and the Paying Agents shall pay to the Company upon request any money held by them for payments with respect to the Notes that remain unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors.

SECTION 4.5. Indemnity for U.S. Government Obligations. The Company shall pay, and indemnify the Trustee against, any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations to the extent required to ensure payment in full of all amounts required to be paid in respect of the Notes in accordance with this Article IV.

SECTION 4.6. Reinstatement. If the Trustee or any Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article IV by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article IV until such time as the Trustee or any Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article IV; *provided*, *however*, that, if the Company has made any payment of premium, if any, on and interest (including Additional Amounts) on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or any Paying Agent.

ARTICLE V

REMEDIES

SECTION 5.1. Events of Default.

"Event of Default", wherever used herein with respect to the Notes, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law, pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of the principal of or premium, if any, on any Note after any such principal or premium becomes due in accordance with the terms thereof, whether at maturity, upon redemption or otherwise; or default in the payment of any interest, Additional Amounts or other amounts in respect of the Notes if such default continues for 30 days after any such interest, Additional Amounts or other amount becomes due in accordance with the terms thereof;

(2) failure to observe or perform any other covenant or agreement contained in the Notes or the Indenture, and such failure continues for 60 days after notice specifying such failure and requiring it to be remedied has been sent to the Company by the Trustee or the Holders of at least 25% of the aggregate principal amount of the Outstanding Notes;

(3) failure by the Company or any of its Material Subsidiaries to pay when due, whether at maturity, upon redemption or acceleration or otherwise, the principal of any Debt in excess, individually or in the aggregate, of U.S.$70 million (or the equivalent thereof in other currencies), if such failure shall continue for more than the period of grace, if any, applicable thereto and the period for payment has not been expressly extended;

(4) a decree or order by a court having jurisdiction shall have been entered adjudging the Company or any of its Material Subsidiaries as bankrupt, insolvent or in *concurso mercantil*, or approving as properly filed a petition seeking reorganization, bankruptcy, insolvency or *concurso mercantil* of or by the Company or any of its Material Subsidiaries and such decree or order shall have continued undischarged or unstayed for a period of 120 days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or *síndico*, *conciliador*, *visitador* or similar official or any thereof or for the liquidation or dissolution of the Company or any of its Material Subsidiaries, shall have been entered, and such decree or order shall have continued undischarged and unstayed for a period of 120 days; *provided*, *however*, that any Material Subsidiary may be liquidated or dissolved if, pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred to the Company or another Material Subsidiary of the Company; or

(5) the Company or any of its Material Subsidiaries shall institute any proceeding to be adjudicated as voluntarily bankrupt, insolvent or in *concurso mercantil*, or shall consent to the filing of a bankruptcy, insolvency or *concurso mercantil* proceeding against it, or shall file a petition or answer or consent seeking reorganization or *concurso mercantil*, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or *síndico*, *conciliador*, *visitador* or similar official of it or its Property.

For purposes of clause (3) above, the equivalent of the specified U.S. dollar amount shall be translated at the Market Exchange Rate on the date on which an Event of Default occurs.

SECTION 5.2. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every case (other than in the case of an Event of Default specified in Section 5.1(4) or (5)) the Trustee or the Holders of not less than 25% of the aggregate principal amount of the Notes then Outstanding may declare an amount equal to the principal of, premium, if any, accrued interest and any unpaid Additional Amounts on, all the Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal, premium, interest and Additional Amounts shall become immediately due and payable; *provided, however*, that if an Event of Default specified in Section 5.1(4) or (5) occurs and is continuing the principal of, premium, if any, interest and Additional Amounts in respect of all the Notes shall automatically become due and payable immediately.

At any time after such a declaration of acceleration has been made or such acceleration has automatically occurred and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Notes, by written notice to the Company and the Trustee, may rescind and annul such declaration or automatic acceleration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue interest and Additional Amounts on all Notes,

(B) the principal of and premium, if any, on any Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest on the Notes at the rate borne by the Notes, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expense, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default, other than the non-payment of the principal of Notes that have become due solely by such declaration of acceleration or automatic acceleration, have been cured or waived as provided in Section 9.3.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

In the event of a declaration of acceleration because an Event of Default set forth in Section 5.1(3) has occurred and is continuing, such declaration of acceleration shall be automatically annulled if the default in payment in respect of the Debt which is the subject of such Event of Default shall have been cured or rescinded within 60 days thereof and the Company has delivered a notice of such cure or rescission to the Trustee and no other Event of Default has occurred before or during such 60 day period which has not been cured or waived.

SECTION 5.3. Collection of Debt and Suits for Enforcement by Trustee.

If the Company fails to pay amounts due and owing under the Notes upon demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company upon such Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company wherever situated.

If an Event of Default with respect to the Notes occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 5.4. Trustee May File Proofs of Claim.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, its creditors or its property, and any custodian, *síndico* or other similar official in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 6.8.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 5.5. Trustee May Enforce Claims Without Possession of the Notes.

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name, as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 5.6. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article V shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, interest or any Additional Amounts upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 6.8;

SECOND: To the payment of the amounts then due and unpaid for principal of, premium, if any, on and interest and any Additional Amounts on, the Notes in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of

any kind, according to the amounts due and payable on such Notes for principal of, premium, if any, interest and any Additional Amounts, respectively; and

THIRD: To the Company.

SECTION 5.7. Limitation on Suits.

Except as provided in Section 5.8, no Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes or for any remedy hereunder or thereunder, unless

(1) such Holder has previously given to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 calendar days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided.

SECTION 5.8. Unconditional Right of Holders to Receive Payment.

Notwithstanding any other provision in this Indenture to the contrary, each Holder shall have the right, which is absolute and unconditional, to receive payment of the principal of, premium, if any, on and (subject to Section 3.9(d)) interest on and any Additional Amounts with respect to, such Note at the Stated Maturity or Maturities, any Interest Payment Date or other scheduled payment date therefor (or, in the case of any final payment thereon, upon surrender of such Note) and individually to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy or in the exercise of any power under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions and rights hereunder, and thereafter all rights,

powers and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10. Rights and Remedies Cumulative.

Except as otherwise provided herein, no right, power or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right, power or remedy, and every right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or now or hereafter existing at law or in equity or otherwise any may be exercised from time to time and in such order as may be deemed expedient by the Trustee or the Holders. The assertion or employment of any right, power or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 5.12. Control by Holders.

Subject to subsection (m) of Section 6.4, the Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudicial to the rights of other Holders or involve the Trustee in personal liability; and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 5.13. Undertaking for Costs.

All parties to this Indenture agree, and each Holder by such Holder’s acceptance of the Notes issued pursuant hereto shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys’ fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.13 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Notes, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, premium, if any, on or interest or any Additional Amounts on, any Note on or after any Interest Payment Date or other scheduled payment date therefor (including, in the case of a redemption pursuant to Article XI, on or after the applicable Redemption Date).

SECTION 5.14. Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or any obligations arising under the Notes; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VI

THE TRUSTEE

SECTION 6.1. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed by it by this Indenture, and covenants and agrees to perform the same as herein expressed and agrees to receive and disburse all moneys in accordance with the terms hereof.

SECTION 6.2. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section 6.2;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it with respect to the Notes in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.2.

(e) Any provision hereof relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.2.

SECTION 6.3. Notice of Defaults.

As promptly as practicable, and in any event within 60 days after the occurrence of any Default or Event of Default hereunder of which a Responsible Officer of the Trustee or any member of the Corporate Trust Department of the Trustee has received written notice and which has not been cured or waived, the Trustee shall give notice to the Holders in accordance with Section 1.6 hereof of such Default or Event of Default; *provided, however*, that, except in the case of a Default in the payment of the principal of, premium, if any, interest or any Additional Amounts on, any Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of such Holders. Upon receipt by the Trustee of a certificate from the Company pursuant to Section 10.3, the Trustee shall promptly notify the Holders of receipt by the Trustee of such certificate and the matters described therein.

SECTION 6.4. Certain Rights of Trustee.

Except as otherwise provided in Section 6.2:

(a) the Trustee shall not be liable for any action it takes or omits to take in good faith that it reasonably believes to be authorized or within the rights or powers conferred upon it by this Indenture;

(b) unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficiently evidenced by a written order signed by one Officer of the Company;

(c) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(d) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of

whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(e) the Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(f) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances;

(g) the parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act;

(h) the Company hereby covenants with the Trustee that, upon the reasonable request of the Trustee, it will provide the Trustee with sufficient information so as to enable the Trustee to determine whether any payments to be made by it pursuant to this Indenture are withholdable payments as defined in Section 1473(1) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise defined in Sections 1471 through 1474 of the Code ("FATCA") and any regulations or agreements thereunder or official interpretation thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) if and to the extent that (i) such information is reasonably necessary for the Trustee to determine that it is in compliance with FATCA as relates to the payments made pursuant to this Indenture and (ii) such information is reasonably available to the Company with regard to the Company and its Subsidiaries; *provided, however*, that the Company and its Subsidiaries shall not be required to provide information which it is prohibited legally from disclosing;

(i) the Trustee may conclusively rely and shall be protected in acting or refraining from acting in reliance upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(j) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board shall be sufficiently evidenced by a Board Resolution;

(k) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(l) the Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(m) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(n) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, at the direction of Holders of a majority of principal amount of Outstanding Notes, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company relevant to the facts or matters that are the subject of its inquiry, personally or by agent or attorney;

(o) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(p) [Intentionally Left Blank];

(q) the Trustee shall not be deemed to have notice of a Default or an Event of Default unless a Responsible Officer of the Trustee has received written notice thereof from the Company or any Holder at the Corporate Trust Office of the Trustee; and

(r) the permissive rights of the Trustee enumerated herein shall not be construed as duties.

SECTION 6.5. Not Responsible for Recitals or Issuance of Notes.

The recitals contained herein and in the Notes, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds thereof. The Trustee, in its capacity as such, shall not be accountable for any calculations made or required to be made by the Company or any other Person under this Indenture.

SECTION 6.6. May Hold Notes.

The Trustee, any Paying Agent, any Transfer Agent, any Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Notes, and, subject to Sections 6.9 and 6.14, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

SECTION 6.7. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 6.8. Compensation and Reimbursement.

The Company agrees

(1) to pay to the Trustee from time to time such reasonable compensation as the Company and the Trustee shall from time to time agree for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense, incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust or performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section 6.8 the Trustee shall have a claim or lien prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of, or premium, if any, on or interest or Additional Amounts on, particular Notes. When the Trustee incurs expenses after the occurrence of a Default specified in Section 5.1(4) with respect to the Company, the expenses are intended to constitute expenses of administration under any bankruptcy law or similar law for the relief of debtors. The provisions of this Section shall survive the satisfaction and discharge of this Indenture, the resignation or removal of the Trustee, payment in full of the Notes and the termination for any reason of this Indenture.

SECTION 6.9. Disqualification.

The Trustee shall comply with Trust Indenture Act § 310(b), subject to the penultimate paragraph thereof; *provided*, *however*, that there shall be excluded from the operation of Trust Indenture Act § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in Trust Indenture Act § 310(b)(1) are met.

SECTION 6.10. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State or the District of Columbia, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by Federal, State or District of Columbia authority, having a combined capital and surplus of at least

U.S.$50,000,000, being acceptable to the Company and having its Corporate Trust Office in the Borough of Manhattan, The City of New York. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.10, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company nor any Affiliate of the Company shall serve as Trustee hereunder. If at any time the Trustee shall cease to be eligible to serve as Trustee hereunder pursuant to the provisions of this Section 6.10, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

SECTION 6.11. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Trustee under Section 6.12. Until such acceptance, the Trustee shall continue to carry out its duties hereunder.

(b) The Trustee may resign at any time by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee required by Section 6.12 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time, and a successor Trustee appointed, by Act of the Holders of a majority in aggregate principal amount of the Outstanding Notes, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 6.9 hereof, or

(2) the Trustee shall cease to be eligible under Section 6.10 hereof and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or a decree or order for relief by a court of competent jurisdiction shall have been entered in respect of the Trustee in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or similar law; or a decree or order by a court of competent jurisdiction shall have been entered for the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trustee or of its property or affairs, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, winding up or liquidation, or

(4) the Trustee shall commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or similar law or shall consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, custodian, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trustee or its property or affairs, or shall make an assignment for the benefit of creditors, or shall fail to pay its debts generally as they become due, or shall take corporate action in furtherance of any such action, or

(5) the Trustee shall otherwise become incapable of acting,

then, in any such case, (i) the Company, by a Board Resolution, may remove the Trustee with respect to the Notes, or (ii) subject to Section 5.13, any Holder who has been a bona fide Holder of a Note for at least six months may, on behalf of such Holder and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee for the Notes.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Trustee and shall comply with the applicable requirements of Section 6.12. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in aggregate principal amount of the Outstanding Notes delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, upon its acceptance of such appointment in accordance with the applicable requirements of Section 6.12, become the successor Trustee and to that extent replace the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and shall have accepted appointment in the manner hereinafter provided, any Holder that has been a bona fide Holder of a Note for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing or causing to be mailed written notice of such resignation, removal and appointment to the Holders pursuant to Section 1.6. Each notice shall include the name of the successor Trustee with respect to the Notes and the address of its Corporate Trust Office.

SECTION 6.12. Acceptance of Appointment by Successor.

(a) In the event of an appointment hereunder of a successor Trustee, each such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all Property and money held by such former Trustee hereunder, subject to its lien, if any, provided for in Section 6.8.

(b) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in Section 6.12(a).

(c) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article VI.

SECTION 6.13. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, *provided* that such corporation shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper

or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes. In the event that any Notes shall not have been authenticated by such predecessor Trustee, any such successor Trustee may authenticate and deliver such Notes, in either its own name or that of its predecessor Trustee, with the full force and effect which this Indenture provides for the certificate of authentication of the Trustee.

SECTION 6.14. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act § 311(a) as if it were applicable to this Indenture, excluding any creditor relationship listed in Trust Indenture Act § 311(b). A Trustee who has resigned or been removed shall comply with the requirements of Trust Indenture Act § 311(a) to the extent indicated, as if it were applicable to this Indenture.

SECTION 6.15. Appointment of Authenticating Agent.

At any time when any of the Notes remain Outstanding the Trustee, with the approval of the Company, may appoint an Authenticating Agent or Agents with respect to the Notes which shall be authorized to act on behalf of the Trustee to authenticate the Notes issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 3.8, and Notes so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Notes by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as an Authenticating Agent, having a combined capital and surplus of not less than U.S.$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 6.15, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.15, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section 6.15.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, *provided* such corporation shall be otherwise eligible under this Section 6.15, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.15, the Trustee, with the approval of the Company, may appoint a successor Authenticating Agent which shall be acceptable to the

Company, and shall give notice of such appointment in the manner provided in Section 1.6 to all Holders of Notes of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.15.

The Company shall pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 6.15.

