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 thereto.

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.

2.8 Contractor’s offer shall comply with Bayer’s inquiry.

2.9 Contractor’s offer must contain a binding delivery and/or completion date.

2.10 The offer must be prepared and submitted free of charge. The offer shall not create any obligations on the part of Bayer. Cost proposals shall be compensated only by express prior agreement.

2.11 If in an individual case and notwithstanding the provisions of, third-party costs and/or expenses are to be compensated, they must be indicated in the offer, itemized by quantity and with an indication of unit and total prices, in such a way as to be comprehensible to and verifiable by Bayer.

2.12 Contractor has no claim to reimbursement of costs for the determination of the compensation and/or any deadline changes and the preparation of change proposals and/or proposed technical solutions.

2.13 Sections 3.1 to 3.5 shall apply equally to changes and/or additional services.

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 and/or services 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 and/or services 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 and/or services 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 and/or services 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. Bayer must report defects in the contractual service to Contractor as soon as they are identified in the ordinary course of business. The period allowed to Bayer for examination and sending a notice of defect shall be determined on the basis of the individual circumstances. For apparent defects this notice of defect period is at least fourteen (14) days from the date of shipment. For concealed defects the notice of defect period is at least fourteen (14) business days after the discovery of the defect.

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.

4.18 Bayer shall retain possession of and title to defective parts until they are replaced. Defective parts shall be returned to Contractor in exchange for the delivery of and transfer of title to the replacement. Bayer is entitled to continue to use the defective service and items as far as possible during the performance of the maintenance, repair or replacement measures.

4.19 Contractor shall bear the costs of testing, inspection and repair (including any costs of removal, installation and transport). The above requirement shall also apply if it is determined that no defect actually existed. Any potential liability for damages on the part of Bayer in the event of unjustified warranty claims remains unaffected. Bayer shall to this extent be liable only if it was aware or was grossly negligently un-aware that no defect actually existed.
4.20 In urgent cases where it is not possible to wait for Contractor to remedy a defect, notwithstanding its statutory rights under the warranty, Bayer can also have the defect remedied itself or by third parties at Contractor’s expense and demand reimbursement from Contractor of the expenses incurred. Bayer also has this right if Contractor negligently fails to cure the defect in spite of being given an extended deadline, the dead-line extension is legally superfluous, or the attempted remedy has ultimately failed.

4.21 If Contractor has provided a guarantee for the properties or durability of the services and items supplied, Bayer can file claims under the guarantee in addition to its rights arising from defects.

4.22 The acceptance shall occur exclusively formally, through signing of an acceptance protocol by Bayer, not through use or commissioning of the work (implied acceptance). Notional acceptance is likewise excluded.

4.23 Contractor is not entitled to partial acceptance.

4.24 With regard to services that Contractor covers up during the course of subsequent service provision and which therefore can no longer be viewed and inspected, Contractor shall give Bayer the opportunity to conduct an inspection before the services in question are covered up.

4.25 Title to all works and/or parts supplied under the Agreement shall be transferred to Bayer upon delivery to the site of use.

4.26 The risk of accidental loss and/or accidental damage is transferred to Bayer upon formal acceptance.

4.27 Contractor is liable for material defects and defects of title pursuant to the statutory provisions.

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 to not 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.

6.4 The purchase of specific erection/installation insurance coverage in addition to the liability coverage stipulated in Section 6.1 must be agreed upon between Bayer and Contractor in each individual case.

6.5 Objects loaned to Bayer, including but not limited to machines and equipment that are used on operating sites, must be insured by Bayer against the standard risks. Bayer shall have no further liability for loss of or damage to these objects except in cases of willful misconduct or gross 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. The offer must be prepared and submitted free of charge. The offer shall not create any obligations on the part of Bayer. Cost proposals shall be compensated only by express prior agreement.

9.7. If in an individual case and notwithstanding the provisions of Section 16, third-party costs and/or expenses are to be compensated, they must be indicated in the offer, itemized by quantity and with an indication of unit and total prices, in such a way as to be comprehensible to and verifiable by Bayer.

9.8. Contractor has no claim to reimbursement of costs for the determination of the compensation and/or any deadline changes and the preparation of change proposals and/or proposed technical solutions.

9.9. Sections 2 and 9 shall apply equally to changes and/or additional services.

9.10.- 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.

9.11.- 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.

10.3 Withholding Tax. Bayer shall be entitled to deduct and withhold from the amount payable the tax for which Bayer on behalf of Contract Partner is liable under any provisions of tax law. If the withholding tax rate is reduced according to the regulations in a double tax treaty no deduction shall be made or a reduced amount shall be deducted only if Bayer is timely furnished with necessary documents (e.g., a notice of exemption) by Contract Partner issued from the relevant tax authority (e.g., the local Federal Tax Office), certifying that the payment is exempt from tax or subject to a reduced tax rate. Any withheld tax shall be treated as having been paid by Bayer to Contract Partner for all purposes of the Agreement. Bayer shall timely forward the tax receipts certifying the payments of withholding tax on behalf of Contract Partner. In case Bayer must pay but cannot deduct the withholding tax due to the fulfilment and completion of the payment obligation by settlement or set-off, Contract Partner will pay the withholding tax to Bayer separately. If Bayer failed to deduct withholding tax but is still required by tax law to pay withholding tax on account of Contract Partner to the tax authorities, Contract Partner shall assist Bayer with regard to all procedures required in order to obtain reimbursement by tax authorities or, in case tax authorities will not reimburse withholding tax to Bayer, Contract Partner will immediately refund the tax amount.
10.4 VAT. All stipulated compensation amounts are net amounts. If owed by Contractor under the law, value-added tax must be paid after receipt of a correct invoice within the meaning of the Value-Added Tax Act in addition to the stipulated remuneration.


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.

13.9 Contractor’s Retention Obligations. All documents created by Contractor in the context of the Agreement (e.g., drafts, clean drawings, film copies, audio tapes and final proofs) and the data transmitted to Bayer must be retained by Contractor for an additional five (5) years after the expiration or cancellation of the Agreement and made available at no charge in response to a special re-quest by Bayer.

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.

15.3 If tests and inspections are stipulated for the goods or services to be supplied, Contractor shall bear the material and personnel costs of the tests and inspections. Bayer shall bear the costs of its testing and inspection personnel. Contractor must send binding notification to Bayer that the service or goods are ready for testing or inspection at least one week before the date stipulated for the test or inspection. Contractor must also agree on a test date with Bayer. If the service/item to be tested is not presented on this date, