General Purchase Conditions

1.- General.
1.1.- These General Purchase Conditions shall be an integral part of the Agreement/Purchase Order to be issued by any entity of the Bayer group in any Latin American countries, except Argentina, Brazil, Bolivia, Chile, Paraguay and Uruguay, territory where such entity may have its main corporate office (jointly referred to as “Bayer”), in connection with any non-subordinated specialized services and/or any supply and/or delivery of merchandise (hereinafter referred to as the “Services”) as described in this Purchase Order (hereinafter referred to as the “PO”). Any conflict or disagreement with the delivery conditions of the seller/provider/supplier (hereinafter referred to as the “Counterparty”) or any other claims made by the Counterparty, shall not be considered effective unless Bayer had expressly accepted them in writing through a specific PO.

1.2.- Any other arrangements, amendments or subsidiary agreements shall not be effective unless Bayer shall have given its written consent therefor.

1.3.- This PO and the offer of the Counterparty, as well as any Schedule thereto, represent the agreement regulating the relationship between the Parties. In the event that there is an Agreement signed by the Parties with the same purpose as this PO, the conditions of such Agreement shall prevail over such of this PO.

2. Offer and Purchase Order.
2.1.- This PO represents the acceptance by Bayer of the goods and/or services of the Offer of the Counterparty (hereinafter referred to as the “Offer”) referred to in this PO and through which the Counterparty binds itself to provide Bayer any goods and/or services therein indicated under the terms and conditions herein contained. The Offer of the Counterparty shall cover exactly the quantities and quality specified in the quotation request issued by Bayer. Any failure to comply with these terms shall be expressly mentioned by the Counterparty. The Offer shall be submitted without any cost or any obligation for Bayer. Payment for any cost estimates shall be made as agreed between the Parties prior to the issuance of the quotation.

2.2.- Should this PO express any terms different from those of the Offer, they shall be understood as a new Offer by Bayer.

2.3.- Prior to the delivery of the goods and/or the provision of the services by the Counterparty, the PO may be modified by Bayer regarding any conditions or specifications of the goods and/or services, prior communication to the Counterparty. Purchase Orders and their modifications shall be made in writing. In the event of any doubt, any verbal agreements or arrangements discussed over the telephone shall only be binding if they are confirmed in writing.

2.4.- Every PO or modification thereto shall be confirmed in writing to the Counterparty and shall be treated separately in all communications.

2.5.- The following details shall be specified in all communications: purchase department, complete PO number, PO date and reference of the purchaser or entity requesting the services or goods.

2.6.- The Parties hereby acknowledge that, by virtue of their commercial relationship, various PO or similar documents may be issued; therefore, they expressly acknowledge that each of such documents shall be independent from any other previous or subsequent documents.

2.7.- The Counterparty may state its express acceptance through a communication to Bayer or implicitly through the implementation of this PO. The Counterparty must express in writing, within the following three (3) business days, its disagreement with the contents of this PO; should it fail to do so, it shall be considered that the PO has been accepted as is and the Counterparty binds itself to provide the services and/or supply the products according to the terms and conditions herein agreed upon. In the event that the contents of this PO are rejected, it acknowledges and accepts that Bayer may freely engage the Services from any third party without any responsibility therefor.

3.- Delivery Conditions.
3.1.- The delivery time and place shall be specified in the PO. Should the Counterparty have any reasons to believe that all or some of its contractual obligations shall not be complied with, or complied with on time, it shall notify it immediately to Bayer, indicating the reasons and estimated delay. If the Counterparty fails to do so, it shall not have any right to request an exemption from liability for the delay. If the Counterparty is unable to make delivery on the time agreed upon, it shall continue being bound by the existing legal provisions. This shall not affect its obligation to pay the applicable penalty for delay in delivery agreed upon by the Parties.
3.2.- Packaging materials must be delivered duly palletized and wrapped. Otherwise, Bayer may refuse their delivery and such rejection shall be considered imputable to the Counterparty.

3.3.- Any goods and/or services covered by this PO shall be subject to inspection or assessment by Bayer. Bayer is only bound to receive such goods and/or services upon the terms and conditions indicated in the PO. Any delivery under different terms and conditions must be previously authorized in writing by Bayer; otherwise, it may be returned at the cost and risk, and under the responsibility of the Counterparty.

3.4.- Any services shall be considered as completed when Bayer accepts them to its full satisfaction.

3.5.- If the merchandise delivered or the services provided fail to comply with any of the requirements therefor, without prejudice to the penalties provided for in the default clause, Bayer may require, at its own choice: (i) that the default is remedied, the services are provided again or the merchandise is supplied without any flaws, (ii) the reduction of the price thereof under the existing provisions, (iii) the reimbursement of any advance payment and any unnecessary expenses, (iv) the termination of the PO or the Agreement and/or (v) the exercise of any relevant legal action in favor of Bayer.

4.- Guarantee, responsibility, and notification of any flaws.
4.1.- The Counterparty hereby states that the goods subject matter of this PO belong to it or that it has full authorization from the owner thereof to sell them and that the same shall comply with the technical specifications required by Bayer.

4.2.- The Counterparty hereby guarantees that the merchandise to be provided by it is free from any flaws that may reduce the value thereof or affect its use, that it complies with the agreed or guaranteed characteristics, that it is suitable for the purpose established in the order, that it conforms to generally accepted technical practices, and that it complies with all applicable regulations and laws regarding the safety of any devices and tools, as well as with the appropriate safety specifications and rules to protect any workers and prevent any accident.