If an appointment with respect to the Notes is made pursuant to this Section 6.15, the Notes may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____

_____
The Bank of New York Mellon
as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE VII

HOLDERS' LISTS AND REPORTS BY
TRUSTEE AND COMPANY

SECTION 7.1. Company to Furnish Trustee Names and Addresses of Holders.

The Company shall furnish or cause to be furnished to the Trustee: (a) semiannually, not less than ten days prior to each Interest Payment Date, a list, in such form as the Trustee may reasonably require, containing all information in the possession or control of the Company or any Paying Agent (other than the Trustee) as to the names and addresses of the Holders as of the Record Date immediately preceding such Interest Payment Date, and (b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; excluding from any such list names and addresses received by the Trustee in its capacity as Registrar.

SECTION 7.2. Preservation of Information.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Registrar, if

so acting. The Trustee may destroy any list furnished to it as provided in Section 7.1 upon receipt of a new list so furnished.

(b) [Intentionally Left Blank].

(c) [Intentionally Left Blank].

SECTION 7.3. Reports by the Trustee.

(a) The Trustee shall comply with § 313 of the Trust Indenture Act (as if Trust Indenture Act § 313 (with the exception of Trust Indenture Act § 313(d)) were applicable to this Indenture). The Trustee shall deliver to each Holder each item provided to it by the Company pursuant to Section 10.3. A copy of each report at the time of its delivery to Holders shall be filed with the Commission by the Company, if required, and each stock exchange (if any) on which the Notes are listed. The Company agrees to notify promptly the Trustee in writing whenever the Notes become listed on any stock exchange and of any delisting thereof. Notwithstanding any provision herein or in the Trust Indenture Act to the contrary, all reports deliverable to DTC may be given by electronic transmission rather than mail.

(b) [Intentionally Left Blank].

ARTICLE VIII

CONSOLIDATION, MERGER, CONVEYANCE, LEASE OR TRANSFER

SECTION 8.1. Company May Consolidate, etc., Only on Certain Terms.

The Company shall not merge, consolidate or amalgamate with or into, or convey, transfer or lease its Property substantially as an entirety to any Person, unless, immediately after giving effect to such transaction:

(i) the resulting, surviving or transferee Person (if not the Company) shall be a Person organized and existing under the laws of Mexico or the United States (or any State thereof or the District of Columbia) and such Person shall expressly assume, by a supplemental indenture to this Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Notes and this Indenture;

(ii) immediately after giving effect to such transaction (and treating any Debt which becomes an obligation of the resulting, surviving or transferee Person or any Subsidiary as a result of such transaction as having been incurred by such Person or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; and

(iii) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and such supplemental indenture, if any, comply with this Indenture.

SECTION 8.2. Successor Corporation Substituted.

Upon any consolidation with or merger by the Company into any other Person, or any sale, lease or conveyance of the assets of the Company as or substantially as an entirety in accordance with Section 8.1, the successor entity formed by such consolidation or into which the Company is merged or

the successor entity to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company herein, and thereafter the Company as the predecessor entity shall be relieved of all obligations and covenants under this Indenture and the Notes, except that, in the case of any such lease, the Company shall not be released from the obligation to pay the principal of, premium, if any, on and interest and any Additional Amounts on, the Notes.

ARTICLE IX

AMENDMENTS; SUPPLEMENTAL INDENTURES

SECTION 9.1. [Reserved].

(a) [Intentionally Left Blank]

(b) [Intentionally Left Blank]

SECTION 9.2. Amendments and Supplemental Indentures without Consent of Holders.

Without the consent of any of the Holders, the Company (when authorized by a Board Resolution), and the Trustee, at any time and from time to time, may amend this Indenture or enter into one or more supplemental indentures to this Indenture, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by such successor of the obligations of the Company contained herein and in the Notes, as permitted under this Indenture; or

(2) to add to the covenants of the Company, for the benefit of the Holders of all of the Notes, or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default for the benefit of the Holders of all of the Notes; or

(4) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee; or

(5) to add guarantees of the Notes or to secure the Notes; or

(6) to cure any ambiguity or defect, to cure, correct or supplement any defective provision herein contained or in any manner which the Company may deem necessary or desirable and which shall not adversely affect the interests of any of the Holders in any material respect, to all of which each Holder of the Notes, by acceptance thereof, consent; or

(7) to modify the restrictions on the transferability of any Notes, and the procedures for resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or to provide alternative procedures in compliance with applicable law and practices relating to the resale or other transfer of restricted securities generally; or

(8) to conform the text of this Indenture or the Notes to any provision of the section “Description of the Notes” in the Offering Memorandum relating to the Initial Notes to the extent

that such provision in such "Description of the Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes;

SECTION 9.3. Amendments and Supplemental Indentures with Consent of Holders.

With the written consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, the Company (when authorized by a Board Resolution), and the Trustee may make modifications and amendments to this Indenture or to the terms and conditions of the Notes, and future compliance herewith or therewith or past Default by the Company (other than a Default in the payment of any amount, including in connection with redemption, due on the Notes or in respect of a covenant or provision which cannot be modified or amended without the consent of all the Holders of all Notes so affected) may be waived, and may enter into one or more supplemental indentures to this Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders; *provided*, *however*, that no such modification or amendment to the Indenture or to the terms and provisions of the Notes and no such supplemental indenture shall, without the consent of each Outstanding Note,

(1) change the Stated Maturity in respect of the principal of, or the Interest Payment Date in respect of any installment of interest or any Additional Amounts on any Note, or reduce the principal amount thereof or the rate of interest thereon (including Defaulted Interest and any interest that may be payable thereon pursuant to the terms hereof and the Notes) upon redemption thereof, or the prices at which the Notes may be redeemed by the Company pursuant to Article XI, or modify the provisions of this Indenture with respect to the ranking of the Notes in a manner adverse to the Holders, or change the obligation of the Company to pay Additional Amounts or change the coin or currency in which, or change the place of payment at which, the principal of, premium, interest or any Additional Amounts, on any Note is payable, or impair the right of any Holder to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

(2) reduce the aggregate principal amount of the Outstanding Notes, the consent of the Holders of which is required to modify or amend the Indenture or the terms and conditions of the Notes, or the consent of the Holders of which is required for any waiver of future compliance with certain provisions of this Indenture or the Notes or certain past Defaults hereunder and thereunder and their consequences provided for in this Indenture; or

(3) modify any of the provisions of this Section 9.3 except to increase the percentage of Holders whose consent is required to take any action under this Section 9.3 or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby; or

(4) reduce the premium payable upon a Change of Control Triggering Event, or, at any time after a Change of Control Triggering Event has occurred, change the time at which any Change of Control Offer relating thereto must be made or at which the Notes must be repurchased pursuant to such Change of Control Offer;

It shall not be necessary for any Act of Holders under this Section 9.3 to approve the particular form of any proposed amendment or supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Any Default which is waived shall be deemed cured.

SECTION 9.4. Execution of Amendments or Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications and amendments thereby of the trusts created by this Indenture, the Trustee, upon request, shall be entitled to receive, and (subject to Section 6.2) shall be fully protected in conclusively relying upon, in addition to the documents required by Section 1.2, an Officers' Certificate and an Opinion of Counsel stating that the execution of such modification or amendment of this Indenture or such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such modification or amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Promptly after the execution by the Trustee and the Company of any modification or amendment or any supplemental indenture under this Article IX, the Trustee shall, at the Company's expense, duly deliver a conformed copy of such modification or amendment or supplemental indenture which copies shall be provided by the Company to all Holders. The validity of any such modification or amendment of supplemental indenture, however, shall not be impaired or affected by failure to give such notice or by any defect therein.

SECTION 9.5. Effect of Modifications, Amendments and Supplemental Indentures.

Upon the execution of any modification or amendment or any supplemental indenture under this Article IX, this Indenture shall be modified or amended in accordance therewith, and such modification or amendment or supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent provided therein.

SECTION 9.6. Reference in Notes to Modifications, Amendments and Supplemental Indentures.

Notes authenticated and delivered after the execution of any modification or amendment or any supplemental indenture pursuant to this Article IX may bear a notation in form approved by the Trustee as to any matter provided for in such modification or amendment or supplemental indenture. If the Company shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board, to any such modification or amendment or supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE X

COVENANTS

SECTION 10.1. Corporate Existence.

The Company shall, and shall cause each of its Subsidiaries to, (i) maintain in effect their respective corporate existence and all registrations necessary therefor, (ii) take all reasonable actions to maintain all rights, privileges, titles to property, assets, franchises and the like necessary or desirable in the normal conduct of their respective business, activities or operations and (iii) keep all their respective property and assets in good working order or condition; *provided*, *however*, that this paragraph shall not prohibit any transaction by the Company otherwise permitted under Section 8.1 and, in addition, shall not require the Company to maintain any such right, privilege, title to property, assets or franchise or to preserve the corporate existence of any Subsidiary if the Company shall determine in good faith that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Company

and its Subsidiaries and that the loss thereof is not, and will not be, adverse in any material respect to the holders of the Notes.

SECTION 10.2. Maintenance of Books and Records.

The Company shall, and shall cause each of its Subsidiaries to, maintain books, accounts and records in accordance with IFRS. The Company and its Subsidiaries shall not be required to maintain books, accounts and records as provided in the preceding sentence if the Company shall determine in good faith that the maintenance thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries and that the loss thereof is not, and will not be, adverse in any material respect to the holders of the Notes.

SECTION 10.3. Reporting Requirements.

The Company shall provide the Trustee with:

(a) an English language version of its annual audited consolidated financial statements prepared in accordance with IFRS, promptly upon such statements becoming available but not later than 180 days after the close of its fiscal year;

(b) an English language version of its unaudited quarterly condensed consolidated financial statements prepared in accordance with IFRS, promptly upon such statements becoming available but not later than 90 days after the close of the applicable quarterly fiscal period (it being recognized that no quarterly financial statements need be prepared or provided for the fourth quarter of the fiscal year);

(c) simultaneously with the delivery of each set of financial statements referred to in clause (a) and (b) above, an Officers' Certificate of an officer of the Company stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto; and

(d) upon an officer of the Company becoming aware of the existence of a Default or Event of Default, an Officers' Certificate of an officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto.

In addition, so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, the Company will make available the information specified in subparagraphs (a) and (b) above at the specified office of the Paying Agent in Luxembourg.

Delivery of the documents referred to in clauses (a) and (b) above to the Trustee is for informational purposes only and the Trustee's receipt of such documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

The Company shall take all action necessary to provide information to permit resales of the Notes pursuant to Rule 144A under the Securities Act, including furnishing to any Holder of a Note or beneficial interest in a global Note, or to any prospective purchaser designated by such Holder, upon request of such Holder, financial and other information required to be delivered under Rule 144A(d)(4) (as amended from time to time and including any successor provision) unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act

or is exempt from such requirements pursuant to Rule 12g3-2(b) under the Exchange Act (as amended from time to time and including any successor provision). Although the Company presently intends to list the Notes on the Luxembourg Stock Exchange, the Company is under no obligation under this Indenture to do so and any such listing may be discontinued at any time in the Company's sole discretion.

SECTION 10.4. Limitation on Liens.

The Company shall not, and shall not permit any of its Subsidiaries to, create any Lien upon or with respect to any of its present or future Properties, unless the Company shall have made or caused to be made effective provision whereby the Notes are at least equally and ratably secured, except for the following:

(i) any Lien on any Property (or, in the case of Debt secured by accounts receivable or inventory, class of Property) existing on December 5, 2014;

(ii) any Lien on any Property securing all or any part of the purchase price of Property acquired or any portion of the cost of construction, development, alteration or improvement of any Property or Debt incurred or assumed solely for the purpose of financing all or any part of the cost of acquiring or constructing, developing, altering or improving such Property, which Lien attached solely to such Property during the period that such Property was being constructed, developed, altered or improved or concurrently with or within 270 days after the acquisition, construction, development, alteration or improvement thereof;

(iii) Liens on Property of any Subsidiary of the Company existing prior to the time such Subsidiary became a Subsidiary of the Company which (a) do not secure Debt exceeding the aggregate principal amount of Debt subject to such Lien prior to the time such Subsidiary became a Subsidiary of the Company, (b) do not attach to Property other than that attached pursuant to such Lien prior to the time such Subsidiary became a Subsidiary of the Company, and (c) were not created in connection with, or in contemplation of, such Subsidiary becoming a Subsidiary of the Company;

(iv) any Lien on any Property existing thereon at the time of acquisition of such Property and not created in connection with, or in contemplation of, such acquisition;

(v) any Lien on any Property (or, in the case of Debt secured by inventory or accounts receivable, class of Property) securing an extension, renewal, refunding or replacement of Debt secured by a Lien referred to in clause (i), (ii), (iii) or (iv) above, *provided* that (a) such new Lien is limited to the Property (or, in the case of Debt secured by inventory or accounts receivable, class of Property) which was subject to the prior Lien immediately before such extension, renewal, refunding or replacement and (b) the aggregate principal amount of Debt secured by the prior Lien is not increased immediately in connection with, or contemplation of, such extension, renewal, refunding or replacement;

(vi) any Lien securing taxes, assessments and other governmental charges, the payment of which is not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefor;

(vii) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(viii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for amounts not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefor;

(ix) any Liens created by attachment or judgment, unless the judgment secured thereby shall not, within 120 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 120 days after the expiration of any such stay;

(x) Liens on accounts receivable or inventories to secure Debt constituting working capital borrowings not exceeding in the aggregate the greater of (a) U.S.$200,000,000 (or the equivalent thereof in other currencies) and (b) 50% of the total consolidated amount of accounts receivable and inventories of the Company and its Subsidiaries;

(xi) any Lien created in connection with (a) interest rate swaps, (b) currency swaps, (c) commodities contracts or (d) any derivative or similar transaction, in each case entered into in connection with hedging transactions entered into in the ordinary course of business;

(xii) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeals bonds, government contracts, performance of return-of-money bonds and other obligations of a similar nature, in each case other than obligations for the payment of borrowed money;

(xiii) Liens on the Property of a Subsidiary, which only secure indebtedness owed by the Subsidiary to another Subsidiary or to the Company;

(xiv) Liens securing the Notes; and

(xv) in addition to the foregoing Liens, Liens securing Debt of the Company or any Subsidiary and/or securing Guarantees by the Company or any Subsidiary of, or in respect of, any other Person's Debt not exceeding in the aggregate principal amount at any time of determination 20% of the Consolidated Net Tangible Assets of the Company.

SECTION 10.5. Limitation on Sale/Leaseback Transactions.

The Company shall not, and shall not permit any Subsidiary to, enter into a Sale/Leaseback Transaction with respect to any Property unless at least one of the following conditions is satisfied:

(i) the lease is between the Company and a Subsidiary or between Subsidiaries; *provided*, *however*, that any subsequent transfer of such lease or any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary ceasing to be a Subsidiary shall be deemed to constitute the entering into of such Sale/Leaseback Transaction by the parties thereto;

(ii) the Company or such Subsidiary could create a Lien under Section 10.4 hereof on the Property to secure Debt in an amount at least equal to the Attributable Debt in respect of such Sale/Leaseback Transaction; or

(iii) the Company or such Subsidiary shall apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to at least 75% of the net proceeds thereof, to (x) the retirement, within 270 days after the effective date of such Sale/Leaseback Transaction, of Debt of the Company ranking at least *pari passu* in priority of payment with the Notes and owing to a Person other than the Company or an affiliate of the Company or (y) to the purchase, construction or improvement of Property used by the Company or any Subsidiary in the ordinary course of business; and, in the case of a sale or transfer otherwise than for cash, the Property received by the Company or such Subsidiary shall be used or useful in the ordinary course of business of the Company or any Subsidiary.

The foregoing restrictions shall not apply to transactions providing for a lease for a term, including any renewal thereof, of not more than three years.

SECTION 10.6. Further Assurances.

The Company shall, at its own cost and expense, execute and deliver to the Trustee all such other documents, instruments and agreements and do all such other acts and things as may be reasonably required, in the opinion of the Trustee, to enable the Trustee to exercise and enforce its rights under the Indenture and under the documents, instruments and agreements required under the Indenture and to carry out the purposes of the Indenture.

SECTION 10.7. Repurchase at the Option of Holders Upon a Change of Control Triggering Event.

(a) Upon the occurrence of a Change of Control Triggering Event, each Holder of Notes shall have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date) and any Additional Amounts payable in respect thereof.

(b) Within 30 days following any Change of Control Triggering Event, the Company shall (i) send a notice to each Holder in the manner provided for in, and in accordance with, Section 1.6, with a copy to the Trustee, stating:

(1) that a Change of Control Triggering Event has occurred and a Change of Control Offer is being made pursuant to this Section 10.7 and that all Notes timely tendered will be accepted for payment;

(2) the Change of Control Purchase Price and the purchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed (such specified date, the "Change of Control Payment Date");

(3) the circumstances and relevant facts regarding the Change of Control Triggering Event; and

(4) the procedures that Holders of Notes must follow in order to tender their Notes (or portions thereof) for payment and the procedures that Holders of Notes must follow in order to withdraw an election to tender Notes (or portions thereof) for payment.

The Company shall publish such notice in accordance with Section 1.6. In no event shall the Trustee be charged with the responsibility of monitoring the Company's rating.

(c) Holders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Change of Control Payment Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Change of Control Payment Date, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Note purchased.

(d) On or before 12:00 noon (New York time) on the Business Day immediately preceding the Change of Control Payment Date, the Company shall irrevocably deposit with the Trustee or with the Paying Agent (or, if the Company or any of its wholly-owned Subsidiaries is acting as the Paying Agent, segregate and hold in trust) in cash an amount equal to the Change of Control Purchase Price payable to the Holders entitled thereto, to be held for payment in accordance with the provisions of this Section 10.7. On the Change of Control Payment Date, the Company shall deliver to the Trustee the Notes or portions thereof that have been properly tendered to and are to be accepted by the Company for payment. The Trustee or the Paying Agent shall, on the Change of Control Payment Date, mail or deliver payment to each tendering Holder of the Change of Control Purchase Price. In the event that the aggregate Change of Control Purchase Price is less than the amount delivered by the Company to the Trustee or the Paying Agent, the Trustee or the Paying Agent, as the case may be, shall deliver the excess to the Company immediately after the Change of Control Payment Date.

(e) The Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the purchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 10.7, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 10.7 by virtue thereof.

(g) The Company's obligation to make a Change of Control Offer may be waived or modified at any time prior to the occurrence of such Change of Control Triggering Event with the written consent of the Holders of a majority in principal amount of the Notes Outstanding, although the premium payable upon a Change of Control Triggering Event may not be reduced without the consent or affirmative vote of each Holder affected thereby.

ARTICLE XI

REDEMPTION OF NOTES

SECTION 11.1. Right of Redemption.

The Notes are subject to redemption at the option of the Company in the following circumstances:

(a) Optional Redemption Upon Tax Event. The Notes may be redeemed at the option of the Company, in whole, but not in part, at any time, at a redemption price equal to 100% of the then- outstanding principal amount, together with accrued and unpaid interest (including any Additional Amounts) to but excluding the Redemption Date, if, as a result of any change in, or amendment to, the laws (or any rules, regulations or rulings promulgated thereunder) of Mexico or any political subdivision thereof or any taxing authority therein, or any change in the application, administration or official interpretation of such laws, rules, regulations or rulings including the holding of a court of competent jurisdiction, the Company has, will or would become obligated to pay Additional Amounts in connection with payments on the Notes in respect of Mexican Withholding Taxes imposed at a rate of withholding or deduction in excess of 4.9% (the "Maximum Withholding Rate"), which change or amendment becomes effective on or after December 5, 2014, and such obligation cannot be avoided by the Company taking reasonable measures available to it; *provided, however*, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts in respect of Mexican Withholding Taxes assessed at a rate above the Maximum Withholding Rate were a payment in respect of the Notes then due. Prior to the giving of any notice of redemption of such Notes pursuant to this Section 11.1(a), the Company will deliver to the Trustee (i) an Officers' Certificate stating that the Company is entitled to effect such redemption pursuant to this Section 11.1(a) and setting forth a statement of facts showing that the conditions precedent to the right of the Company to so redeem have occurred and (ii) an opinion of Mexican legal counsel who may be an employee of or counsel of the Company to the effect that the Company has or will become obligated to pay such Additional Amounts in respect of Mexican Taxes assessed at a rate above the Maximum Withholding Rate as a result of such change or amendment.

(b) Optional Make-Whole Redemption. The Notes may be redeemed in whole or in part, at the option of the Company at any time, at a redemption price calculated by the Company and equal to the greater of (i) 100% of the then-outstanding principal amount of such Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 40 basis points; plus, in the case of both clause (i) and clause (ii), accrued and unpaid interest thereon to the Redemption Date and any Additional Amounts payable in respect thereof.

(c) Optional Redemption Without a Make-Whole Premium. The Notes may be redeemed in whole or in part, at the option of the Company at any time and from time to time, beginning on September 1, 2024, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest on the Notes being redeemed to the Redemption Date as calculated by the Company.

(d) No Other Optional Redemption. The Notes may not be redeemed at the option of the Company or any Holder, except as set forth in Sections 11.1(a), 11.1(b) and 11.1(c) hereof.

(e) Open Market Purchases. The Company may at any time purchase Notes in the open market or otherwise at any price, in each case subject to compliance with applicable law.

SECTION 11.2. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Notes pursuant to Section 11.1 shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date. Prior to the giving of any such

notice of redemption pursuant to Section 11.1(a), the Company shall deliver to the Trustee the Officers' Certificate and Opinion of Counsel set forth in Section 11.1(a).

SECTION 11.3. Notice of Redemption.

Notice of redemption shall be irrevocable and shall be given in the manner provided for in, and in accordance with, Section 1.6 not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

All notices of redemption shall state:

(a) the Redemption Date,

(b) the redemption price,

(c) that on the Redemption Date the redemption price will become due and payable upon each such Note to be redeemed and that interest thereon will cease to accrue on and after said date, and

(d) the place or places where such Notes are to be surrendered for payment of the redemption price, Additional Amounts, if any, and accrued interest, if any.

Notice of redemption of Notes to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company in accordance with Section 1.6 hereof.

The Company shall publish such notice in accordance with Section 1.6.

SECTION 11.4. Deposit of Redemption Price.

On or prior to 11:00 a.m. (New York time) on the Business Day prior to the Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent, outside Mexico in funds available on or prior to the Redemption Date, an amount in U.S. dollars sufficient to pay the redemption price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Notes which are to be redeemed on that date.

SECTION 11.5. Notes Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Notes so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Company shall default in the payment of the redemption price and accrued interest), such Notes shall cease to bear interest. Upon surrender of any such Note for redemption in accordance with said notice, such Note shall be paid by the Company at the redemption price, together with accrued interest to but excluding the Redemption Date. If a Redemption Date for any such Note is after a Record Date but on or prior to the corresponding Interest Payment Date, the Company will pay accrued interest to the Holder of record of such Note as of such Record Date.

SECTION 11.6. Selection of Notes to Be Redeemed in Part.

(a) If the Company is not redeeming all Outstanding Notes, the Trustee or Registrar shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities

exchange, on a pro rata basis, by lot or any other method as the Trustee or Registrar shall deem fair and appropriate (subject, in each case, to the procedures of DTC). The Trustee or Registrar shall make the selection from the Outstanding Notes not previously called for redemption. The Trustee or Registrar shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee or Registrar shall select the particular Notes to be redeemed not less than 30 nor more than 60 days prior to the relevant Redemption Date from the Outstanding Notes not previously called for redemption. The Company may redeem Notes in denominations of U.S.$200,000 only in whole. The Trustee or Registrar may select for redemption portions (equal to U.S.$200,000 or any integral multiple of U.S.$1,000 in excess thereof) of the principal of Notes that have denominations larger than U.S.$200,000.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and attested, all as of the day and year first above written.

GRUMA, S.A.B. de C.V.

Attest: _____
Name:

By: _____
Name:
Title:

Attest: _____
Name:

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
(LUXEMBOURG) S.A.
as Paying Agent and Transfer Agent in Luxembourg

By: _____
Name:
Title:

EXHIBIT A

[FORM OF FACE OF NOTE]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE DEPOSITORY TRUST COMPANY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH SECTION 3.7 OF THE INDENTURE REFERRED TO HEREIN.](1)

[THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 903 OR 904 OF REGULATION S AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

(1) Include only if Note is a global Note.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE 2(A)(V) ABOVE, THE COMPANY, UPON NOTICE TO THE TRUSTEE, RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND SHALL ONLY BE REMOVED AT THE OPTION OF THE ISSUER.](2)

[THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT), THIS SECURITY MAY NOT BE REOFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE REFERRED TO HEREIN.](3)

(2) Include only if Note is Restricted Note.
(3) Include only if Note is a Regulation S Note (during the Restricted Period only).

GRUMA, S.A.B. de C.V.

4.875% SENIOR NOTES DUE 2024

No. CUSIP No. [ ]

Original Principal Amount: U.S.$ ISIN No. [ ]

New York, New York

GRUMA, S.A.B. de C.V. (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), a corporation (*sociedad anónima bursátil de capital variable*) organized and existing under the laws of the United Mexican States ("Mexico"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the unpaid principal amount (as adjusted from time to time on Schedule A hereto, referred to herein as the "Principal Amount") hereof on December 1, 2024 or on any Redemption Date; the Company promises to pay said principal sum and to pay interest on said principal sum in such coin or currency of the United States of America as at the time is used for payment of public and private debts from December 5, 2014 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears, on June 1 and December 1 of each year, commencing June 1, 2015, at the rate of 4.875% per annum, until the principal hereof (including payment of the redemption price) is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Record Date for such interest, which shall be the May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders in accordance with Section 1.6 of the Indenture not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. Payment of the principal of, interest and any Additional Amounts (as defined below) on this Note will be made at the Corporate Trust Office of the Trustee or at the office of the Paying Agent in Luxembourg, if any, by U.S. dollar check drawn on a bank in The City of New York or, subject to the conditions set forth in the Indenture, in U.S. dollars by wire transfer to a U.S. dollar account maintained by the payee as set forth in the Indenture, as per a written request of a Holder to such effect, therein designating such account. Unless such designation is revoked, any such designation made by such Holder with respect to this Note shall remain in effect with respect to any future payments with respect to this Global Note payable to such Holder. The Company shall pay any duly documented administrative costs imposed by banks in connection with making payments by wire transfer.

All payments made by the Company in respect of the Notes to the Holders will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Mexico or any political subdivision thereof or any authority therein having power to tax ("Mexican Withholding Taxes") unless the deduction or withholding of such Mexican Withholding Taxes is required by law. In the event that any Mexican Withholding Taxes are required to be so deducted or withheld, the Company will (i) pay such additional amounts ("Additional Amounts") as will result in the payment to Holders of the Notes of the amounts that would otherwise have been received by them in respect of payments on such Notes in

the absence of such Mexican Withholding Taxes, (ii) deduct or withhold such Mexican Withholding Taxes, and (iii) remit the full amount so deducted or withheld to the relevant taxing or other authority. Notwithstanding the foregoing, no such Additional Amounts shall be payable for or on account of:

(a) any Mexican Withholding Taxes which would not have been imposed or levied on a Holder but for the existence of any present or former connection between the Holder or beneficial owner of the Note and Mexico (or any political subdivision or taxing authority thereof or therein), including such Holder or beneficial owner (i) being or having been a citizen or resident thereof, (ii) maintaining or having maintained a permanent establishment therein, or (iii) being or having been present or engaged in trade or business therein, except for a connection solely arising from the mere ownership of, or receipt of payment under, such Note or the exercise of rights under such Note or the Indenture;

(b) except as otherwise provided, any estate, inheritance, gift, sales, transfer, or personal property or similar tax, assessment or other governmental charge;

(c) any Mexican Withholding Taxes that are imposed or levied by reason of the failure by the holder or beneficial owner of such Note to comply with any certification, identification, information, documentation, declaration or other reporting requirement which is required or imposed by a statute, treaty, regulation, general rule or administrative practice as a precondition to exemption from, or reduction in the rate of, the imposition, withholding or deduction of any Mexican Withholding Taxes, *provided* that at least 60 days prior to (i) the first payment date with respect to which the Company shall apply this clause (c) and (ii) in the event of a change in such certification, identification, information, documentation, declaration or other reporting requirement, the first payment date subsequent to such change, the Company shall have notified the Trustee in writing that the holders or beneficial owners of the Notes will be required to provide such certification, identification, information or documentation, declaration or other reporting;

(d) the presentation of such Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Holder or the beneficial owner of such Note would have been entitled to Additional Amounts in respect of such Mexican Withholding Taxes on presenting such Note for payment on any date during such 30-day period;

(e) any Mexican Withholding Taxes that are imposed or levied by reason of the failure by the Holder or beneficial owner of such Note timely to comply (subject to the conditions set forth below) with the written request by or on behalf of the Company to provide information, documentation or other evidence concerning the nationality, residence, identity, or registration with the Ministry of Finance of the Holder or beneficial owner of such Note that is necessary from time to time to determine the appropriate rate of deduction or withholding of Mexican Withholding Taxes applicable to such Holder or beneficial owner, *provided* that at least 60 days prior to the first payment date with respect to which the Company shall apply this clause (e), the Company shall have notified the Trustee in writing that such Holders or beneficial owners of the Notes will be required to provide such information, documentation or other evidence;

(f) any Mexican Withholding Taxes that are payable other than by withholding or deduction; or

(g) to the extent any Tax required to be withheld or deducted under (i) section 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("FATCA"), and any current or

future regulations or official interpretations thereof, (ii) any treaty, law, regulation or other official guidance enacted by any foreign government implementing FATCA or relating to an intergovernmental agreement between the United States and any other jurisdiction implementing FATCA, or (iii) any agreement between the Company and the United States or any authority thereof implementing FATCA;

(h) by or on behalf of a Holder that is a fiduciary, a partnership, a limited liability company or a person other than the sole beneficial owner of any payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership, an interest holder in such limited liability company or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member, interest holder or beneficial owner been the holder of the Note;

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) or (h) above.

