

## TERMS AND GENERAL CONDITIONS FOR PURCHASE AND SUPPLY OF MERCHANDISE

### 1. Defined Terms and Rules of Interpretation.

1.1. Words starting with capital letters shall have the following meanings

- a) "**Cargill**" means the person moral of the Cargill Group identified in the Purchase Order, in the capacity of purchaser.
- b) "**General Conditions**" mean these Terms and General Conditions of trading and/or supply of Products agreed upon between the parties, which establish the rights and obligations between Cargill and the Seller applicable to the Purchase Order(s) issued by Cargill to the Seller.
- c) "**Authorized E-mail Addresses**" shall have the meaning as attributed in Clause 12.1 of the present General Conditions.
- d) "**Data Messages**" shall have the meaning as attributed in Clause 12.1 of the present General Conditions.
- e) "**Products**" means, individually or collectively, to the equipment, merchandise, machinery, trading article or other goods that are the object of the Purchase Order and supplied by the Seller Cargill
- f) "**Purchase Order(s)**" means the purchase orders(s) issued by Cargill, containing the specific conditions for the supply of Products.
- g) "**Party**" means Cargill or the Seller, as applicable.
- h) "**Parties**" means Cargill and the Seller, whenever referred to jointly.
- i) "**Seller**" means the individual or legal person who appears in the Purchase Order as Seller, and who is responsible for supply and/or vender and deliver the Cargill Products, in the terms specified in the Purchase Order.

1.2. In the event of discrepancy or conflict between the provisions of these General Conditions and those worded in the Purchase Order(s) and/or in any other documents exchanged between the Parties and which refer directly or indirectly to the Products, the provisions established in the present General Conditions shall prevail. In the event of discrepancy or conflict between the commercial or technical terms of the Products requested in the Purchase Order(s) and communications or any other document exchanged between the Parties prior to its dispatch, and which refer directly or indirectly to the Products, the provisions established in the Purchase Order shall prevail.

### 2. Object and Application.

2.1. The present General Conditions establish the rights and obligations between Cargill and the Seller, applicable to the supply of Products entered into by Cargill and the Seller by virtue of the Purchase Orders. Said Orders and the present General Conditions jointly constitute the mutual obligations between the Seller and Cargill. With due regard for the provisions in the clause 1.2 of the present General Conditions, the terms and conditions established in the Purchase Orders, are complementary to the present General Conditions.

2.2. The terms and conditions established in these General Conditions and the terms and conditions established in the Purchase Order(s) shall be binding upon the Parties and shall generate irrevocable and unchangeable effects should any of the following situations occur:

- a) By the Seller's acceptance of the Purchase Order and/or of the General Conditions to supply the Cargill Products in writing in a physical document, by e-mail or through the website of providers set up by Cargill;
- b) By Seller's signature or stamp on the Purchase Order;

If the Seller begins to supply the Products or begin to fulfill any obligation relating to the Purchase Order or to these General Conditions.

2.3. In addition to the forms of presentation, delivery and acceptance of the present General Conditions established in the clause 2.2 above, same may also be found on the Cargill website, at the following address: <https://www.cargill.com/page/cargill-po-terms>.

### 3. Validity.

The present General Conditions come into effect as of August 1, 2017 and shall be thus maintained indefinitely. Each one of the Purchase Order(s) shall enter into effect in conformity with clause 2.2 above upon expressed or tacit acceptance thereof and shall remain in force until its terms have been fully satisfied.

### 4. General Obligations of the Seller.

4.1. Notwithstanding the rest of the obligations established in the present General Conditions or in the Purchase Order(s), the Seller shall:

- a) Meet all the conditions and obligations established in the Purchase Order and with all the terms and conditions established in these General Conditions;
- b) Supply the Products in conformity with the specifications and/or descriptions as stated in the Purchase Order, including but not limited to the type, mark, name, quantity, presentation and/or packaging, etc.;
- c) Supply the Products in conformity with the quality specifications expressly requested by Cargill;
- d) Deliver the Products at the times and places established in the Purchase Order;
- e) Not use child or slave labor, or analog conditions, in meeting its obligations by virtue of the Purchase Order and of the present General Conditions, in the manufacture, purchase and/or delivery of the Products;
- f) Adhere to the conduct guidelines established by Cargill for its suppliers;
- g) Submit for payment the invoices within the sixty (60) running days following the delivery of the Products. Likewise Cargill shall deliver the payment complement, with all the requirements established by the applicable fiscal regulations, within 10 business days following payment made by Cargill. Should the Seller fail to punctually deliver Cargill the fiscal document that enables it to make the corresponding payment or the corresponding payment complement, the Seller hereby grants Cargill a discount of the 30% (thirty percent) on the value of said invoice or payment complement, as applicable, not submitted to Cargill on a timely basis, even though it could be automatically applied by Cargill upon making the applicable payment of said invoice or else upon making the payment corresponding to future Products, in the case of payment complements not issued on time and in form by the Contractor;
- h) Respect all the applicable laws, in particular, but not limited to the environmental, tax, labor, occupational health and/or social security legislation in the exercise of its activities;
- i) Manufacture and commercialize the Product in accordance with the applicable laws and regulations, exempting Cargill of any liability by virtue of miscompliance or violation thereof;
- j) Mention the reference number of the Purchase Order in all the documents relating to said Purchase Order and to the present General Conditions, including, but not limited to, tax bills, proforma bills, shipment/dispatch confirmations, bills of lading, receipts, duplicates, correspondences, etc.;
- k) Identify or mark all the packages, containers or other packaging materials, containing the totality or part of the Products, with the number of the invoice and the accompanying Purchase Order (unless otherwise stated in the Purchase Order);
- l) Pack, wrap, envelop or label the Products with the appropriate material according to its nature, as specified in the applicable regulations and that set out in the Purchase Order;
- m) Provide jointly with the Products, all the documents, manuals, certificates and instructions necessary so that Cargill may use them according to their nature or type;
- n) If its origin is not local, submit, jointly with the Products, all the documentation required for the international transport thereof, duly sealed and approved in all the Customs Duties in all countries of transit of the Products;
- o) Obtain, keep valid and effective, and meet all the requirements and conditions of the licenses and/or authorizations necessary to meet its obligations by virtue of the Purchase Order and of these General Conditions;
- p) Take out insurance for the Products with reputable insurance firms, from the catalog of insurance firms authorized by Cargill, covering risks of theft, fire, storms, flooding or other *force majeure* events. The Seller shall in all cases assure the transport of the Products for a minimum coverage sum equal to the value of the sale price of the Products. Likewise, it shall present Cargill, at its request and within the (2) subsequent business days, the corresponding policy, except whether otherwise established in the Purchase Order.
- q) Not violate, in the exercise of its activities and in satisfying the Purchase Order the present General Conditions, the intellectual property rights or any other rights held by third parties; and
- r) Indemnify Cargill for any damage or loss occurring due to default on any of the obligations undertaken under the aegis of these General Conditions and the Purchase Order.

### 5. Taxes.

All the taxes due on the supply of Products and these General Conditions shall be paid by the party responsible, in the terms of applicable tax legislation.

### 6. Ethics and Anticorruption Expectations.

6.1. The Seller is aware that the Foreign Corrupt Practices Act of the USA ("**FCPA**") against bribery and the anti-corruption laws of the United Mexican States (jointly with FCPA, the "**Anti-Bribery Laws**") prohibit, under threat of severe sanctions, the payment, offer, promise of payment or authorization of payment or offering of cash or any item of value, directly or indirectly through third parties, to any Government Employee (as defined below), political party, employee of a political party or any candidate to a public office, designed to influence them in their official capacity, or induce them to use their influence to assist any person to obtain or maintain business and/or obtain improper advantages.

6.2. The Seller, in the performance of its obligations prescribed in the terms of these General Conditions and/or of the Purchase Order, shall not infringe upon the FCPA or any other Anti-Bribery Law in force in Mexico and/or in any other jurisdiction, nor shall it pay, offer, promise to pay or authorize payment or offer cash or any object of value, either directly or indirectly:

- a) To any Government Employee (as defined ahead); or
- b) To any political party, political party official or any candidate to a public office.

With the purpose of obtaining or maintaining business or improper advantages for Cargill.