4.3.- If the goods delivered fail to comply with any of these requirements, Bayer may request, at its own choice: (i) that the default is remedied or that the merchandise is provided with no flaws, (ii) to cancel the agreement or reduce the purchase price under any existing legal provisions, (iii) compensation or reimbursement for any unnecessary expenses, all of the above without any prejudice to the exercise of any other legal action that may correspond to it according to the law.

4.4.- If the Counterparty has offered to guarantee the characteristics or durability of the goods provided, Bayer may additionally file a legal complaint under the guarantee. This shall not apply to any flaws or damages caused by normal wear and tear or damage and/or inappropriate handling by Bayer.

4.5.- Bayer shall inform the Counterparty of any flaws in the goods so delivered as soon as such flaws are discovered during the normal course of business.

4.6.- If the goods and/or services sustain any flaws during the term of the guarantee, the Counterparty must repair or replace them at no cost for Bayer. If the goods and/or services have any flaws, hidden defects or defects which become visible once the term of the guarantee has expired, the Counterparty binds itself to make the necessary replacements or repairs without it being entitled to any additional payment therefor. Unless expressly agreed otherwise in the PO, the regulatory guarantee periods shall be applied.

4.8.- The guarantee of the Counterparty shall also cover any item manufactured or service provided by any subcontractors.

4.9.- If the Counterparty is notified of any flaws, the term of the guarantee shall be extended for the period elapsed between such notification and the repair of the flaw. If the item provided by the Counterparty is fully replaced by a new one, the time limit shall restart; if the item is partially replaced, the term of the guarantee shall start again for the new pieces.

4.10.- Any goods subject to a complaint regarding the guarantee shall remain available for Bayer until the replacements shall have been provided, after which they shall belong to the Counterparty.

4.11.- In any urgent cases, or if the Counterparty fails to remedy any flaw, Bayer may remedy the flaw itself and discount the payment to the Counterparty or exercise any of the rights and guarantees mentioned in this Clause.

4.12.- Acceptance of the services of the Counterparty by Bayer shall not affect any obligations under guarantee by the Counterparty.
4.13.- The Counterparty shall keep Bayer harmless from any liability for the manufacture of a product or from any claims filed under Mexican laws if the flaw causing such claim was caused by the Counterparty or any of the suppliers thereof.

5.9.- Notwithstanding these provisions, the Seller shall be bound under any applicable legal provisions.

4.14.- The Counterparty hereby binds itself to deliver the corresponding quality certificates when so requested according to the type of goods and/or services contracted. If the Counterparty fails to comply with this obligation, the merchandise may be returned at the cost of the Counterparty and under its own responsibility and risk and, in the event of a service, it shall be considered as not provided, the Counterparty being responsible for all expenses Bayer may have incurred and/or for the consequences that may derive from such noncompliance.

4.15.- The Counterparty hereby guarantees that it shall keep Bayer free from any liability derived from the manufacture and/or sale of the product and/or the provision of the services. Likewise, it hereby accepts that it shall indemnify Bayer or any third parties for any damage or loss derived from any noncompliance with the conditions herein set forth, without any need for a prior requirement.

4.16.- Title to the goods shall be transferred to Bayer when Bayer evidences the receipt thereof at its full satisfaction and, until then, any risks shall be borne by the Counterparty.

4.17.- The Counterparty hereby accepts that it shall be responsible for compliance with all other applicable regulations for the type of services and/or goods it may supply.

5.- Testing.
5.1.- If any tests on the merchandise to be provided are performed, the Counterparty shall bear the costs for such tests, including the cost of its own personnel, but excluding the cost of Bayer’s personnel. The Counterparty shall inform Bayer, at least seven (7) days in advance, the date when the merchandise shall be ready to be tested and shall agree with Bayer a date to perform such tests. If the merchandise is not submitted for testing on such date, the costs of Bayer’s personnel shall be borne by the Counterparty.

5.2.- If any flaw found on the merchandise makes it necessary to repeat the tests or carry out other tests, the Counterparty shall bear all personnel and other costs related to such tests; the Counterparty shall also pay for all personnel and other costs incurred in connection with the testing of materials used by it in the implementation of the order.

5.3.- In the event that Bayer provides the Counterparty with any merchandise sample, such shall belong to Bayer and the Counterparty shall bear all necessary expenses for its storage, preservation and return to Bayer, in the understanding that any Service required by the Counterparty related to such sample must comply with all elements, characteristics and quality of the approved sample.

6.- Insurance.
6.1.- In order to cover any risks related to the goods and/or services it provides, the Counterparty binds itself to contract in favor of and to the satisfaction of Bayer, as sole beneficiary, any insurance policies required by Bayer. The contracting of any insurance policies, their renewal, and the payment of the respective premiums, shall be exclusively borne by the Counterparty and shall not be reimbursed by Bayer. Bayer does not authorize, and the Counterparty hereby undertakes not to make, in any case, any reductions on the insured values nor any modification on the agreed terms.

6.2.- The contracting of any special insurance for the assembly in addition to any third-parties liability insurance in each case shall be subject to an agreement between Bayer and the Counterparty.

6.3.- Any machine, device, etc., provided to Bayer as a loan shall be insured by Bayer against normal risks. Any other responsibility of Bayer over damages to such machines, devices, etc., or other damages shall be excluded, unless it had been voluntarily borne or is due to its negligence.

7.- Shipment Requirements.
7.1.- Prior to shipment, the Counterparty must send, separately, preferably via e-mail, any documents covering the shipment of any merchandise, such as: commercial invoice, packing list and shipment document (bill of lading or air waybill), origin certificate (if the product qualifies as originating from the producing and/or shipment country), analysis certificate and free sale certificate (in case it is required due to the kind of product in particular) and to comply with the IPPC international standard called
“Guidelines for Regulating Wood Packaging Material Used in International Trade”, as well as the Mexican Official Standard NOM-144-SEMARNAT-2017 or any applicable standard in each of the countries. The shipping method or mode must be chosen based on the physical conditions of the product, degree of danger, packaging type and, above all, the lead time and required delivery date. This point must be agreed between the Counterparty and Bayer.

7.2.- The Counterparty shall always pack, mark and send any dangerous merchandise according to the appropriate national/international regulations. Any documents accompanying such merchandise shall not only show the kind of risk category but also any further details required by any appropriate transportation regulations.

7.3.- The Counterparty shall be responsible for any damage caused by noncompliance with these provisions and shall pay for any costs derived from such noncompliance. Likewise, it must also make itself sure that these shipment requirements are considered by its subcontractors.

7.4.- Any shipment which delivery Bayer may not accept due to any noncompliance with these provisions shall be stored at the cost and at the risk of the Counterparty. Bayer shall have the right to check the content and condition of such shipments. Any tools and assembly/set-up equipment shall not be loaded and shipped alongside the merchandise.

7.5.- If there is a bill of lading, it must be sent to the Bayer offices stated for such effect on the PO. Each package must be clearly marked with the number of packages, values, and PO number, subject to the following rules:

a) MARKING: Each package must be clearly marked with appropriately sized lettering and consecutively numbered from 1 onwards;

b) WEIGHT: The gross weight of each package must appear on the shipment document, as well as on the package itself. The original bills of lading and copies of the same and the stubs must be sent to Bayer attached to the invoice.

8.- Prices and Conditions.

8.1.- Bayer shall pay the Counterparty, as full and only payment, the amounts on the credit dates established on the respective POs, through bank transfers, with the prior approval by Bayer of the corresponding commercial invoice issued under all applicable fiscal laws, provided the goods and/or services had been effectively delivered to the complete satisfaction of Bayer. Such amounts shall include all direct and indirect costs imputable to the delivery of the goods and/or the provision of the services, as well as any applicable taxes. Any modification to the agreed amount shall require the written approval by Bayer.

8.2.- Any prices established in the PO shall remain fixed until the merchandise and/or services are accepted by Bayer.

8.3.- Any discount the Counterparty may give Bayer must be included in the respective invoice. If the Counterparty reduces its prices or grants better conditions, the prices and conditions effective on the date of delivery shall be applied.

9.- Invoice and Payment.

9.1.- The invoice must be issued in accordance with the terms and conditions agreed upon and must contain: i) The PO number; ii) The Counterparty Code; iii) A detailed description of any goods sold and/or any services provided; iv) Any applicable discounts; v) Any applicable taxes, otherwise, they shall be considered included in the total amount; vi) Name and tax information (such as Federal Taxpayer’s Number, Tax Identification Number/Fiscal Information Registry and/or Sole Tax Number Registry) of the invoice printer, the Seller and Bayer; vii) An attached document showing the receipt of the merchandise or the provision of the service, duly sealed and signed by Bayer. Noncompliance with the requirements established above shall cause the invoicing to be considered incomplete and must be submitted again.

9.2.- If valid, electronic invoicing must comply with the requirements of any local law.

9.3.- Any additional service or supply shall be indicated separately on the invoice.

9.4.- Any invoices issued by any local Counterparties in dollars, lawful currency of the United States of America, shall be paid for in the local currency at the official exchange rate established by the local authorities and laws on the issuance date of the invoice. Payments to foreign Counterparties shall be made through bank transfers to valid accounts at their main office’s country. Bayer encourages payments through bank transfers; therefore, if the Counterparty requires a different payment method, it shall request it in writing and shall be subject to approval by Bayer.

9.5.- The Counterparty hereby authorizes Bayer to discount from any payments owed to the Counterparty or from any credit balance therefrom, any losses, damages, obligations or claims Bayer may have against it. In case there are no credit balances in
favor of the Counterparty, it shall have to pay Bayer the corresponding amounts within fifteen (15) calendar days as from the date the incident causing them occurred.

9.6.- No payment made by Bayer shall be considered as full acceptance of the goods and/or services nor limit its right to subsequently file any claims against the Counterparty.

9.5.- Payment shall not be considered as acceptance of any conditions and prices. Time for payment shall not affect the Counterparty’s guarantee obligations or Bayer’s right to file any claims.

10. Tax payments.
10.1.- Each Party shall be solely and individually responsible for its own taxes derived from the activities it engages in due to the implementation of the PO. In this sense, each Party hereby undertakes to indemnify and defend the other Party from any claims, liabilities, damages, taxes, fines, or penalties sought or collected by any governmental entity or any state fiscal authority arising from the alleged failure by the other Party to pay such taxes or duties.