Notwithstanding the foregoing, the limitations on the Company's obligation to pay Additional Amounts set forth in clauses (c) and (e) above shall not apply if the provision of the certification, identification, information, documentation, declaration or other evidence described in such clauses (c) and (e) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note (taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice) than comparable information or other applicable reporting requirements imposed or provided for under U.S. federal income tax law (including the U.S.-Mexico Income Tax Treaty), regulation (including temporary or proposed regulations) and administrative practice. In addition, the limitations on the Company's obligation to pay Additional Amounts set forth in clauses (c) and (e) above shall not apply if Article 166 Section II(a) of the Mexican Income Tax Law providing for a reduced 4.9% withholding rate on interest payments (or a substantially similar successor of such article) is in effect, unless the provision of the certification, identification, information, documentation, declaration or other evidence described in clauses (c) and (e) is expressly required by statute, regulation, general rules or administrative practice in order to apply Article 166 Section II(a) (or a substantially similar successor of such article), the Company cannot obtain such certification, identification, information, or satisfy any other reporting requirements, on its own through reasonable diligence and the Company otherwise would meet the requirements for application of Article 166 Section II(a) (or such successor of such article). In addition, clauses (c) and (e) above shall not be construed to require that any Holder or beneficial owner of a Note register with the Mexican Ministry of Finance and Public Credit for the purpose of establishing eligibility for an exemption from or reduction of Mexican Withholding Taxes.

The Company will, upon written request, provide the Trustee with documentation evidencing the payment of Mexican Withholding Taxes. Copies of such documentation will be made available to any Holder or any Paying Agent, as applicable, upon written request therefor.

In the event that Additional Amounts actually paid with respect to the Notes are based on rates of deduction or withholding of Mexican Withholding Taxes in excess of the appropriate rate applicable to the holder or beneficial owner of such Notes, and, as a result thereof, such holder or beneficial owner is entitled to make a claim for a refund or credit of such excess, then such holder or beneficial owner shall, by accepting the Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Company. However, by making such assignment, the holder or beneficial owner makes no representation or warranty that the Company will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

All references in the Indenture or this Note to payments in respect of the Notes shall include any Additional Amounts payable by the Company in respect of such payments.

Reference is hereby made to the further provisions of this Note hereinafter set forth, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee (as defined below) by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

GRUMA, S.A.B. de C.V.

By _____
Name:
Title:

By _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON, as Trustee

By _____
Authorized Officer

[FORM OF REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Company designated as its 4.875% Senior Notes Due 2024 (herein called the "Notes") issued and to be issued under an Indenture, dated as of December 5, 2014 (herein called the "Indenture"), among the Company, The Bank of New York Mellon, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and The Bank of New York Mellon (Luxembourg) S.A., as Paying Agent and Transfer Agent in Luxembourg, to which Indenture and all supplemental indentures thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. The provisions of the Indenture are hereby incorporated by reference herein and shall be binding on the Company, the Trustee and the Holders as if fully set forth herein. Capitalized terms used herein but not defined herein shall have the meanings given them in the Indenture.

This Global Note may be redeemed at the Company's option, in whole but not in part, upon not more than 60 days' nor less than 30 days' prior notice (given in accordance with the provisions of the Indenture) to the Holders hereof, subject to the conditions and at the redemption prices specified in the Indenture.

The Notes are issuable only in fully registered form, without coupons, in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

This Note constitutes a direct senior unsecured obligation of the Company and will rank at least *pari passu* in priority of payment with all other Notes from time to time outstanding and all other present and future unsecured and unsubordinated Debt of the Company.

If an Event of Default shall occur and be continuing, the principal of (and premium, if any, on) all of the Notes (together with interest and Additional Amounts, if any) may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding and in certain other circumstances without the consent of the Holders. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all of the Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, on and interest and Additional Amounts, if any, on, this Note at the times, place and rate, and in the coin or currency, herein prescribed or as provided in the Indenture.

As provided in the Indenture and subject to certain restrictions and limitations herein and therein set forth, the transfer of this Note is registrable in the Register, upon surrender of this Note for registration of transfer at the offices or agencies maintained by the Company for that purpose, duly endorsed by, or

accompanied by a written instrument of transfer in the form satisfactory to the Company and the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Company has submitted to jurisdiction and appointed an agent for service of process in the United States, all as set forth in the Indenture. All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SCHEDULE A

SCHEDULE OF EXCHANGES

The original principal amount of this global Note is U.S.$[ ],000,000. The following exchanges of a part of this global Note for an interest in other global Note have been made:

Date of or Exchange	Principal Amount Added on Exchange of Interest in Global Note	Principal Amount Exchanged for Global Note	Remaining Principal Amount Outstanding Following such Transactions	Notation Made by or on behalf of the Trustee

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 10.7 (Repurchase at the Option of Holders Upon a Change of Control Triggering Event) of the Indenture, check the box: ☐

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 10.7 of the Indenture, state the principal amount (which must be an integral multiple of U.S.$1,000 in excess of U.S.$200,000) that you want to have purchased by the Company: $

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT B

FORM OF TRANSFER CERTIFICATE
FOR TRANSFER FROM RESTRICTED GLOBAL
NOTE TO REGULATION S GLOBAL NOTE
(Transfers pursuant to Section 3.7(c)(ii)
of Indenture)

The Bank of New York Mellon
as Trustee
101 Barclay Street, Floor 7 East
New York, New York 10286
United States of America
Attention: International Corporate Trust

Re: GRUMA, S.A.B. de C.V.
4.875% Senior Notes Due 2024 (the "Notes")

Reference is hereby made to the Indenture dated as of December 5, 2014 (the "Indenture") among GRUMA, S.A.B. de C.V., The Bank of New York Mellon, as Trustee, and The Bank of New York Mellon (Luxembourg) S.A., as Paying Agent and Transfer Agent in Luxembourg. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to U.S.$ (being U.S.$200,000 and any integral multiple thereof) principal amount of Notes beneficially held through interests in the Restricted Global Note (CUSIP No.) with DTC in the name of (the "Transferor") account no. . The Transferor hereby requests that on [INSERT DATE] such beneficial interest in the Restricted Global Note be transferred or exchanged for an interest in the Restricted Global Note (CUSIP (CINS) No.) in the same principal denomination and transfer to (account no.). If this is a partial transfer, a minimum amount of U.S.$200,000 and any integral multiple of U.S.$1,000 in excess thereof represented by the Restricted Global Note will remain outstanding.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and the Notes and pursuant to and in accordance with Rule 903 or 904 of Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"), and accordingly the Transferor further certifies that:

(A) (1) the offer of the Notes was not made to a Person in the United States;

(2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any Person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any Person acting on our behalf knows that the transaction was prearranged with a buyer in the United States,

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

OR

(B) Such transfer is being made in accordance with Rule 144 under the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company. Terms used in this certificate and not otherwise defined in the Indenture have the meanings set forth in Regulation S under the Securities Act.

Dated: _____

[Name of Transferor]

By: _____
Name:
Title:
Telephone No.:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Transfer Agent, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

_____
Signature Guarantee

Please print name and address (including zip code number)

cc: The Company

EXHIBIT C

FORM OF TRANSFER CERTIFICATE
FOR TRANSFER FROM REGULATION S GLOBAL
NOTE TO RESTRICTED GLOBAL NOTE
PRIOR TO EXPIRATION OF RESTRICTED PERIOD
(Transfers pursuant to Section 3.7(c)(iii)
of Indenture)

The Bank of New York Mellon
as Trustee
101 Barclay Street, Floor 7 East
New York, New York 10286
United States of America
Attention: International Corporate Trust

Re: GRUMA, S.A.B. de C.V.
4.875% Senior Notes Due 2024 (the "Notes")

Reference is hereby made to the Indenture dated as of December 5, 2014 (the "Indenture") among GRUMA, S.A.B. de C.V., The Bank of New York Mellon, as Trustee, and The Bank of New York Mellon (Luxembourg) S.A., as Paying Agent and Transfer Agent in Luxembourg. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to U.S.$ (being U.S.$200,000 and integral multiples of U.S.$1,000 thereof) principal amount of Notes beneficially held through interests in the Regulation S Global Note (CUSIP (CINS) No.) with [Euroclear] [Clearstream] (Common Code No.) or otherwise through DTC in the name of (the "Transferor") [Euroclear] [Clearstream] [other] account no. . The Transferor hereby requests that on [INSERT DATE] such beneficial interest in the Regulation S Global Note be transferred or exchanged for an interest in the Restricted Global Note (CUSIP No.) in the same principal denomination and transfer to (DTC account no.). If this is a partial transfer, a minimum of U.S.$200,000 and any integral multiple thereof of the Regulation S Global Note will remain outstanding.

In connection with such request, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), to a transferee that the Transferor reasonably believes is purchasing the Notes for its own account or an account with respect to which the transferee exercises sole investment discretion and the transferee and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

Dated: _____

[Name of Transferor]

By: _____
Name:
Title:
Telephone No.:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Transfer Agent, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

_____
Signature Guarantee

Please print name and address (including zip code number)

cc: The Company

Exhibit 4(a)(2)

Published CUSIP Number:

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of November 24, 2014

among

GRUMA CORPORATION,
as the Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Syndication Agent,

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH, as Documentation Agent,

and

The Other Lenders Party Hereto

BANK OF AMERICA MERRILL LYNCH
as
Sole Lead Arranger and Sole Bookrunner

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SCHEDULES

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Form of

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement") is entered into as of November 24, 2014, among GRUMA CORPORATION, a Nevada corporation (the "Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent, Documentation Agent, Swing Line Lender and L/C Issuer.

BACKGROUND

Bank of America, N.A., as administrative agent, and the lenders party thereto have entered into an Amended and Restated Credit Agreement, dated as of June 20, 2011 (as amended and modified, the "Existing Credit Agreement").

The Borrower and the parties hereto wish to amend and restate the Existing Credit Agreement, subject to the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree to amend and restate the Existing Credit Agreement in its entirety as follows:

ARTICLE I.
DEFINITIONS AND ACCOUNTING TERMS

1.01 **Defined Terms**. As used in this Agreement, the following terms shall have the meanings set forth below:

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified (excluding any trustee under, or any committee with responsibility for administering, any Plan). "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Agent Parties" has the meaning specified in Section 10.02(c).

"Aggregate Commitments" mean the Commitments of all of the Lenders.

"Agreement" means this Credit Agreement.

"Applicable Law" means in respect of any Person, all provisions of Laws applicable to such Person, and all orders and decrees of all courts and determinations of arbitrators applicable to such Person.

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 2.16. If the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means the following percentages per annum, based upon the Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.01(c):

Pricing Level	Leverage Ratio	Commitment Fee	Eurodollar Rate for Revolving Loans and Letters of Credit	Daily Floating LIBOR Rate for Swing Line Loans	Base Rate for Loans
1	Less than or equal to 1.00 to 1.00	0.150	1.125	1.125	0.125
2	Greater than 1.00 to 1.00, but less than or equal to 2.00 to 1.00	0.200	1.250	1.250	0.250
3	Greater than 2.00 to 1.00, but less than or equal to 2.50 to 1.00	0.250	1.500	1.500	0.500
4	Greater than 2.50 to 1.00	0.300	1.750	1.750	0.750

Any increase or decrease in the Applicable Rate resulting from a change in the Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(c); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section 6.01(c), then, notwithstanding the actual date of the delivery of such Compliance Certificate, any change in the applicable Pricing Level necessitated by the change in Leverage Ratio reflected in such Compliance Certificate shall retroactively apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered. Notwithstanding the foregoing, the Applicable Rate in effect from and after the Closing Date through and including the date the Compliance Certificate is delivered pursuant to Section 6.01(c) for the Fiscal Year ended December 27, 2014 shall be Pricing Level 1. Notwithstanding anything herein to the contrary contained in this definition, the amount payable based on the Applicable Rate shall be subject to the provisions of Section 2.10(b).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as sole lead arranger and sole bookrunner.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Attorney Costs" means and includes all reasonable and documented fees, expenses and disbursements of any law firm or other external counsel.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 28, 2013, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Auto-Extension Letter of Credit" has the meaning specified in Section 2.03(b)(iii).

"Availability Period" means the period from and including the Closing Date (provided that all conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 4.01 (or, in the case of Section 4.01(b), waived by the Person entitled to receive the applicable payment) by such date) to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the Base Rate due to a change in the Federal Funds Rate, the prime rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Federal Funds Rate, such prime rate or such Eurodollar Rate.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.01.

"Borrowing" means a Revolving Borrowing or a Swing Line Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and New York, New York and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Capital Expenditures" means the amount of all expenditures of the Borrower and its Subsidiaries for fixed or capital assets related to the Borrower's Core Business which, in accordance with IFRS, would be classified as capital expenditures.

"Capital Lease" means, as to any Person, any lease of any Property by such Person as lessee that is classified and accounted for as a "capital lease" or "finance lease", as the case may be, on the balance sheet of such Person prepared in accordance with IFRS.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, L/C Issuer or Swing Line Lender (as applicable) and the Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans, or obligations of Lenders to fund participations in respect of either (as the context may require), cash or deposit account balances or, if the L/C Issuer or Swing Line Lender benefiting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the L/C Issuer or the Swing Line Lender (as applicable). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalent Investment" means, at any time:

(a) any direct obligation of (or unconditionally guaranteed by) the United States of America or a state thereof, any OECD country or other foreign government in a jurisdiction in which the Borrower or any of its Subsidiaries currently has or could have operations (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States of America or a State thereof, any OECD country or other foreign government in a jurisdiction in which the Borrower or any of its Subsidiaries currently has or could have operations) maturing not more than one year after such time;

(b) commercial paper maturing not more than 270 days from the date of issue, which is issued by either:

(i) any corporation rated A-1 or higher by S&P or P-1 or higher by Moody's, or

(ii) any Lender (or its holding company); or

(c) any certificate of deposit, time deposit or bankers acceptance, maturing not more than one year after its date of issuance, which is issued by any bank which has

(x) a credit rating of A2 or higher from Moody's or A or higher from S&P and (y) a combined capital and surplus greater than $500,000,000.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

"Change of Control" means the occurrence after the date of this Agreement of any transaction or series of transactions that results in Gruma, S.A.B. ceasing to have beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of securities of the Borrower representing at least 51% of all Voting Equity Interests of the Borrower.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01 (or, in the case of Section 4.01(b), waived by the Person entitled to receive the applicable payment).

"Code" means the Internal Revenue Code of 1986.

"Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in any Assignment and Assumption pursuant to which such Lender becomes a party hereto, or in any amendment hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Commitment Fee" has the meaning specified in Section 2.09(a).