- 6.3. No part of the funds paid by Cargill to the Seller shall be used for any purpose that violates the FCPA, the Anti-Bribery Laws in force or any other law applicable to the Seller for the Products acquired by Cargill.
- 6.4. The Seller has declared to Cargill, under oath, prior to receiving these General Conditions that none of the owners, employees, officers, managers, or employees of the Seller are a Government Employee (as defined ahead), political party official or candidate to a public office. The Seller agrees to notify Cargill in writing if one or more of its owners, board members, officers, leaders, managers or employees becomes a Government Employee (as defined ahead), political party official or candidate to a public office.
- 6.4.1. Government Employee is understood to be any administrator or public employee of the three levels of government and/or three powers (executive, legislative and judicial), international public organization, or any department or agency thereof, or a company fully or partially owned or controlled by a government, including any person acting in an official position in the name of said entities ("Government Employee").
- 6.5. The Seller declares its awareness and acceptance, in all its terms, irrevocably and unchangeably, the Code of Conduct of Cargill Suppliers, even if delivered previously or jointly with the present General Conditions, and commits to act with business responsibility, integrity and transparency, fully complying with the provisions therein.
- 7. Liability, Delivery and Guarantee of the Products.**
- 7.1. The Seller is solely responsible and shall (i) deliver the Products in strict conformity with the conditions, specifications and descriptions contained in the Purchase Order, free of encumbrances of any type, be they conventional, judicial or legal, and (ii) guarantee that the Products it delivers to Cargill may be used for the purposes for which they are intended.
- 7.1.1. If the Products, in whole or in part, are not delivered in conformity with the conditions, specifications and descriptions of the Purchase Order, are not fully suitable for the intended purposes and/or are not free of encumbrances of any type, Cargill shall automatically have the right to:
- a) Terminate the juridical relationship created by these General Conditions and by the Purchase Orders, in which case the provisions of the Clause 10 of the present General Conditions shall apply; or
  - b) At its sole discretion, request the repair or immediate replacement of the Products as specified in the numeral 7.5 of the present Clause, or else reject the Products delivered in nonconformity with conditions, specifications and descriptions ("defective products"), in which case the provision in the numeral 7.1.2 of the present Clause shall apply.
- 7.1.2. Under the provision in the subitem (b) of clause 7.1.1 above, the Seller shall be obliged to replace Cargill, within the three (3) business days following the date on which it receives notice of rejection by Cargill of the defective Products, for products that do in fact satisfy the conditions, specifications and descriptions of the Purchase Order, and Seller alone shall afford all costs associated to said replacement. Should the Seller fail to substitute the Products within the timeframe established in this clause, Cargill shall have the right (but not the obligation), without the need for any formality or advice to the Seller, to dispose of the Defective Products; and may at its sole discretion return the products, write down the delivery or order the total destruction thereof, and purchase third party Products that satisfy the expected specifications, in which case the Seller shall be obliged to reimburse Cargill: (i) the price established in the Purchase Order, calculated on the quantity of the rejected Product; and (ii) all the costs associated to the disposal of the Products, including but not limited to taxes, expenses with transport, storage, insurance and/or any other type; and (iii) as applicable, the amount resulting from the positive difference between the price paid by Cargill to third parties for the Products replacing that which was returned.
- 7.2. Cargill shall have the right (but not the obligation) to inspect the manufacture and/or purchases of the Products and proceed with the delivery thereof. The right of inspection prescribed in the present clause neither exempts nor restricts the liability of the Seller for the damages and losses caused to third parties or Cargill for apparent or hidden flaws in the Products. Should Cargill notify the Seller of any defects in the Products, in addition to the provision in the items 7.1 to 7.1.2 above, Seller shall indemnify third parties and/or Cargill for damages and losses sustained relating to the defect in question.
- 7.3. The delivery of the Products shall strictly meet the timeframe established in the Purchase Order. In addition to that set forth in item 8.3 below, the delay in the delivery shall confer Cargill the right (but not the obligation) to cancel the Purchase Order and terminate the juridical relationship with the Seller. The Seller shall be solely liable for all the losses arising from any delay in the delivery of the Products, including damages and losses, fines and/or sanctions claimed from or imposed upon Cargill by any third party, owing to the delay in the delivery or cancellation of the order, as applicable.
- 7.4. The Seller commits to deliver, jointly with the Products, the respective certificates of guarantee, of analysis, of composition and/or the quality of the material used in the manufacture of parts, equipment or components used to manufacture the Products within one (1) business day after the date of receipt of notice in writing from Cargill in this sense.