10.2.- In the event that any national or international legal provision or an international treaty binds Bayer to withhold any tax, Bayer shall withhold it, without any objection by the Counterparty. This Clause shall supersede the expiration or termination of this PO.

11.1.- The Counterparty shall perform all its work with its own means, technique and direction. The Parties hereby agree that the relationship of the Counterparty with Bayer is independent and there is no legal subordination nor financial dependency between them. In that sense, the Counterparty, as an employer, directly assumes at its exclusive cost and risk any responsibility over the workers it may hire or use to comply with this PO and, therefore, it must supervise their duties and comply with any obligations established by the labor legislation, including the payment of an occupational risks policy and social security.

11.2.- Bayer reserves the right to require at any moment during the time of effectiveness of this PO, a copy of any documents supporting this obligation and, the Counterparty shall be bound to share them with Bayer in the understanding that noncompliance with keeping such obligations updated shall result in termination by Bayer without any responsibility therefor.

11.3.- The Parties hereby release each other from any penalty and responsibility over any accident, illness, physical or mental injury that any of their workers may suffer in the completion of the purposes of this PO and from any legal actions they may be subject to as a result of the foregoing.

12.- Personal Information and Confidentiality.
12.1.- Bayer may transfer to the Counterparty or the Counterparty may collect on behalf of Bayer certain personal information necessary for the provision of the services and/or the delivery of the products under this PO and the Counterparty hereby binds itself to use such personal information for such purposes and according to the instructions provided by Bayer.

12.2.- The Counterparty hereby binds itself to comply with and have others comply with all legal provisions regarding the protection of personal and sensitive information directly and/or indirectly related to the treatment, collection, storage, disclosure, and use of any personal data and information as well as any trade secret.

12.3.- The Counterparty hereby binds itself to keep any personal information confidential and to utilize technical and organizational security measures to guarantee the privacy and safety thereof, to avoid non authorized accesses as well as to not transfer personal information to any additional third parties without the prior written authorization from Bayer.

12.4.- The Parties hereby agree to keep the most absolute confidentiality with respect to any information they exchange or that is created due to the acceptance and performance of the Services. Likewise, the Parties hereby bind themselves to ensure that their employees, representatives, advisors, officers, or directors, as well as their subsidiaries and affiliates or associates also comply with their obligations derived from this Clause. Any information exchanged by the Parties shall be subject to this Clause regardless of whether it has been identified as confidential or not and how it is transferred. Additionally, the Counterparty hereby agrees that any information it becomes aware of by any means, or which it may acquire, develop, or have access to due to this PO, shall belong to Bayer and may not be disclosed by the Counterparty; therefore, the Counterparty hereby binds itself to keep such information in strict confidentiality until the disclosure of such information and knowledge does not cause any damages to or has any adverse effect for Bayer. The Parties shall exclusively use such information and data to ensure compliance with the PO, in strict observance of the provisions established in this Clause.
12.5.- The Counterparty hereby binds itself to return or destroy, at Bayer’s request, all information and to not keep any copy, extract, or reproduction of such information. The destruction or return of the information must be verified by Bayer. In case of noncompliance with this Clause, the Counterparty must compensate Bayer for any damages or losses it may sustain due to such noncompliance. The obligation of confidentiality provided for in this Clause includes any employees, representatives, advisors, officers, or directors, as well as any subsidiaries and affiliates or associates of the Counterparty, for which it states to take responsibility over during the term of this PO, continuing even after the expiration thereof.

13.- Intellectual Property and Documents.
13.1.- The Counterparty hereby acknowledges that it does not have nor shall it have any right over the Intellectual Property of Bayer or of any of its affiliates and it hereby acknowledges Bayer’s ownership over it. Likewise, it states that it shall respect any third-parties Intellectual Property rights. The Counterparty hereby states that the goods to be delivered and/or the services to be provided do not infringe any patent, trademark, copyright, industrial secret, or any other intellectual property rights of any third parties.

13.2.- All drawings, standards, guidelines, analysis methods, prescriptions, and any other documents provided by Bayer to the Counterparty for the manufacture of the goods to be provided, as well as any other document prepared by the Counterparty according to any special instructions by Bayer, shall remain Bayer’s property and shall not be used for any other purpose, or reproduction, nor shall they be made available to any third parties by such Counterparty. If Bayer so requires, it may request the immediate return of all copies and duplicates of such documents from the Counterparty. Bayer hereby reserves for itself all industrial property rights on any documents it may provide the Counterparty.

13.3.- The Counterparty hereby binds itself to defend and hold Bayer harmless from any lawsuit or claim for any infringement to any industrial or intellectual property rights derived from the implementation of this PO. Each Party hereby guarantees the free exercise of its counterparty on its Intellectual Property rights, and any interference or obstruction therewith shall result in the compensations that may be judicially and extrajudicially applicable in favor of the affected Party. The obligations referred to in this Clause shall survive the termination of this PO.

13.4.- The Counterparty shall consider the investigation, order, and all work related to such purchase order as a trade secret and shall consequently treat them as confidential. The Counterparty shall be responsible for any losses incurred by Bayer due to its failure to comply with any or all these obligations. The Counterparty shall provide Bayer with all necessary documents for any discussion on the goods or services to be provided. This discussion or any other implication from Bayer shall be exclusively within the responsibility of the Counterparty and shall not excuse the Counterparty from any guarantee or any other obligation.

13.5.- In the case of Mexico, any packaging and labelling of the materials must be based on Mexican Official Standard NOM-018-STPS-2015, Globally Harmonized System of Classification and Labelling of Chemicals in the workspace, and in the case of all other countries, under the standards applicable to each country where the service or supply is being provided.

13.6.- The Counterparty shall promptly provide Bayer, at no cost for Bayer and with no need for any special request, all necessary documentation for the use, installation, processing, storage, operation, service, inspection, maintenance, or repair of any merchandise supplied.

13.7.- Any time Bayer specifies any standards or regulations, the latest version shall be the one applied. The Counterparty shall request Bayer to provide it with its labor standards and regulations.

13.8.- The Counterparty shall, at all times, bear all costs and expenses for wrapping, packaging, encasing, or transportation due to the performance of the Services accepted as commercial use, or such requirements stated in the corresponding PO. The above shall apply unless expressly stated otherwise in the respective PO and/or any other applicable document Bayer may issue in writing.

14.- Incidental Items. Any dies, tools, films, etc., manufactured by the Counterparty to implement the PO, upon payment, shall become the property of Bayer, even if they remain in possession of the Counterparty. The Counterparty shall be bound to deliver them when so requested by Bayer.

15.- Assembly, Maintenance, Inspection, Repairs, etc.
15.1.- If any assembly, maintenance, inspection, repair, works, at any of Bayer’s facilities, takes place, such work shall be performed in accordance with the Safety Manual for Bayer Contractors. Such manual shall be delivered at the beginning of the works or must be requested at the Security Department at the Bayer’s site.
15.2. Bayer shall not be responsible for any property of the Counterparty or its personnel at the facilities of Bayer.

16. Patent Infringement. The Counterparty shall be responsible for the infringement of any patents or licenses or any third-party protection rights that may result from the use of the merchandise. Any fees for the use of any licenses shall be paid by the Counterparty.

17. Advertising Material.
17.1. The Counterparty shall not mention its relationship with Bayer in any information or advertising material unless it receives the prior written consent from Bayer.

17.2. The Counterparty hereby acknowledges Bayer as the lawful and sole owner of each and every one of any proprietary industrial property rights and copyrights, directly or indirectly derived from and/or related to the Services.

18. Origin of the goods. Any goods to be supplied must have a certificate of origin based on the trade agreements and treaties entered into by Mexico, such as the TLCAN, TLCUE, ALADI, etc. or any other trade agreement in force in each country where the service is being provided or the merchandise is being supplied.

19. Term, rescission, and early termination.
19.1. The term of this PO shall begin when accepted by the Counterparty and shall end when the respective goods are delivered and/or the services are provided to the full satisfaction of Bayer (through a written statement of approval), unless established otherwise through a written agreement signed by both Parties.

19.2. Without prejudice to the foregoing, Bayer may cancel the PO at any time, without the need for any justification, effective immediately and with no responsibility or penalty, by means of a written notice thereof at least 15 (fifteen) calendar days in advance to the effective termination date. The Counterparty hereby acknowledges that, provided the mentioned term is complied with and such being reasonable and sufficient to manage its resources, Bayer shall not have any obligation to compensate it for such termination. Bayer shall only be bound to pay for any goods and/or services effectively delivered to the complete satisfaction of Bayer until that moment, unless Bayer must hold any sum derived from any noncompliance by the Counterparty and the Counterparty binds itself to continue delivering the goods and/or providing the services until the effective termination date.

19.3. Bayer may cancel this PO immediately without any sort of responsibility or penalty by notifying it to the Counterparty in writing in any of the following assumptions: a) The existence of any labor conflict or any other conflict that may cause the suspension of the Services by the Counterparty; b) The insolvency status by the Counterparty; c) The Counterparty’s failure to comply with any of its obligations derived from this Clause, from any clauses contained in the PO or any applicable laws; d) Any deficiency in the quality of the Service and/or product delivered by the Counterparty; e) Failure by the Counterparty to comply with the rules or orders of the Counterparty given in writing (including e-mails); f) The expiration of the term for the delivery of the goods and/or services without such being made to the complete satisfaction of Bayer; g) If Bayer reasonably and in good faith determines that any statement or representation has been breached.

20.1. The Counterparty shall hold Bayer free from any claims or liabilities, including but not limited to, any labor, product manufacturing or any claims filed under Mexican law if the flaw causing the claim was caused by the Counterparty or any of its suppliers.

20.2. The Counterparty has its own and sufficient elements to comply with the obligations arising from the relationship between its personnel, which it states under oath, and binds itself to use its own personnel and/or any third parties it may appoint for the provision of the Services; therefore, it expressly undertakes all obligations and rights derived from the contractual labor relationship with its workers and/or any third parties, with whom Bayer shall have no labor or other relationship, nor any liability or responsibility derived from the Federal Labor Law, the Social Security Law, the Law of the Institute of the National Housing Fund for Workers, or any other labor agreements the Counterparty may execute.

20.3. Likewise, the Counterparty shall be responsible for the compliance with, including but limited to, the provisions of the STPS (Ministry of Labor and Social Welfare), IMSS (Mexican Social Security Institute), SEMARNAT (Ministry of Environment and Natural Resources), SCT (Ministry of Communications and Transport), among others, according to its business and of providing its workers with the necessary tools, protective equipment, and training to perform their duties safely. In terms of the Occupational Health and Safety Management System and environment protection, the Counterparty binds itself to fully comply with all present and
future legal requirements for the development of its activities, and to extend them to all personnel included in the process at the beginning of the activity and everyone who may join in during the process. The delivery of the following documents is hereby requested: Occupational Health and Safety Management System Manual (Minimum schedules: hazard matrix according to the activity to be performed, Personal protection elements, work incident and accident reporting procedure matrix), emergency and rescue plan, minimum requirements application (according to the applicable legislation in force), activity safety protocols, environmental handling plan (environment impact, emergency support, final residue disposal matrix) and any other that may apply. The Counterparty must have the System documentation available and updated during the term of the agreement.

20.4.- The Counterparty shall hold Bayer and any subsidiary or affiliate of the same corporate group, harmless from any responsibility for any damages or losses, risks and costs (including any reasonable legal fees and expenses) and any sums agreed upon under any operation or awarded in relation to any claim, complaint or process where Bayer may be involved derived from any acts or omissions by the Counterparty, its affiliates and/or subsidiaries, its workers, employees, sellers, contractors, subcontractors and/or agents in relation to the compliance with this PO. The aforementioned without prejudice to any legal liability that may be incurred by the Counterparty.

Bayer may carry out its own defense and subtract from any outstanding amounts owed to the Counterparty any amounts that Bayer is bound to disburse for any of the concepts described in this Clause, with the prior review and authorization by the Counterparty of any expenses incurred. In the event that once the corresponding discounts are made, they are not sufficient to pay for the amounts disbursed by Bayer, the Counterparty binds itself to pay the difference within 15 (fifteen) calendar days as from the date Bayer has notified it of such situation.

Title to the goods shall be passed unto BAYER at the time it evidences their receipt to its entire satisfaction and, until then, any risks shall be borne by the Supplier. In order to cover the risks of the goods and/or services it provides, the Supplier binds itself to contract, in favor of and to the satisfaction of BAYER, as sole beneficiary, any insurance policies according to BAYER’s requirements. The contracting of the insurance policies, their renewal and payment of the respective premiums shall be exclusively borne by the Supplier and shall not merit any reimbursement by BAYER. BAYER does not authorize and the Supplier hereby binds itself not to make any discounts in the insured values nor any modification to the agreed terms in any case.


21.1.- None of the Parties shall be considered as responsible nor shall be subject to any penalties for noncompliance with or delay in their duties related to the PO when such noncompliance or delay is due to an act of God or force majeure such as: war, guerrilla, acts of terrorism, seizure, riot, disturbance, fire, flood, earthquake, severe earthquakes, erosion, disasters, delay in the issuance of the necessary permits for the provision of the services by the competent authorities or, in general, any cause beyond the control of the Parties or which cannot be attributed to them provided the delivery of the goods or the provision of the Services becomes impossible. In such cases, the affected Party shall inform such situation to the other Party within 5 (five) calendar days following the event, including all available information related thereto, to the extent permitted by the circumstances.

21.2.- For purposes of this Clause, strikes are not considered as acts of God nor force majeure, unless nationwide labor actions or the entirety of any industry involved in the provision of the Services.

22.- Noncompliance.

22.1.- In case of any partial noncompliance with the delivery of the goods and/or the provision of the services subject matter of this PO, the Counterparty hereby agrees to pay Bayer as a penalty, one percent (1%) of the value of the PO for each day of delay, up to a maximum of fifteen percent (15%). In case of total noncompliance with this PO, the Counterparty hereby agrees to pay Bayer as a penalty, a sum equal to twenty-five percent (25%) of the value of the PO and hereby authorizes Bayer for such penalty to be discounted from any outstanding balance, if any; otherwise, it may resort to litigation. The foregoing is without prejudice to Bayer’s right to claim any damages and losses in the event that the goods and/or services do not conform to the provisions agreed upon, due to disregard to the instructions given by Bayer in writing or for any breach to the laws, rules, codes and these terms and conditions. Bayer reserves the right to request the total or partial suspension of implementation of this PO and entrust a third party its completion.

23.- Sustainability.

23.1.- The Counterparty is expected to organize its business with Bayer in accordance with the Bayer Suppliers Code of Conduct (https://www.bayer.com/en/procurement/supplier-code-of-conduct). Bayer shall be entitled to audit the sustainability performance of the Counterparty, either by means of an assessment (online, on paper, etc.) or through an on-site audit directly performed by Bayer or a third party.
23.2.- Likewise, the Code of Conduct or Integrity Policy includes internal guidelines against corruption and bribery according to the Bayer Integrity Policy and which have been informed to all of its employees, agents, subcontractors, and any other third party the Counterparty is in contact with on behalf of Bayer due to the commercial relationship derived from this PO.

24.- Ethics and Handling. Both Parties hereby state and bind themselves to ensure that neither themselves or any of their affiliates, subsidiaries, owners, directors, employees, officers, agents, subcontractors, advisors, and representatives (hereinafter referred to as the “Representatives”) shall authorize or offer, in connection with these terms and conditions or any other business operation involving the Parties, either directly or indirectly, any loans, payments, gifts, perks, donations, or transfers of any kind of goods (hereinafter referred to as “Prohibited Payments”) to any individual or legal entity including but not limited to, public officials (as such term is defined in the Law) or family members thereof, no matter the degree of kinship, with the purpose of obtaining or keeping a business or obtaining any undue advantage.