"Compliance Certificate" means a certificate substantially in the form of Exhibit E, with such changes, or in such other form, as agreed to by the Administrative Agent.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means, for any Measurement Period, for the Borrower and its Subsidiaries, an amount equal to the sum of (a) consolidated operating income (determined in accordance with IFRS), plus (b) the amount of depreciation and amortization expense deducted

in determining such consolidated operating income, plus (c) the amount of impairment losses on assets, losses on asset dispositions and non-cash losses with respect to derivative financial instruments deducted in determining such consolidated operating income, minus (d) the amount of gains on asset dispositions and non-cash gains with respect to derivative financial instruments added in determining such consolidated operating income.

"Consolidated Funded Debt" means, at any time with respect to the Borrower and its Subsidiaries, without duplication, the sum of (a) all obligations for borrowed money, (b) any obligation in respect of a lease or hire purchase contract which would, under IFRS, be treated as a financial or capital lease, and (c) any outstanding reimbursement obligation in respect of a letter of credit upon which a draw has been made.

"Consolidated Tangible Net Worth" means, at any date, on a consolidated basis in accordance with IFRS for the Borrower and its Subsidiaries, Shareholders' Equity on such date minus Intangible Assets of the Borrower and its Subsidiaries on such date.

"Contingent Obligation" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligees in respect to such indebtedness or other obligation of the payment or performance thereof or to protect such obligees against loss in respect thereof (in whole or in part), or (b) any lien on any assets of such Person securing any indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person, provided that the term "Contingent Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation of any Person shall be deemed to be an amount equal to the maximum amount of such Person's liability with respect to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its Property is bound.

"Control" has the meaning specified in the definition of "Affiliate".

"Core Business" means the production and/or distribution of corn flour, the production and/or distribution of tortillas and/or other food or related products, the production and/or distribution of wheat flour and/or any other food, distribution and/or logistics related business in which the Borrower and/or its Subsidiaries are engaged in, or may engage in, from time to time.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Daily Floating LIBOR Rate" means a fluctuating rate of interest (rounded, if necessary, to the nearest 1/100th of 1%) equal to the one (1) month London Interbank Offered Rate as published in the "*Money Rates*" section of the Wall Street Journal; provided that if the Daily Floating LIBOR Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to the lesser of (i) the Highest Lawful Rate and (ii) the sum of (x) the Base Rate plus (y) the Applicable Rate, if any, applicable to Base Rate Loans plus (z) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan or a Swing Line Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum, in all cases to the fullest extent permitted by Applicable Laws and not in any event to exceed the Highest Lawful Rate.

"Defaulting Lender" means, subject to Section 2.16(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with

any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.16(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" means the sale, transfer, license or other disposition (including any sale and leaseback transaction) of any property by any Person, other than in the ordinary course of business, including any sale, assignment, transfer or other disposition, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; provided, however, that any financing involving, or secured by, the future sale of accounts receivable (or any similar financing transaction) will not be considered to be a sale or disposition in the ordinary course of business.

"Dollar" and "$" mean lawful money of the United States.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

"Environmental Laws" means all federal, national, state, provincial, departmental, municipal, local and foreign laws, including common law, statutes, rules, regulations, ordinances, technical standards and codes, together with all orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder by any Governmental Authority

having jurisdiction over the Borrower, its Subsidiaries or their respective properties, in each case relating to environmental, health and safety, natural resources or land use matters.

"Equity Interest" means shares of capital stock (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, or the treatment of a Pension Plan amendment as a termination, under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner

consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of Eurodollar Rate.

"Event of Default" has the meaning specified in Section 8.01.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Letters of Credit" means those Letters of Credit set forth on Schedule 1.01.

"Existing Credit Agreement" has the meaning specified in the Background provision of this Agreement.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471 (b) (1) of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal

Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent. If the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Fee Letter" means the letter agreement, dated October 24, 2014, among the Borrower, the Administrative Agent and the Arranger.

"Fiscal Quarter" means each fiscal quarter of the Borrower ending on the last Saturday of each March, June, September and December.

"Fiscal Year" means each fiscal year of the Borrower ending on the last Saturday of each calendar year.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes (including such a Lender when acting in the capacity of the L/C Issuer). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Gruma, S.A.B." means Gruma, S.A.B. de C.V., a Mexican corporation, and, as of the Closing Date, owner of 100% of all Equity Interests of the Borrower.

"Highest Lawful Rate" means at the particular time in question the maximum rate of interest which, under Applicable Law, any Lender is then permitted to charge on the Obligations. If the maximum rate of interest which, under Applicable Law, any Lender is permitted to charge on the Obligations shall change after the date hereof, the Highest Lawful Rate shall be automatically increased or decreased, as the case may be, from time to time as of the effective time of each change in the Highest Lawful Rate without notice to the Borrower.

"Honor Date" has the meaning specified in Section 2.03(c)(i).

"IFRS" means the International Financial Reporting Standards or such other principles as may be approved by a significant segment of the international accounting profession that are applicable to the circumstances as of the date of determination, consistently applied.

"Impacted Loans" has the meaning specified in Section 3.03.

"Increase Effective Date" has the meaning specified in Section 2.14(d).

"Indebtedness" of any Person, means at any date, without duplication: (a) any obligation of such Person in respect of borrowed money, any obligation of such Person evidenced by bonds, notes, debentures or similar instruments; (b) any obligation of such Person in respect of a lease or hire purchase contract which would, under IFRS, be treated as a financial or capital lease; (c) any indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; (d) any obligations of such Person to pay the deferred purchase price of fixed assets or services if such deferral extends for a period in excess of 60 days; and (e) all Contingent Obligations of such Person in respect of the foregoing; provided, however, that the following liabilities shall be explicitly excluded from the definition of the term "Indebtedness": (i) trade accounts payable, including any obligations in respect of letters of credit that have been issued in support of trade accounts payable; (ii) expenses that accrue and become payable in the ordinary course of business; (iii) customer advance payments and customer deposits received in the ordinary course of business; and (iv) obligations for ad valorem taxes, value added taxes, or any other taxes or governmental charges.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intangible Assets" means assets that are considered to be intangible assets under IFRS.

"Interest Payment Date" means, (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan and any Swing Line Loan, the tenth Business Day after the end of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its Revolving Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"Investment" means, as to any Person, any acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of asset of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any

Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

"L/C Cash Collateral Account" has the meaning specified in Section 2.15(b).

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"L/C Issuer" means Bank of America or any other Lender acceptable to the Borrower and the Administrative Agent, in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Sublimit" means an amount equal to $35,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

"Leverage Ratio" means, as of the end of the most recently completed Fiscal Quarter, the ratio of (a) Consolidated Funded Debt on such date to (b) Consolidated EBITDA determined for the relevant Measurement Period.

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"Lien" means any security interest, mortgage, deed of trust, pledge, charge or deposit arrangement, encumbrance, lien (statutory or other), or preferential arrangement of any kind or nature whatsoever in respect of any Property.

"Litigation" means any proceeding, claim, lawsuit and/or arbitration by or before any Governmental Authority or arbitrator, including, without limitation, proceedings, claims, lawsuits, and/or investigations under or pursuant to any environmental, occupational, safety and health, antitrust, unfair competition, securities, tax or other Law, or under or pursuant to any contract, agreement or other instrument.

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, the Notes, the Fee Letter, each Issuer Document, each Request for Credit Extension, and any other agreement executed, delivered or performable by the Borrower in connection herewith or as security for the Obligations.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Margin Stock" means "margin stock" as such term is defined in Regulation T, U or X of the FRB.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, liabilities (actual or contingent) or financial condition of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of the Borrower to perform its payment or other material obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document.

"Material Subsidiary" means, at any time, any Subsidiary of the Borrower that meets any of the following conditions:

(a) the Borrower's and its Subsidiaries' investments in or advances to such Subsidiary exceed 10% of the total assets of the Borrower and its Subsidiaries as of the end of the Borrower's most recently completed Fiscal Year; or

(b) the Borrower's and its Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of such Subsidiary exceeds 10% of the total assets of the Borrower and its Subsidiaries as of the end of the Borrower's most recently completed Fiscal Year; or

(c) the Borrower's and its Subsidiaries' equity in the earnings before income tax of such Subsidiary exceeds 10% of such earnings of the Borrower and its Subsidiaries as of the end of the Borrower's most recently completed Fiscal Year, all as calculated by reference to the then latest audited financial statements (or consolidated financial statements, as the case may be) of such Subsidiary and the then latest audited consolidated financial statements of the Borrower and its Subsidiaries.

"Maturity Date" means (a) November 24, 2019, provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day or (b) such earlier date as the (i) the Obligations become due and payable pursuant to this Agreement (whether by acceleration, prepayment in full, scheduled reduction or otherwise) or (ii) there shall exist an Event of Default under Section 8.01(f).

"Measurement Period" means any period of four consecutive Fiscal Quarters of the Borrower, ending with the most recently completed Fiscal Quarter, taken as one accounting period.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, subject to Title IV of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding three plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Extension Notice Date" has the meaning specified in Section 2.03(b)(iii).

"Notes" means the Revolving Loan Notes and the Swing Line Note.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OECD" means the Organization for Economic Cooperation and Development.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Overnight Rate" means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation.

"Participant" has the meaning specified in Section 10.06(d).

"Participant Register" has the meaning specified in Section 10.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), subject to Title I of ERISA, maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.01.

"Property" means any asset, revenue or other property, whether tangible or intangible, and any right to receive revenue.

"Recipient" means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder.

"Register" has the meaning specified in Section 10.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Removal Effective Date" has the meaning set forth in Section 9.06(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Revolving Borrowing, or a conversion or continuation of Revolving Loans, a Revolving Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, two or more Lenders having greater than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate greater than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or order, decree or other determination of an arbitrator or a court or other Governmental Authority, including any Environmental Law, in each case applicable to or binding upon such Person or any of its Property or to which the Person or any of its Property is subject.

"Resignation Effective Date" has the meaning specified in Section 9.06(a).

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, secretary, assistant secretary, or controller of the Borrower and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the Borrower so designated by any of the foregoing officers in a notice to the Administrative Agent or designated in or pursuant to an agreement between the Borrower and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Restricted Payments" means any dividend or other distribution (whether in cash, securities or other Property) with respect to any shares of capital stock or other Equity Interests of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock or other Equity Interests or of any option, warrant or other right to acquire any shares of capital stock or other Equity Interests or on account of any return of capital to the Borrower's stockholders.

"Revolving Borrowing" means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01.

"Revolving Loan Note" means a promissory note made by the Borrower in favor of a Lender and evidencing Revolving Loans made by such Lender, substantially in the form of Exhibit C.

"Revolving Loan Notice" means a notice of (a) a Revolving Borrowing, (b) a conversion of Revolving Loans from one Type to the other, or (c) a continuation of Revolving Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other sanctions authorities that have jurisdiction over the Borrower and the Lenders.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Shareholders' Equity" means, at any date, the shareholders' equity of the Borrower and its Subsidiaries, determined in accordance with IFRS, on a consolidated basis.

"Solvent" means, with respect to any Person, as of any date of determination, that the fair value of the assets (tangible and intangible) of such Person (at fair valuation) is, on the date of determination, greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person as of such date, that the present fair saleable value of such assets of such Person will, as of such date, be greater than the amount that will be required to pay the probable liability of such Person on its debts as such debts become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person, and that, as of such date, such Person will be able to pay all liabilities of such Person as such liabilities mature and such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability discounted to present value at rates believed to be reasonable by such Person.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Voting Equity Interests (other than

securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swing Line" means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04.

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit B or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Swing Line Note" means a promissory note made by the Borrower in favor of the Swing Line Lender evidencing Swing Line Loans made by such Lender, substantially in the form of Exhibit D.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $20,000,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments and Revolving Credit Exposure of such Lender at such time.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Voting Equity Interests" of any Person means any Equity Interests of any class or classes having ordinary voting power for the election of at least a majority of the members of the board of directors, managing general partners or the equivalent governing body of such Person, irrespective of whether, at the time, any Equity Interests of any other class or classes or such entity shall have or might have voting power by reason of the happening of any contingency.

"Wholly-Owned Subsidiary" means any corporation in which (other than directors' qualifying shares required by law) 100% of the Voting Equity Interests, and 100% of the Equity Interests of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by the Borrower, or by one or more of the other Wholly-Owned Subsidiaries, or both.

1.02 **Other Interpretive Provisions**. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference

to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, and (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) For purposes of Section 8.01(c), a breach of a financial covenant contained in Section 7.09 or 7.10 shall be deemed to have occurred as of any date of determination thereof by the Administrative Agent or as of the last day of any specified measuring period, regardless of when the financial statements reflecting such breach are delivered to the Administrative Agent and the Lenders.

1.03 **Accounting Terms.**

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, IFRS applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in IFRS. If at any time any change in IFRS used by the Borrower on the Closing Date would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change (subject to the approval of the Required Lenders); provided that, until so amended, (x) such ratio or requirement shall continue to be computed in accordance with IFRS prior to such change therein and (y) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and

other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change.

1.04 **Rounding.** Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day; Rates.** Unless otherwise specified, all references herein to times of day shall be references to central time (daylight or standard, as applicable).

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the published rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 **Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount (as reduced by any drawings thereunder which result in a permanent reduction of the amount available to be drawn) of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time (as reduced by any drawings thereunder which result in a permanent reduction of the amount available to be drawn).

1.07 **References to Agreements and Laws.** Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions and rulings consolidating, amending, replacing, supplementing or interpreting such Law.

ARTICLE II.
THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 **Revolving Loans.** Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided, however, that after giving effect to any Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C

Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans, shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 **Borrowings, Conversions and Continuations of Revolving Loans.**

(a) Each Revolving Borrowing, each conversion of Revolving Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone, or (B) a Revolving Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Revolving Loan Notice. Each such Revolving Loan Notice must be received by the Administrative Agent not later than 12:00 noon (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof. Except as provided in Section 2.03(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Revolving Loan Notice shall specify (i) whether the Borrower is requesting a Revolving Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Revolving Loans to be borrowed, converted or continued, (iv) the Type of Revolving Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Revolving Loan in a Revolving Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Revolving Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Revolving Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Revolving Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Revolving Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Revolving Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or

(ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date the Revolving Loan Notice with respect to such Borrowing is given by the Borrower, there are Swing Line Loans or L/C Borrowings outstanding, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowings, second, to the payment in full of any such Swing Line Loans, and third, to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Revolving Borrowings, all conversions of Revolving Loans from one Type to the other, and all continuations of Revolving Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to all Revolving Loans.