- 7.5. If so requested by Cargill as specified in item 7.1. of these conditions, the Seller commits to repair all and any defects in the Products as detected by Cargill during the term prescribed in the Purchase Order or in the Product manual, if applicable. In this sense, the Seller shall repair the Products, at its own risk and without cost for Cargill, within the 10 (ten) running days as of the date of receipt of the request for repair by Cargill. If the Seller does not carry out the repairs in said timeframe, Cargill will be authorized to dispose of the goods, or else hire third parties to repair them, and Seller shall be obliged to reimburse Cargill, within the five (5) days following the request in writing therefrom, all the costs incurred by Cargill for said disposal or repair.
- 7.6. The Seller is liable for guaranteeing the quality of the Products that can be fully used for their intended purpose and for the time established by law, the manufacturer or in the Purchase Orders, whichever the greater. Also, if the Seller is not the manufacturer of the Products, it shall be jointly liable with the manufacturer for compliance with the obligations established in this chapter.
- 8. Delay and Default.**
- 8.1. If the Seller cannot or feels it is unable to fully satisfy with the obligations established in the Purchase Order or in these General Conditions for any reason, then it shall immediately inform Cargill verbally and in writing. Said communication by the Seller does not exempt it of any liability regarding any obligation established in the Purchase Order and/or in these General Conditions.
- 8.2. The Seller shall notify Cargill immediately upon receipt of the Purchase Order if it cannot meet the date specified for the delivery, in which case Cargill shall have the option of canceling the Purchase Order without any liability for itself in relation to the Seller.
- 8.3. In the event of default on the delivery term, Seller shall pay Cargill one percent (1%) of the value of the Products for each day of delay in the delivery of the Products, which shall be deducted and offset by Cargill on any payment in favor of the Seller, and this offset is accepted and authorized by the Seller upon accepting these General Conditions.
- 8.4. Delay in complying with any of the obligations of the Parties referred to in these General Conditions, in the Purchase Order and/or in the applicable legislation, shall be automatically deemed to have occurred as soon as the term for complying with the corresponding obligation has expired, without the need for advice or notification from the other party. For obligations having a fulfillment term not expressly stated in the Purchase Order or in the present General Conditions, the party shall be deemed to be in default from the date on which it receives notification in writing of the default from the other Party.
- 8.5. Notwithstanding that established in Clause 8.2, in the event of default on the obligations of the Seller under these General Conditions or the Purchase Order, the Seller authorizes Cargill, irrevocably and unchangeably, to retain and offset any payment owed to the Seller until the effective settlement of the obligations by the Seller and until it pays the appropriate amounts Cargill, in the terms of these General Conditions and the Purchase Order.
- 9. Nature of the contractual relationship.**
- 9.1. The present General Conditions and the Purchase Orders are of a commercial nature, and they do not generate any labor liability whatever between Cargill and the Seller and/or its legal representatives, employees, agents or contractors, so any obligations related with the personnel of the Seller, shall befall the Seller and in no way whatever shall Cargill be considered as boss or substitute boss said personnel.
- 9.2. Likewise the Seller shall be the sole and exclusive party responsible, in its capacity of boss, for making all the labor payments, both legal and contractual, regarding its personnel, being obliged to keep Cargill free and safeguarded, along with its representatives, affiliated entities, subsidiaries and related companies, from any lawsuit, report, complaint, fine or sanction, deriving from the foregoing or from any labor obligation of the Seller with its personnel.
- 9.3. The Seller is not the legal representative or agent of Cargill and accordingly may not obligated latter owing to these functions, in any way whatever, nor may it make statements in the name of Cargill unless previously so authorized in writing by latter.
- 10. Assumptions for Rescission / Termination.**
- 10.1. As assumptions for rescission, in addition to those prescribed in specific provisions of these General Conditions and/or in the Purchase Order, the juridical relationship between the parties may be terminated for the following causes:
- a) By Cargill, at its sole discretion, in the event of default or delay by the Seller on any obligation to which Seller is bound by virtue of the present General Conditions and/or the Purchase Order;
  - b) By the Seller, should Cargill fail to make the payments by virtue of the Purchase Order and pursuant to the present General Conditions, whenever the Contractor has provided the corresponding tax documentation in full compliance with the applicable rules; and still fails to make payment, within the 30 (thirty) running days as of the date of receipt of the written notice sent by the Seller Cargill demanding the realization of the payment of the past due amount, if applicable.
- The party in default shall be obliged to pay for the damages and losses caused by said default.