During the term of this Agreement and during the term the Counterparty is subject to any liability by virtue of the Law and the Policies of Bayer, Bayer has the right to check compliance with the obligations of the Counterparty and its Representatives. The Counterparty shall make itself sure that it and its Representatives cooperate with any investigation by Bayer or its Representatives, including any necessary interviews with its workers, with the sole purpose of verifying that the Counterparty has complied with the obligations contained in this Clause.

The Counterparty binds itself to inform Bayer of any changes in its structures or circumstances (for example, appointments as public officials) which may cause any noncompliance with or a conflict of interest under this Agreement.

25.- Compliance. Both Parties hereby state and bind themselves and their Representatives to comply with all their obligations in accordance with these terms and conditions and in compliance with: (i) any federal, state and municipal laws and regulations, including the General Law of Administrative Responsibilities, the Federal Criminal Code, the Criminal Code for Mexico City and its correlative Articles of the Codes for the other States of the Mexican Republic, the Federal Law of Republican Austerity, and any other laws and regulations related to the Mexican Anticorruption System, in the case of Mexico, and all similar regulations referred to in this paragraph applicable in each country where the service or supply is to be provided, as well as any international treaties, decrees, official standards, legal precedent criteria, including but not limited to any regulations against corruption, bribery, trade competition, environment, transport and any safety, health, and labor regulations (hereinafter jointly referred to as the “Laws”) applicable to Bayer and the Counterparty, and (ii) the Compliance Corporate Policy of Bayer, the Integrity Policy of Bayer de México, the Bayer Suppliers Code of Conduct (hereinafter referred to as the “Bayer Policies”) which are available at www.bayer.mx/ section: Corporate Integrity.

Likewise, the Counterparty has a Code of Conduct, an Integrity Program, and internal guidelines related to the prevention of corruption, similar to the Bayer Policies which have been informed to all its employees, agents, subcontractors, and any other third party the Counterparty has any contact with on behalf of Bayer due to the commercial relationship derived from these terms and conditions.

Likewise, the Counterparty hereby evidences that it has a Code of Conduct, an Integrity Program, and internal guidelines related to the prevention of corruption, similar to the Bayer Policies which have been informed to all its employees, agents, subcontractors, and any other third party the Counterparty has contact with on behalf of Bayer, due to the commercial relationship derived from this Agreement.

Each Party hereby guarantees that its Representatives shall not carry out any actions which may cause the other Party to breach and/or infringe any Law. Each Party shall inform the other Party whether it is aware of or suspects any noncompliance and/or breach by the Counterparty and/or its Representatives and/or the Representatives of the other Party with any Laws during the compliance with its obligations by virtue of this Agreement.

If, during the term of this Agreement, Bayer has reasonable evidence to believe that the Counterparty and/or any of its Representatives have breached or are not complying with any of the obligations provided for in this Clause, Bayer may rescind this Agreement or suspend compliance with its obligations while it makes itself sure that the noncompliance mentioned above has not occurred. The foregoing, in addition to any legal action that Bayer may exercise. Suspension of compliance with the obligations provided for in the Agreement and/or these terms and conditions by Bayer shall not give rise to any liability for Bayer vis-a-vis the Counterparty and/or its Representatives.

26.- Pharmacovigilance. The Counterparty hereby binds itself to notify Bayer within twenty-four (24) hours after receiving the report of any adverse reaction or event, pregnancy, misuse, non-approved use, overdose, ineffectiveness, technical complaint, or any other situation corresponding to Pharmacovigilance which may be related to the intake, application, or use of any Bayer drug, product, or device. Such notice must be given in Mexico, through customer support line 800 22 93 772 or by e-mail farmacovigilancia.mx@bayer.com; in Colombia, report to: farmacovigilancia.colombia@bayer.com; in Peru, report to: farmacovigilancia.peru@bayer.com; in Ecuador, report to: farmacovigilancia.ecuador@bayer.com; in Venezuela, report to:
27. Responsible Handling. In the event that any goods and/or services to be provided under this PO are related to any products with technology owned by Bayer (Biotechnology), the following provisions shall apply: The Counterparty hereby binds itself to ensure that any activity it performs under this PO adheres to all applicable laws and regulations, as well as the stewardship guidelines Bayer provides the Counterparty with, either through any communications attached to or separate from this PO. The Counterparty hereby also states that it is aware of the stewardship guidelines of Bayer and, therefore, binds itself to comply therewith.

Governmental Authorizations. In case any government approval or authorization is necessary to carry out the activities derived from or related to this PO, the Counterparty hereby expressly accepts and binds itself to not carry out such activity until it has such authorizations. In these cases, the Counterparty must carry out the corresponding activities in compliance with the provisions related to government approval or authorization. The Counterparty must define/adopt and implement best practices procedures for the handling of the goods and/or services and the documentation processes to ensure the completeness and control of any biotechnological materials used, including preventing any non-authorized or accidental release thereof.