2.03 **Letters of Credit.**

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or certain Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letter of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder; provided that the L/C Issuer shall not be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in any Letter of Credit if as of the date of such L/C Credit Extension, (x) the Total Outstandings would exceed the Aggregate Commitments, (y) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans would exceed such Lender's Commitment, or (z) the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the

preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally and applicable to all letter of credit applicants generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than $10,000;

(D) such Letter of Credit is to be denominated in a currency other than Dollars; or

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after

giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 12:00 noon at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed

date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or the Borrower, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender with a Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit. Promptly after the end of each calendar quarter, the Administrative Agent shall deliver to each Lender a summary of the Letters of Credit issued during such calendar quarter.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is three Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable

conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Promptly upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 12:00 noon on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Revolving Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender (including the Lender acting as L/C Issuer) shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) to the Administrative Agent for the account of the L/C Issuer, in Dollars, at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 2:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each such Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each such Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to

Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until a Lender funds its Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Revolving Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent

will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit; or

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply (but is otherwise in compliance) with the terms of such Letter of Credit unless such payment is determined by a court of competent jurisdiction to be the result of gross negligence or willful misconduct by the L/C Issuer; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law.

In each Letter of Credit Application, the Borrower shall specifically request that the L/C Issuer provide a pro forma copy of such Letter of Credit or such amendment, as applicable. Prior to the issuance of any Letter of Credit and any amendment thereto, the

L/C Issuer shall deliver to the Borrower a pro forma copy of such Letter of Credit or such amendment, as applicable. The Borrower shall promptly examine such pro forma copy of each Letter of Credit and each amendment thereto and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the L/C Issuer prior to the issuance of such Letter of Creditor or amendment. Upon the issuance of a Letter of Credit or amendment thereto, the Borrower shall be conclusively deemed to have waived any claim of noncompliance with the Borrower's instructions or other irregularity arising from the issuance of such Letter of Credit or amendment thereto against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including

any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.16, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit; provided, however, any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the L/C Issuer pursuant to this Section 2.03 shall not be required to be paid by the Borrower to the extent that the Borrower has provided Cash Collateral therefor; provided, further, however, if the Borrower has not provided such Cash Collateral, such Letter of Credit Fees shall be payable, to the maximum extent permitted by Applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.16(a)(iv), with the balance of such fee, if any, payable to the L/C Issuer for its own account. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the tenth Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee (i) with respect to each commercial Letter of Credit, at the rate specified in the Fee Letter, computed on the amount of such Letter of Credit, and payable upon the issuance thereof, (ii) with respect to any amendment of a commercial Letter of Credit increasing the amount of such Letter of Credit, at a rate separately agreed between the Borrower and the L/C Issuer, computed on the amount of such increase, and payable upon the effectiveness of such amendment, and (iii) with respect to each standby Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect.

Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof and the terms of the Fee Letter shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 **Swing Line Loans**.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender (other than the Swing Line Lender), plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, (y) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) by Swing Line Loan Notice; provided that telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of

$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in clause (x) of the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower at its office by crediting the account of the Borrower on the books of the Swing Line Lender in immediately available funds.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender on the earlier of (A) the occurrence of an Event of Default and (B) a date which is not earlier than twenty Business Days after such Swing Line Loan is made, in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Revolving Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Revolving Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Revolving Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Revolving Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 **Prepayments.**

(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty; provided that (i) such notice must be substantially in the form of Exhibit H-1 and be received by the Administrative Agent not later than 12:00 noon (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.16, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be substantially in the form of Exhibit H-2 and must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the Aggregate Commitments then in effect, the Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05 (c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Aggregate Commitments then in effect.

2.06 **Termination or Reduction of Commitments.** The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 12:00 noon five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments, and (iv) if, after giving effect to any reduction of the Aggregate Commitments or the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such sublimit shall be automatically reduced by the amount of such excess. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All Commitment Fees, Letter of Credit Fees and other fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 **Repayment of Loans.**

(a) The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Revolving Loans and all other Obligations outstanding on such date.

(b) The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date twenty Business Days after such Loan is made and (ii) the Maturity Date.

2.08 **Interest.**

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the lesser of (y) the Highest Lawful Rate and (z) the Eurodollar Rate for such Interest Period plus the Applicable Rate for Eurodollar Rate Loans, (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the lesser of (y) the Highest Lawful Rate and (z) the Base Rate plus the Applicable Rate for Base Rate Loans, and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the lesser of (y) the Highest Lawful Rate and (z) the Daily Floating LIBOR Rate plus the Applicable Rate for Swing Line Loans.

(b) (i) If any amount payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the lesser of (y) the Default Rate and (z) the Highest Lawful Rate, to the fullest extent permitted by Applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 **Fees.** In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee (the "Commitment Fee") equal to the Applicable Rate times the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Revolving Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.16. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the tenth Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees.

(i) The Borrower shall pay to the Administrative Agent and the Arranger for their respective accounts the fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever, unless otherwise provided in the applicable fee letters.

2.10 **Computation of Interest and Fees.**

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. Subject to Section 10.08, all other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or

such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If as a result of any restatement of the audited financial statements of the Borrower, (i) the Leverage Ratio as of any applicable date was inaccurate and (ii) a proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender, or the L/C Issuer, as the case may be, under Section 2.03 (c)(iii), 2.03(h) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 **Evidence of Debt.**

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 **Payments Generally; Administrative Agent's Clawback.**

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue until paid. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing; provided that if the Borrower fails to pay such amount to the Administrative Agent within five Business Days after the date of such demand, then the Borrower shall pay interest thereon to the Administrative Agent at a rate per annum equal to the Base Rate, plus the Applicable Rate then in effect, plus 2%. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Revolving Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Revolving Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 **Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Revolving Loans made by it, or the participations in L/C Obligations or Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Revolving Loans and subparticipations in L/C Obligations and Swing Line

Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and other amounts owing them, provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided in Section 2.15, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 **Increase in Commitments.**

(a) Request for Increase. Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may from time to time, request an increase in the Aggregate Commitments to an amount (for all such requests) not exceeding $300,000,000; provided that (i) any such request for an increase shall be in a minimum amount of $10,000,000, and (ii) the Borrower may make a maximum of three such requests. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent, the L/C Issuer and the Swing Line Lender (which approvals shall not be

unreasonably withheld), the Borrower may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date, as well as the resulting respective Applicable Percentages of each Lender. On each Increase Effective Date, each applicable Lender, Eligible Assignee or other Person who is providing an additional Commitment shall become a Lender for all purposes of this Agreement and the other Loan Documents.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent a certificate of the Borrower dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of the Borrower (i) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such increase, and (ii) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 5.06 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (B) no Default exists or would occur as a result of such increase; provided that this Section 2.14(e) shall be satisfied so long as any underlying fact, matter, event or set of circumstances, individually or in the aggregate, about which any representation or warranty is false, inaccurate, misleading or incomplete as of the Increase Effective Date could not reasonably be expected to result in a Material Adverse Effect. The Borrower shall prepay any Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Loans ratable with any revised Applicable Percentages arising from any non-ratable increase in the Commitments under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

2.15 **Cash Collateral**.

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the L/C Issuer (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent, the L/C Issuer or the Swing Line Lender, the Borrower

shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, interest bearing deposit accounts at Bank of America (the "L/C Cash Collateral Accounts"). The Borrower, no more than once in any calendar month, may direct the Administrative Agent to invest the funds delivered by the Borrower and held in the L/C Cash Collateral Account in (i) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof and (ii) one or more other types of investments permitted by the Administrative Agent, in each case with such maturities as the Borrower, with the consent of the Administrative Agent, may specify, pending application of such funds on account of the L/C Obligations or on account of other obligations, as the case may be. In the absence of any such direction from the Borrower, the Administrative Agent shall invest such funds held in the L/C Cash Collateral Account in one or more types of investments with such maturities as the Administrative Agent may specify, pending application of such funds on account of the L/C Obligations or on account of other obligations, as the case may be. All such investments shall be made in the Administrative Agent's name for the account of the Lenders, subject to the ownership interest therein of the Borrower. The Borrower recognizes that any losses or taxes with respect to such investments shall be borne solely by the Borrower, and the Borrower agrees to hold the Administrative Agent and the Lenders harmless from any and all such losses and taxes. The Administrative Agent may liquidate any investment held in the L/C Cash Collateral Account in order to apply the proceeds of such investment on account of the L/C Obligations (or on account of any other obligation then due and payable, as the case may be) without regard to whether such investment has matured and without liability for any penalty or other fee incurred (with respect to which the Borrower hereby agrees to reimburse the Administrative Agent) as a result of such application. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders (including the Swing Line Lender), and agrees to maintain, a first priority security interest in the L/C Cash Collateral Account, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.15 (c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, the L/C Issuer and the Lenders as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.15 or Sections 2.03, 2.04, 2.05, 2.16 or 8.02 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued

on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vii))) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.15 may be otherwise applied in accordance with Section 8.03), and (y) the Person providing Cash Collateral and the L/C Issuer or Swing Line Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.16 **Defaulting Lenders**.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.15; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.15; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender

against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.15.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line

Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.15.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuer agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III.
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 **Taxes.**

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Laws. If any Applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or the Borrower, then the Administrative Agent or the Borrower shall be entitled to make such

deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the Borrower or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If the Borrower or the Administrative Agent shall be required by any Applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) the Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. (i) The Borrower shall, and does hereby, indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. The Borrower shall, and does hereby, indemnify the

Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (y) the Administrative Agent and the Borrower, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Borrower, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or the Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by Applicable Law or when reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law or by the taxing authorities of any jurisdiction and such other documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject

to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN (or a successor thereto) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or a successor thereto)establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN (or a successor thereto); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN (or a successor thereto), a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C

Issuer, as the case may be. If any Recipient determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Recipient, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 **Illegality**. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans

and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 **Inability to Determine Rates**. If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a) (i) above, "Impacted Loans"), or (b) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent upon the instruction of the Required Lenders revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a) (i) of this section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this section, (2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 **Increased Costs; Reserves on Eurodollar Rate Loans**.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 60 days prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 60-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 **Compensation for Losses**. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any actual loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Swing Line Loan or Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.12;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary and reasonable administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 **Mitigation Obligations; Replacement of Lenders.**

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender gives notice pursuant to Section 3.02, requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 10.13.

3.07 **Matters Applicable to All Requests for Compensation.** A certificate of the Administrative Agent or any Lender claiming compensation under this Article III and setting forth in reasonable detail the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Administrative Agent or such Lender may use any reasonable averaging and attribution methods.

3.08 **Survival**. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

ARTICLE IV.
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 **Conditions of Initial Credit Extension.** The obligation of each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent in form and substance satisfactory to the Administrative Agent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the Borrower, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) Revolving Loan Notes executed by the Borrower in favor of each Lender requesting a Revolving Loan Note, each in a principal amount equal to such Lender's Commitment;

(iii) a Swing Line Note executed by the Borrower in favor of the Swing Line Lender, in a principal amount equal to the Swing Line Sublimit;

(iv) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party;

(v) such documents and certifications as the Administrative Agent may reasonably require to evidence that the Borrower is duly organized or formed, and that the Borrower is validly existing, in good standing and qualified to engage in business in Nevada and Texas;

(vi) a favorable opinion of Haynes and Boone, LLP, counsel to the Borrower, addressed to the Administrative Agent and each Lender, as to such matters concerning the Borrower and the Loan Documents as the Administrative Agent and its counsel may reasonably request;

(vii) a certificate of a Responsible Officer of the Borrower either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by the Borrower and the validity against the Borrower of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be

in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(ix) UCC searches, as of a period ending reasonably satisfactory to the Administrative Agent, listing all effective financing statements which name the Borrower or any of its Subsidiaries as debtor, together with copies of such financing statements requested by the Administrative Agent;

(x) evidence that all insurance required to be maintained pursuant to Section 6.04 has been obtained and is in effect;

(xi) financial projections for a period of four Fiscal Years after the Closing Date prepared by management of the Borrower, in form satisfactory to the Administrative Agent; and

(xii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuer, or the Required Lenders reasonably may require.

(b) The fee set forth in the invitation letter of the Borrower to each Lender and any other fees required to be paid on or before the Closing Date shall have been paid, and the Fee Letter shall be in full force and effect.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all Attorney Costs of the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute its reasonable estimate of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(d) The Closing Date shall have occurred on or before November 30, 2014.

(e) All Obligations (as such term defined in the Existing Credit Agreement) owing to each Lender (as such term is defined in the Existing Credit Agreement) under the Existing Credit Agreement, other than Obligations in respect of the Existing Letters of Credit, which are going to be transferred and deemed issued under this Agreement, shall have been irrevocably paid in full in cash (or shall be repaid substantially contemporaneously with the initial funding of the Loans on the Closing Date) and all Lender's Commitments (as such term is defined in the Existing Credit Agreement) pursuant to the terms of the Existing Credit Agreement shall have been terminated in full; provided, however, all provisions contained in the Loan Documents (as such term is defined in the Existing Credit Agreement) which expressly state that they shall survive

termination of such Commitments and repayment of such Obligations shall continue in full force and effect.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 **Conditions to all Credit Extensions.** The obligation of each Lender to honor any Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.06 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01; provided that this Section 4.02(a) shall be satisfied so long as any underlying fact, matter, event or set of circumstances, individually or in the aggregate, about which any representation or warranty is false, inaccurate, misleading or incomplete as of the date for such Credit Extension could not result in a Material Adverse Effect.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 **Corporate Existence and Power.** The Borrower and each of its Subsidiaries:

(a) is a corporation duly organized and validly existing under the laws of its corresponding jurisdiction;

(b) has all requisite corporate power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) conduct its business and to own its Properties except to the extent that the failure to obtain any such governmental license, authorization, consent or approval could not reasonably be expected to have a Material Adverse Effect and (ii) (with respect to the Borrower only) to execute, deliver and perform all of its obligations under this Agreement and the Notes; and

(c) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

5.02 **Corporate Authorization; No Contravention.** The execution, delivery and performance by the Borrower of this Agreement and each other Loan Document have been duly authorized by all necessary corporate action, and do not and will not:

(a) contravene the terms of the Borrower's Organization Documents,

(b) conflict with or result in any breach or contravention of, or the creation of any Lien under, (i) any document evidencing any Contractual Obligation to which the Borrower is a party or (ii) any order, injunction, writ or decree of any Governmental Authority to which the Borrower or its Property is subject; or

(c) violate or contravene any Requirement of Law.

5.03 **No Additional Governmental Authorization.** No approval, consent, exemption, authorization, registration or other action by, or notice to, or filing with, any Governmental Authority or other third party is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any other Loan Document other than as have been obtained pursuant to Section 4.01(a)(vii).

5.04 **Binding Effect.** This Agreement has been and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles relating to enforceability (regardless of whether enforcement thereof is sought in a proceeding at law or in equity).

5.05 **Litigation.** There are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Material Subsidiaries, which:

(a) purport to affect the legality, validity or enforceability of this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby; or

(b) except as disclosed in Schedule 5.05 or as otherwise disclosed by the Borrower in the financial statements delivered pursuant to Section 6.01(a), if determined adversely to the Borrower or such Material Subsidiary, could reasonably be expected to have a Material Adverse Effect.