- 10.2. In any event of termination of the Purchase Order, not excluding other sanctions and indemnifications established, the Seller shall be obliged to supply those Products whose price has already been paid or, at the discretion of Cargill, return all the amounts paid by Cargill.
- 10.3. Any indemnification or compensation payable by Cargill to the Seller pursuant to the Purchase Order and/or these General Conditions shall be limited to 10% (ten) percent of the price of the set of the Products.
- 10.4. The Parties may, for any reason, anticipatedly terminate any Purchase Order without paying any penalty to the other party, whenever so notified in writing to the other party with at least thirty (30) days prior to the date of anticipated termination and that they comply with the obligations validly undertaken prior to effective notice of termination.

**11. Non-Disclosure.**

The Seller shall keep in absolute privacy all the information as may be disclosed thereto by Cargill, whether or not marked as confidential, including, but not limited to any information on projects, production capacities, materials requested, diverse suppliers, client orders, expansion plans, economic, technical or commercial data on products or premises of Cargill, technical specifications of the goods commercialized by Cargill, etc.; to which the Seller may have access or knowledge, or which may be entrusted thereto, whether or not related to the Product and/or the Purchase Order. This obligation shall remain in force for as long as the obligations of the Seller under the Purchase Order and these General Conditions remain in force, and for the five (5) years following compliance with or rescission thereof, as applicable. In the event of default on said obligation, the Seller shall pay Cargill the corresponding damages and losses.

**12. Data Messages.**

- 12.1. Cargill and the Seller recognize legal effects, validity, compulsory force and evidentiary value of the communications sent under the aegis of the present Agreement and/or the Purchase Orders and/or that are generated, sent, received or filed in electronic means (hereinafter the "Data Messages"). Said Data Messages shall be sent between the parties to the authorized e-mail addresses described and specified in the Purchase Order, (hereinafter the "Authorized E-mail Addresses"), and same may be updated from time to time in writing signed by the party requesting an update of the Authorized E-mail Addresses and physically sent to its counterparty, though the present General Conditions shall not be modified thereby, nor shall the Purchase Orders, nor shall there be novation of the obligations deriving from these General Conditions or from the Purchase Orders.
- 12.2. Said Data Messages shall generate full legal effects and shall be deemed valid and enforceable between the Parties, whenever: (i) sent to each other by means of the Authorized E-mail Addresses; (ii) definitively accepted, by acceptance advice containing the words "IN ACCORDANCE" and/or "OK" and/or any synonym, through this same channel by the other Party, within the forty-eight (48) hours following the receipt of or the respective Data Messages, notwithstanding the foregoing, the validity and enforceability of the acceptance advice sent on an untimely basis shall not be affected, whenever there is an expressed agreement between the parties; and (iii) said definitive acceptance by the addressee and/or accepting Party, is received by the emitting and/or tendering party, in terms of that established in these General Conditions and in the Art. 1,807 of the Federal Civil Code. The foregoing, on the understanding that any Date Message sent between the parties pursuant to that established in the present clause, and which by matters and/or circumstances unwitting to the emitting Party was not received by the address Party, shall for all legal purposes be deemed valid and enforceable, whenever re-sent to the addressee Party and latter accepts it in the terms of the present clause.
- 12.3. The Parties agree that the acceptance advices which the address or acceptance Party should send from time to time, pursuant to that stipulated in the immediately preceding paragraph, shall contain, enunciatively but not limitatively, a clear and precise reference to the operation and/or corresponding Order.