Incident reports and answers. The Counterparty shall define/support, assisted by Bayer, a plan to report any incident which may impact the completeness of the goods and/or services, compliance with any regulatory requirements and responsible handling of the goods and/or services or which may impact any third parties. Likewise, it shall define along with Bayer a plan to identify and report any incident that may impact: a) The completeness, control or traceability of the goods and/or services, b) Compliance with any regulatory requirements and/or Responsible Handling of the Product or which may impact any third parties. In the event of any suspicion of an incident such as a leak outside the facilities of the Counterparty or any loss, theft, handling different from the purpose of this PO, deviation, or non-destruction of the goods and/or services, the Counterparty must inform through a telephone call within a period not exceeding 24 (twenty-four) hours from the time of identification of the potential incident, the responsible management contact of Bayer or its representative of any event of the abovementioned nature.

In connection with the above, the Counterparty is hereby expressly prohibited from:
1.- Selling or using any seeds from Bayer for any reproduction, investigation, seed production, reverse engineering or analysis of the genetic configuration of such seeds.
2.- Preserving, keeping, or storing any number of seeds for purposes other than those stated in this PO. The Counterparty hereby binds itself to carry out any storage activities in accordance with the guidelines the corresponding authorities may establish.
3.- The Counterparty must not, at any time, move any seeds outside the destruction and/or storage areas if such is not contemplated within the activities directly related to this PO or without the consent of Bayer.

28. Assignment. The Parties hereby agree that the Counterparty may not negotiate, assign, or transfer in any manner, in whole or in part, any rights and obligations corresponding to it from the PO without the prior written authorization from Bayer. Likewise, the Parties hereby agree that Bayer may assign any rights and obligations derived from this PO through a simple written notice to the Counterparty but only to companies belonging to the economic group or through the sale/assignment of any products or business related to this PO.

Additionally, Bayer may transfer the PO and the rights and obligations related to it at any time and without Supplier’s consent to Bayer AG or to companies affiliated with it within the meaning of §§ 15 et seq. of the German Corporation Act [comment Johannes: this is the local German law provision that governs which Bayer entity qualifies as an affiliate in the legal sense] or in connection with the sale or transfer of all or substantially all of (i) its business, (ii) a given business unit or (iii) a given site, or in connection with a merger or other consolidation of Purchaser or any of its affiliated companies with another entity.

29. Subcontracting. The Counterparty hereby agrees to not subcontract the implementation of this PO without the prior written approval by Bayer, the Counterparty binding itself that the third party adheres to all terms and conditions established in this PO. Likewise, the Counterparty hereby states and accepts that it shall be responsible to Bayer for all acts, omissions, negligence, delays, and defects in the delivery of the goods and/or the provision of the services by the third parties it may subcontract.

30. Non-exclusivity: Bayer does not grant any type of exclusiveness in the purchase of any goods and/or services under this PO to the Counterparty; therefore, Bayer may manage, require, or contract with any third parties, any service directly or indirectly related to the services agreed upon in this PO without any liability and at its complete discretion.

31. Control for the prevention of asset laundering, terrorism financing, and weapons of mass destruction proliferation financing: The Counterparty hereby binds itself to comply with all applicable regulations on asset laundering, terrorism financing, and weapons of mass destruction proliferation financing prevention and management upon the terms of the applicable regulations on the subject such as, but not limited to: 2020 External Circular Letter Number 100000016 of the Superintendency of Companies of Colombia, Law and Regulations Against Money and Asset Laundering of El Salvador, Law 23 of April 17, 2015 of
Panama, Law Number 29038 of Peru, Law Number 155-17 of the Dominican Republic, and/or any other regulation which may amend, complement, or substitute them. BAYER may terminate at any moment and automatically this PO when any noncompliance with these provisions is evidenced. In any case, the Counterparty binds itself to take all reasonable measures to get to know their clients and contractors in order to control the risk of being involved, directly or indirectly, in any asset laundering and/or terrorism financing and/or weapons of mass destruction proliferation financing activities.

32.1.- These conditions shall be governed and construed for Mexican POs according to Mexican legislation; and for the remaining countries where the service or delivery is provided, this PO shall be governed, construed and applied in accordance with the laws of its place of issuance, without taking into account any conflict of laws principles; therefore, the Parties hereby expressly waive the jurisdiction which may apply to them due to their present or future domiciles.

32.3.- Any usual commercial terms shall be construed in accordance with the most recent Incoterms and/or the Incoterm agreed upon separately and in writing by the Parties.

32.3.- The Parties hereby state as their addresses for all sort of communications, notices and notifications (judicial or extrajudicial) those stated on each PO, in the understanding that such communications, notices and notifications must be made in writing and delivered (a) in person, (b) by certified mail, with acknowledgement of receipt, or (c) by any commercial courier service which provides a receipt, and such notices must be sent to the addresses each Party has stated in the PO. As long as the Parties fail to notify any changes in their addresses at least five (5) days in advance, all proceedings, notices, and notifications (judicial or extrajudicial), or summons sent to the stated addresses shall be considered as validly delivered.

33.- Place of Execution and Jurisdiction.
33.1.- Unless stated otherwise in the PO/Agreement, the place of execution shall be the delivery place specified by Bayer.
33.2.- The resolution of any type of dispute shall be carried out in Mexico City and, for the remaining countries, at the issuance place established in this PO; therefore, the Parties hereby expressly waive the jurisdiction which may apply to them now or in the future.