5.06 **Financial Information; No Material Adverse Effect; No Default.**

(a) The Audited Financial Statements (copies of which have been furnished to the Administrative Agent and each Lender) are complete and correct in all material respects, have been prepared in accordance with IFRS and fairly present in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as of such date and the results of their operations for the Fiscal Year ended December 28, 2013.

(b) The Borrower's unaudited financial statements for the Fiscal Quarter ended September 27, 2014 (copies of which have been furnished to the Administrative Agent and each Lender) are complete an correct in all material respects, have been prepared in accordance with IFRS and fairly present in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as of such date and the results of their operations for the period covered thereby, subject to (i) the absence of footnotes, (ii) normal year-end audit adjustments, and (iii) the fact that raw corn inventories are valued at cost, rather than the lower of cost or market.

(c) Since the date of the most recent audited financial statements, there has occurred no development, event or circumstance, either individually or in the aggregate, which has had, or could reasonably be expected to have, a Material Adverse Effect.

(d) As of the Closing Date and the date of each Credit Extension, neither the Borrower nor any of its Material Subsidiaries is in default under or with respect to any Contractual Obligation in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect, or that would, if such default had occurred after the Closing Date or the date of such Credit Extension, create an Event of Default under Section 8.01(e).

5.07 **Pari Passu.** The Obligations constitute direct, unconditional and general obligations of the Borrower and rank pari passu in all respects with all other unsecured and unsubordinated Indebtedness of the Borrower, except those ranking senior by operation of law (and not by contract or agreement).

5.08 **Taxes.** The Borrower and its Material Subsidiaries have timely filed all tax returns and reports required to be filed by Law, and have timely paid all taxes, assessments, fees and other governmental charges levied or imposed upon them or their Properties, including related interest and penalties, otherwise due and payable, except (a) those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with IFRS, and (b) those to the extent that non-compliance therewith could not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect.

5.09 **Environmental Matters.**

(a) The on-going operations of the Borrower and each of its Material Subsidiaries are in compliance in all material respects with all applicable Environmental Laws except as set forth on Schedule 5.05 and except to the extent that the failure to comply therewith could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(b) The Borrower and each of its Material Subsidiaries have obtained all environmental, health and safety permits necessary or required for its operations, all such permits are in good standing, and the Borrower and each of its Material Subsidiaries is in compliance with all material terms and conditions of such permits, except as set forth on Schedule 5.05 and except to the extent that the failure to obtain, and maintain in full force and effect, any such permit, or to the extent that failure to comply with the material terms thereof, could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(c) To the best knowledge of the Borrower, after reasonable investigation, no property currently or formerly owned or operated by the Borrower or any Material Subsidiary (including soils, groundwater, surface water, buildings or other structures) has been contaminated with any substance that could reasonably be expected to require investigations or remediation under any Environmental Law or has incurred any liability for any release of any substance on any third party property except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and

(d) Neither the Borrower nor any Material Subsidiary has received any notice, demand, letter, claim or request for information indicating that it may be in violation of or subject to liability under any Environmental Law or is subject to any order, decree, injunction or other arrangement with any Governmental Authority relating to any Environmental Law except as set forth on Schedule 5.05 and except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

5.10 **Assets; Patents; Licenses, Etc.**

(a) The Borrower and each of its Material Subsidiaries have good and marketable title to all real property that is reasonably necessary or used in the ordinary conduct of their business.

(b) The Borrower and each of its Material Subsidiaries owns or are licensed or otherwise have the right to use all of the patents, contractual franchises, licenses, authorizations and other rights that are reasonably necessary for the operation of its business, without conflict with the rights of any other Person.

5.11 **Subsidiaries.**

(a) A complete and correct list of all Material Subsidiaries of the Borrower as of the Closing Date, showing the correct name thereof, the jurisdiction of its incorporation and the percentage of shares of each class outstanding owned by the Borrower and each Subsidiary of the Borrower is set forth in Schedule 5.11(a).

(b) A list of all agreements, which by their terms, expressly prohibit or limit the payment of dividends or other distributions to the Borrower by a Material Subsidiary or the making of loans to the Borrower by a Material Subsidiary is set forth in Schedule 5.11(b).

5.12 **Full Disclosure.** All written information other than forward-looking information heretofore furnished by the Borrower to the Administrative Agent or any Lender for purposes of or in connection with this Agreement is, and all such information hereafter furnished by the Borrower to the Administrative Agent or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified. All written forward-looking information heretofore furnished in writing to the Administrative Agent or the Lenders has been prepared in good faith based upon assumptions the Borrower believes to be reasonable. The Borrower has disclosed to the Administrative Agent and the Lenders in writing any and all facts known to it that it believes are reasonably expected to have a Material Adverse Effect.

5.13 **Investment Company Act.** The Borrower is not, nor is it controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

5.14 **Margin Regulations.** Neither the Borrower nor any of its Subsidiaries is generally engaged in the business of purchasing or selling "margin stock" (as such term is defined in Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States) or extending credit for the purpose of purchasing or carrying margin stock.

5.15 **ERISA Compliance.**

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401 (a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date

for any Pension Plan (other than a Multiemployer Plan), the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and to the Borrower's knowledge, no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

5.16 **Solvent.** The Borrower is, and the Borrower and its Subsidiaries are on a consolidated basis, Solvent.

5.17 **Taxpayer Identification Number.** The Borrower's true and correct U.S. taxpayer identification number is set forth on Schedule 10.02.

5.18 **Liens.** As of the Closing Date, there are no Liens securing Indebtedness in excess of $5,000,000 in the aggregate on any inventory or accounts receivable of the Borrower or any of its Subsidiaries.

5.19 **OFAC**. Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is currently the subject or target of any Sanctions.

5.20 **Anti-Corruption Laws**. The Borrower and its Subsidiaries have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VI.
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Loan or other Obligation remains unpaid or any Lender has any Commitment hereunder:

6.01 **Financial Statements and Other Information.**

(a) The Borrower will deliver to the Administrative Agent as soon as available and in any case within 120 days after the end of each Fiscal Year, consolidated financial statements for such Fiscal Year audited by independent accountants of recognized national standing, including an annual audited consolidated balance sheet and the related consolidated statements of income, changes in equity and changes in financial position, prepared in accordance with IFRS consistently applied (except as otherwise discussed in the notes to such financial statements), which financial statements shall present fairly in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as at the end of the relevant Fiscal Year and the results of the

operations of the Borrower and its Subsidiaries for such Fiscal Year, reported on by independent accountants of recognized national standing.

(b) The Borrower shall deliver to the Administrative Agent as soon as available and in any case within 60 days after the end of each of the first three Fiscal Quarters, unaudited consolidated financial statements for each such quarter period for the Borrower and its Subsidiaries, including therein an unaudited consolidated balance sheet and the related consolidated statements of income prepared in accordance with IFRS, consistently applied (except as otherwise discussed in the notes to such statements), which financial statements shall present fairly in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as at the end of the relevant quarter and the results of the operations of the Borrower and its Subsidiaries for such quarter and for the portion of the Fiscal Year then ended except for (i) the absence of complete footnotes, (ii) normal, recurring year-end accruals, and (iii) the fact that raw corn inventories are valued at cost, rather than the lower of cost or market, and otherwise subject to normal year-end adjustments.

(c) Concurrently with the delivery of the financial statements pursuant to paragraphs (a) and (b) above, the Borrower will deliver to the Administrative Agent a Compliance Certificate signed by a Responsible Officer of the Borrower.

(d) The Borrower will furnish to the Administrative Agent, promptly after they are publicly available, copies of all financial statements and financial reports filed by the Borrower with any Governmental Authority (if such statement or reports are required to be filed for the purpose of being publicly available) or filed with any securities exchange and which are publicly available.

(e) The Borrower will furnish to the Administrative Agent, promptly upon request of the Administrative Agent or any Lender (through the Administrative Agent), such additional information regarding the business, financial or corporate affairs of the Borrower and its Material Subsidiaries as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent and each Lender of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor

compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that the Administrative Agent and/or the Arranger shall, unless the Platform is unavailable, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (the "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak, ClearPar, or another similar electronic system (the "Platform").

6.02 **Notice of Default and Litigation.** The Borrower will furnish to the Administrative Agent, not later than five Business Days after the Borrower obtains knowledge thereof (and the Administrative Agent will notify each Lender thereof):

(a) notice of any Default or Event of Default, signed by a Responsible Officer, describing such Default or Event of Default and the steps that the Borrower proposes to take in connection therewith;

(b) notice of any litigation, action or proceeding pending or threatened against the Borrower or any of its Material Subsidiaries before any Governmental Authority, in which there is a probability of success by the plaintiff on the merits and which, if determined adversely to the Borrower or such Subsidiary, individually or in the aggregate, could be reasonably expected to have a Material Adverse Effect;

(c) notice of the modification of any consent, license, approval or authorization referred to in Section 4.01(a)(vii); and

(d) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $5,000,000.

6.03 **Maintenance of Existence; Conduct of Business.**

(a) The Borrower will, and will cause each of its Material Subsidiaries to (i) maintain in effect its corporate existence and all registrations necessary therefor; (ii) take all reasonable actions to maintain all rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations; and (iii) keep all its Property in good working order or condition; provided, however, that this covenant shall not prohibit any transaction by the Borrower or any of its Material Subsidiaries otherwise permitted under Section 7.03 nor require the Borrower to maintain any such right, privilege, title to property or franchise or to preserve the corporate existence of any Subsidiary, if the Borrower shall determine in good faith that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Borrower or its Material Subsidiaries and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower will, and will cause its Material Subsidiaries to, continue to engage in business of the same general type as now conducted by the Borrower and its Material Subsidiaries.

6.04 **Insurance.** The Borrower will, and will cause each of its Subsidiaries to, maintain insurance with financially sound, responsible and reputable insurance companies in such amounts and covering such risks as are usually carried by companies of good repute engaged in similar businesses and owning and/or operating properties similar to those owned and/or operated by the Borrower or such Subsidiary, as the case may be, in the same general areas in which the Borrower or such Subsidiary owns and/or operates its properties; provided that the Borrower and its Subsidiaries shall not be required to maintain such insurance if the failure to maintain such insurance could not reasonably be expected to have a Material Adverse Effect.

6.05 **Maintenance of Governmental Approvals.** The Borrower will maintain in full force and effect all governmental approvals, consents, licenses and authorizations which may be necessary or appropriate under any Applicable Law or regulation for the conduct of its business (except that the failure to maintain any such approval, consent, license or authorization could not reasonably be expected to have a Material Adverse Effect) or for the performance of this Agreement and for the validity or enforceability hereof. The Borrower will file all applications necessary for, and shall use its reasonable best efforts to obtain, any additional authorization as soon as possible after determination that such authorization or approval is required for the Borrower to perform its obligations hereunder.

6.06 **Use of Proceeds.** The Borrower will use the proceeds of the Loans for general working capital purposes, Capital Expenditures, and for general corporate purposes, including, but not limited to, acquisitions, and the refinancing of existing Indebtedness (including, without limitation, the Indebtedness in respect of the Existing Credit Agreement).

6.07 **Application of Cash Proceeds from Sales and Other Dispositions.** The Borrower will, and will cause each of its Subsidiaries to, apply 100% of the net cash proceeds received from any sale, conveyance, transfer or Disposition of assets (including from any sale, conveyance, transfer or Disposition resulting from casualty or condemnation, and including any amounts received under any insurance policy representing any insurance payments that have not been and will not be applied in payment for repairs or for the replacement of any Property which has been damaged or destroyed) to (a) the repayment of any Indebtedness then outstanding, (b) investment in assets relating to the Borrower’s Core Business, or (c) any combination thereof.

6.08 **Payment of Obligations.** The Borrower will, and will cause each of its Material Subsidiaries to, pay all taxes, assessments and other governmental charges imposed upon it or any of its Property in respect of any of its franchises, businesses, income or profits before any penalty or interest accrues thereon, and pay all claims (including claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or might become a Lien upon its Property, except if the failure to make such payment has no reasonable likelihood of having a Material Adverse Effect or if such charge or claim is being contested in good faith by appropriate provision promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefor.

6.09 **Pari Passu.** The Borrower will cause the Loans and L/C Borrowings to rank pari passu in all respects with all other unsecured and unsubordinated Indebtedness of the Borrower, except those ranking senior by operation of law (and not by contract or agreement).

6.10 **Compliance with Laws.** The Borrower will, and will cause each of its Material Subsidiaries to, comply in all respects with all applicable Requirements of Law, including all applicable Environmental Laws and all Requirements of Law relating to ERISA, except where the necessity of compliance therewith is contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefor except where any non-compliance could not reasonably be expected to have a Material Adverse Effect.

6.11 **Maintenance of Books and Records**.

(a) The Borrower will, and will cause each of its Material Subsidiaries to, maintain books, accounts and other records in accordance with IFRS.

(b) The Borrower will, and will cause each Material Subsidiary to, permit representatives of the Administrative Agent to visit and inspect any of their respective properties and to examine their respective corporate, financial and operating books and records, all at such reasonable times during normal business hours and as often as may be reasonable desired upon reasonable advance notice to the Borrower or such Subsidiary; provided, however, that when an Event of Default exists the Administrative Agent may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

6.12 **Further Assurances.** The Borrower will, at its own cost and expense, execute and deliver to the Administrative Agent all such other documents, instruments and agreements and do all such other acts and things as may be reasonably required in the opinion of the Administrative Agent or its counsel, to enable the Administrative Agent or any Lender to exercise and enforce its rights under this Agreement and any Note and to carry out the intent of this Agreement.