**13. Special Notices**

Each Party specifies as its conventional domicile to receive all types of notices, that prescribed in the Purchase Orders. All notices made by the parties by virtue of these General Conditions and/or of the Purchase Orders, shall be in writing and with receipt advice, with the exceptions which by their very nature the Data Message referred to in item 12 above may represent.

**14. General Provisions**

- 14.1. Neither Party may, without the prior and expressed consent of the other Party, assign or transfer, in whole or in part, any of its rights or obligations undertaken pursuant to the Purchase Order or these General Conditions.
- 14.1.1. Notwithstanding the provision in the clause 14.1 above, Cargill is authorized by the Seller to assign or transfer, in whole or in part, any of its rights and/or obligations undertaken by virtue of the Purchase Order and/or of these General Conditions, to any of its related or affiliated companies, be it the head office, branch or subsidiary, directly or indirectly.
- 14.1.2. The Seller is hereby bound, irrevocably and unchangeably, not to assign, give as collateral, factorage or in any other way transfer to third parties any credit it holds against Cargill and that is related to the Purchase Order and/or to these General Conditions, without the expressed written authorization from Cargill. Any assignment or transfer made in miscompliance with this obligation shall be deemed lawfully null and void, being deemed duly realized all the payments made by Cargill directly to the Seller, having a discharging effect on the obligations of Cargill.
- 14.2. The failure by either Party to demand strict compliance with any obligation or condition established in these General Conditions or in the Purchase Order, shall no imply modification of the obligation or condition nor a waiver of the right to demand it in the future, not affecting the validity of these General Conditions and/or the Purchase Order and any of their conditions.
- 14.3. The obligations of each Party established in the present General Conditions or in the Purchase Order constitute legal, valid, binding and enforceable obligations in accordance with their terms, and replace all previous agreements, declarations, negotiations and arrangements, be they verbal or in writing as provided in their object in whole or in part.
- 14.4. The Purchase Order and these General Conditions may only be amended in writing, with due regard for the following: (i) the Purchase Order can only be changed by sending a rectifying request by Cargill to the Seller; and (ii) these General Conditions can only be modified by amendment signed by the Parties or their authorized legal representatives.
- 14.5. Should any provision of these General Conditions and/or of the Purchase Order be deemed null and/or contrary to the law, by any jurisdictional authority, the remaining provisions shall not be affected.
- 14.6. All the titles of the chapters, clauses and items of these General Conditions are used solely as reference and, accordingly, shall not affect the content thereof.
- 14.7. Neither Cargill nor the Seller enters into an exclusive Product trading contract with the other party, so the Seller may sell to third parties products similar to the Products, and Cargill may acquire from any third party, products similar to the Product.
- 14.8. The Seller may not use the marks, registered trademarks, logotypes, service marks or other marks owned by Cargill in any way whatever, including, among others, advertising, lists of users or clients, unless the Seller obtains prior consent in writing from Cargill. In the event of default on this obligation the Seller shall pay the damages and losses caused to Cargill.
- 14.9. The Seller has declared on oath prior to the acceptance of these General Conditions that neither it nor any person or entity that owns or controls it, is subject to economic or commercial sanctions, imposed by the USA, the European Union, the United Nations Organization, Mexico ("Rules of Sanction"). The Seller commits (i) that it, its agents and representatives, shall fully comply with all Rules of Sanction applicable in the fulfillment of the present Agreement, and (ii) that directly or indirectly, the Product will not originate from, be provided by or transported in a ship or company owned by, controlled, marked or freighted by, any country, person or entity which may cause the Purchaser, or any head company of the Purchaser in the USA, the contravention the applicable Rules of Sanction. The Seller commits to cooperate with the reasonable requests of the Purchaser for information or documentation to verify compliance with this clause".
- 14.10. For the interpretation, compliance and enforcement of these General Conditions and/or of the Purchase Orders, the Parties are subject to the federal laws of Mexico and to the jurisdiction of the proper courts located in Mexico City. **Seller** hereby acknowledges and agrees to fully comply with **Cargill's** Supplier Code of Conduct, which can be accessed in its entirety at [www.cargill.com/supplier-code](http://www.cargill.com/supplier-code).