6.13 **Anti-Corruption Laws.** The Borrower will, and will cause each of its Subsidiaries to, conduct its businesses in compliance with applicable anti-corruption laws and maintain policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VII.
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

7.01 **Negative Pledge.** The Borrower will not, and will not permit any of its Material Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon or with respect to any of its present or future Property, except:

(a) any Lien on any Property existing on the Closing Date;

(b) a Lien on any asset securing all of any part of the purchase price of property or assets (excluding inventories and accounts receivable) acquired or any portion of the cost of construction, development, alteration or improvement of any property, facility or asset or Indebtedness incurred or assumed solely for the purpose of financing all of any part of the cost of acquiring or constructing, developing, altering or improving such property, facility or asset, which Lien attached solely to such property, facility or asset during the period that such property, facility or asset was being constructed, developed, altered or improved or concurrently with or within 120 days after the acquisition, construction, development, alteration or improvement thereof;

(c) Liens of a Subsidiary existing prior to the time such Subsidiary became a Subsidiary of the Borrower which (i) do not secure Indebtedness exceeding the aggregate principal amount of Indebtedness subject to such Lien prior to the time such Subsidiary became a Subsidiary of the Borrower, (ii) do not attach to any Property other than the Property attached pursuant to such Lien prior to the time such Subsidiary became a Subsidiary of the Borrower, and (iii) were not created in contemplation of such Subsidiary becoming a Subsidiary of the Borrower;

(d) any Lien on any Property existing thereon at the time of the acquisition of such Property and not created in connection with or in contemplation of such acquisition;

(e) any Lien on any Property securing an extension, renewal, refunding or replacement of Indebtedness or a line of credit secured by a Lien referred to in clauses (a), (b), (c) or (d) above; provided that such new Lien is limited to the Property which was subject to the prior Lien immediately before such extension, renewal, refunding or replacement, and provided that the principal amount of Indebtedness or the amount of the line of credit secured by the prior Lien is not increased immediately before or in contemplation of or in connection with such extension, renewal, refunding or replacement;

(f) any Lien securing taxes, assessments and other governmental charges, the payment of which is not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by IFRS or, in the case of Material Subsidiaries organized under laws of any other jurisdiction, the applicable IFRS therein, shall have been made;

(g) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(h) statutory Liens of landlords and Liens of carriers, warehouseman, mechanics, materialmen, repairmen or the like arising in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by IFRS or, in the case of Material Subsidiaries organized under the laws of any other jurisdiction, the applicable IFRS therein, shall have been made;

(i) any Lien created by attachment or judgment, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(j) any Lien created in connection with any Swap Contract;

(k) easements, right of way restrictions, minor defects or other irregularities in title or other similar charges or encumbrances not interfering in any material way with the ordinary course of the Borrower's or any of its Subsidiaries' businesses;

(l) Liens related to Capital Leases;

(m) bankers' Liens in the nature of rights of set-off arising in the ordinary course of business of the Borrower or any of its Subsidiaries;

(n) Liens incurred in connection with the financing of insurance premiums;

(o) Liens on Property that is the subject of project financing and non-recourse trade financing transactions in which the lender is materially reliant on the project or transaction for repayment;

(p) Liens on cash and investments where the lender thereof effects advances in equal amounts, relating to interest arbitrage or tax structuring;

(q) Liens on Cash Collateral provided for under this Agreement; and

(r) Liens not otherwise permitted by this Section 7.01 securing amounts not in excess (in the aggregate) at any one time of the greater of (a) $50,000,000, or (b) 15% of the Consolidated Tangible Net Worth of the Borrower.

7.02 **Investments**. The Borrower will not, and will not permit any of its Material Subsidiaries to, make any Investment, except:

(a) Investments existing on the date hereof;

(b) Investments relating to the Borrower's Core Business;

(c) Cash Equivalent Investments;

(d) Investments by the Borrower in any Subsidiary or by any Material Subsidiary in the Borrower or in any Subsidiary;

(e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business;

(f) Capital Expenditures; and

(g) subject to the limitations set forth in Section 7.06 and 7.08, Contingent Obligations in respect of its Subsidiaries.

7.03 **Mergers, Consolidations, Sales and Leases**. The Borrower will not merge or consolidate with or into, or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless immediately after giving effect to any merger or consolidation:

(a) no Default or Event of Default has occurred and is continuing; and

(b) the Borrower shall be the continuing or surviving Person.

7.04 **Restricted Payments**. The Borrower will not, and will not permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, if a Default or Event of Default has occurred and is continuing or would result therefrom.

Notwithstanding the foregoing limitation, the Borrower or any Subsidiary may declare or make the following Restricted Payments:

(a) each Subsidiary may make Restricted Payments to the Borrower and to Wholly-Owned Subsidiaries; and

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common Equity Interests of such Person.

7.05 **Limitations on Ability to Prohibit Dividend Payments by Subsidiaries**. The Borrower will not, and will not permit its Material Subsidiaries to, enter into any agreement that, by its terms, expressly prohibits the payment of dividends or other distributions to the Borrower or the making of loans to the Borrower, other than in connection with the renewal or extension of any agreement listed in Schedule 5.11(b); provided that (a) the restrictions or prohibitions under such agreement are not increased as a result of such renewal or extension and (b) in connection with any such renewal or extension of an agreement that does not already contain any such prohibition, the Borrower will not, and will not permit its Material Subsidiaries to, agree to or accept the including of such prohibition.

7.06 **Limitation of Incurrence of Indebtedness by Subsidiaries**. The Borrower will not permit any Subsidiary of the Borrower to create, incur, assume or suffer to exist any Indebtedness if, at the time of such incurrence and after giving pro forma effect thereto, the aggregate Indebtedness of all Subsidiaries of the Borrower would exceed an amount equal to 25% of the Indebtedness of the Borrower and its Subsidiaries.

7.07 **Transaction with Affiliates**. The Borrower will not, and will not cause or permit any Material Subsidiary to, enter into any transaction with any Affiliate of the Borrower, except upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than are obtainable in a comparable arm’s-length transaction with a Person not an Affiliate of the Borrower or such Subsidiary.

7.08 **No Subsidiary Guarantees of Certain Indebtedness**. Except as set forth on Schedule 7.08 and in connection with its purchase of corn for its corn flour production or wheat for its wheat flour production, the Borrower will not permit any of its Material Subsidiaries, directly or indirectly, to guarantee or otherwise become liable or responsible for, in any manner, any Indebtedness of the Borrower.

7.09 **Maximum Leverage Ratio**. The Borrower shall not permit its Leverage Ratio, as determined for any Measurement Period, to be greater than 3.00 to 1.00.

7.10 **Consolidated Tangible Net Worth**. The Borrower shall not permit its Consolidated Tangible Net Worth to be less than $240,000,000 as of the last day of any Fiscal Quarter.

7.11 **Sanctions**. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by a Lender, the Arranger, the Administrative Agent, the L/C Issuer, the Swing Line Lender, the Borrower or any of its Subsidiaries of Sanctions.

7.12 **Anti-Corruption Laws**. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES

8.01 **Events of Default.** Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or L/C Obligation, or (ii) within five days after the same becomes due, any interest or any other amount payable hereunder or under any other Loan Document; or

(b) Representation or Warranty. Any representation or warranty by the Borrower made herein or in any other Loan Document, or which is contained in any certificate, document or financial or other statement by the Borrower of any Responsible Officer of the Borrower, furnished at any time under this Agreement or any other Loan Document, is incorrect in any material respect on or as of the date made; or

(c) Specific Defaults. The Borrower fails to perform or observe any term, covenant or agreement contained in Section 6.02(a), 6.03, 6.05, 6.06 or 6.09, fails to perform or observe any term, covenant or agreement contained in Article VII (other than Section 7.05, 7.07, or 7.08); or

(d) Other Defaults. The Borrower fails to perform or observe any other term or covenant contained in this Agreement or in any other Loan Document, and such default continues unremedied for a period of 30 days after the date upon which written notice thereof is given to the Borrower by the Administrative Agent or any Lender; or

(e) Cross-Default. The Borrower or any of its Material Subsidiaries (i) fails to make any payment in respect of any Indebtedness (other than Indebtedness hereunder and under the Notes), letter of credit facility or Swap Contract having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement or, in the case of a Swap Contract, a net liability) of more than $15,000,000 (or the equivalent in another currency) when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after any applicable grace period specified in the agreement or instrument relating to such Indebtedness; or (ii) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist under any agreement relating to any such Indebtedness, letter of credit facility or Swap Contract and such failure continues after the applicable grace period, if any, specified in the relevant document or the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holders of such Indebtedness, letter of credit facility or Swap Contract to cause such liability to be repurchased, prepaid, defeased, redeemed or declared due prior to its stated maturity;

(f) Insolvency Proceedings, Etc. The Borrower or any of its Material Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law in which such Person is the debtor, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 90 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 90 calendar days, or an order for relief is entered in any such proceeding; or

(g) Monetary Judgments. One or more judgments, orders, attachments, decrees or arbitration awards are entered against the Borrower or any of its Material Subsidiaries involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) as to any single or related series of transactions, incidents or conditions, of $15,000,000 (or the equivalent in another currency) or more, and the same shall remain unsatisfied, unvacated or unstayed pending appeal for a period of 90 days after the entry thereof; or

(h) Unenforceability. This Agreement or any of the Notes for any reason ceases to be in full force and effect in accordance with its respective terms or the binding effect or enforceability thereof is contested by the Borrower, or the Borrower denies that it has any further liability or obligation hereunder or thereunder or in respect thereof or thereof; or

(i) Change of Control. There occurs any Change of Control.

8.02 **Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or Applicable Law;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 **Application of Funds.** After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to Sections 2.15 and 2.16 be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including Attorney Costs and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders and the L/C Issuer (including Attorney Costs and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and L/C Borrowings, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and, L/C Borrowings, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit;

Sixth, to payment of any other Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Sixth payable to them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.15, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above, and the balance, if any, after all of the Obligations have been indefeasibly paid in full, shall be paid to the Borrower or as otherwise required by Law.

ARTICLE IX.
ADMINISTRATIVE AGENT

9.01 **Appointment and Authority.** Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 **Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of

business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 **Exculpatory Provisions.** The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i)with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 **Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 **Resignation of Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the prior approval of the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed) to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States; provided that, without the consent of the Borrower (not to be unreasonably withheld), the Required Lenders shall not be permitted to select a successor that is not a U.S. financial institution described in Treasury Regulation Section 1.1441-1(b)(2)(ii) or a U.S. branch of a foreign bank described in Treasury Regulation Section 1.1441-1(b)(2)(iv)(A). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any funds in the L/C Cash Collateral Account held by the Administrative Agent, the retiring Administrative Agent shall continue to hold such funds until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section; provided, further that so long as no Event of Default has occurred the retiring or removed Administrative Agent shall use good faith efforts to assist the Required Lenders and the Borrower in locating a successor Administrative Agent. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of

its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 **Non-Reliance on Administrative Agent and Other Lenders.** Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 **No Other Duties, Etc**. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arranger or syndication agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

9.09 **Administrative Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the

claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

ARTICLE X.
MISCELLANEOUS

10.01 **Amendments, Etc.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing signed by the Required Lenders (or signed by the Administrative Agent on their behalf after required approvals have been obtained) and the Borrower, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(c) postpone any scheduled date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document, or amend the Leverage

Ratio (or any defined term therein) in any manner that would result in a reduction of any interest rate on any Loan or L/C Borrowing or any fee payable hereunder without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(e) change Section 8.03 in a manner that would alter the pro rata treatment of the Lenders hereunder without the written consent of each Lender; or

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender who may be effected with the consent of the applicable Lenders other than the Defaulting Lenders), except that (x) the Commitment of such Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

10.02 **Notices; Effectiveness; Electronic Communication.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent the Swing Line Lender, the L/C Issuer or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR

OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Revolving Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 **No Waiver; Cumulative Remedies; Enforcement.** No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan

Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 **Expenses; Indemnity; Damage Waiver.**

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. THE BORROWER SHALL INDEMNIFY THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF), EACH LENDER AND THE L/C ISSUER, AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") AGAINST, AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LOSSES, DAMAGES, LIABILITIES AND EXPENSES (INCLUDING THE REASONABLE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE), INCURRED BY ANY INDEMNITEE OR AWARDED AGAINST ANY INDEMNITEE BY ANY THIRD PARTY IN CONNECTION WITH, OR AS A RESULT OF, (I) THE EXECUTION OR DELIVERY OF THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR

INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF) AND ITS RELATED PARTIES ONLY, THE ADMINISTRATION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (II) ANY LOAN OR LETTER OF CREDIT OR THE USE OR PROPOSED USE OF THE PROCEEDS THEREFROM (INCLUDING ANY REFUSAL BY THE L/C ISSUER TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT), (III) ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY PROPERTY OWNED OR OPERATED BY THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR (IV) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO**, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than thirty days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the L/C Issuer, the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 **Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 **Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this

Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred

and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer and the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at no expense to the Borrower) shall execute and deliver a new Note to reflect such assignment to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that directly affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America

may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder provided such Lender has consented to such appointment; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Revolving Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 **Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.14(c) or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes

available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

10.08 **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the Highest Lawful Rate. If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Highest Lawful Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.09 **Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

10.10 **Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied

upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.11 **Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.11, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.12 **Replacement of Lenders.** If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a notice pursuant to Section 3.02, a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will permit the funding of Eurodollar Rate Loans or result in a reduction in such compensation or payments thereafter, as applicable;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.13 **Exceptions to Covenants.** Neither the Borrower nor any Subsidiary shall be deemed to be permitted to take any action or fail to take any action which is permitted as an exception to any of the covenants contained herein or which is within the permissible limits of any of the covenants contained herein if such action or omission would result in the breach of any other covenant contained herein.

10.14 **Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE ADMINISTRATIVE AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) SUBMISSION TO JURISDICTION. THE LENDERS AND THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES OF AMERICA, LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE

PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 **No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arranger, and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arranger, and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, the Arranger nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, the Arranger, nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the

Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 **USA PATRIOT Act Notice.** Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

10.18 **Time of the Essence.** Time is of the essence as to each term and provision of the Loan Documents.

10.19 **Electronic Execution of Assignments and Certain Other Documents.** The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Revolving Loan Notices, Swing Line Loan Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it**.**

10.20 **ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

GRUMA CORPORATION

By: _____
Dan Burke
Treasurer

By: _____
David A. Salazar Cavazos
Assistant Secretary

BANK OF AMERICA, N.A., as
Administrative Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A., as a Lender, L/C Issuer and Swing Line Lender

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Syndication Agent and a Lender

By: _____
Name: _____
Title: _____

COÖPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK NEDERLAND",
NEW YORK BRANCH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MIZUHO BANK, LTD.

By: _____
Name: _____
Title: _____

HSBC BANK USA, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

SANTANDER BANK, N.A.

By: _____
Name: _____
Title: _____

COMPASS BANK

By: _____
Name: _____
Title: _____

Exhibit 8

List of Principal Subsidiaries
of
Gruma, S.A.B. de C.V.

Subsidiary	Jurisdiction of Incorporation
Gruma Corporation	Nevada, United States
Azteca Milling, L.P.	Texas, United States
Compañía Nacional Almacenadora, S.A. de. C.V.	Mexico

Exhibit 12(a)(1)

CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. §1350)

I, Juan Antonio González Moreno, certify that:

1. I have reviewed this Annual Report on Form 20-F of Gruma, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the Annual Report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2015

/S/ JUAN ANTONIO GONZÁLEZ MORENO
Name: Juan Antonio González Moreno
Title: Chief Executive Officer

Exhibit 12(a)(2)

CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. §1350)

I, Homero Huerta Moreno, certify that:

1. I have reviewed this Annual Report on Form 20-F of Gruma, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the Annual Report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2015

/S/ HOMERO HUERTA MORENO
Name: Homero Huerta Moreno
Title: Chief Administrative Officer

Exhibit 13

Officer Certifications
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Gruma, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico (the "Company"), does hereby certify to such officer's knowledge that:

The annual report on Form 20-F for the fiscal year ended December 31, 2014 (the "Form 20-F") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2015

/S/ JUAN ANTONIO GONZÁLEZ MORENO
Name: Juan Antonio González Moreno
Title: Chief Executive Officer

Date: April 30, 2015

/S/ HOMERO HUERTA MORENO
Name: Homero Huerta Moreno
Title: Chief Administrative Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.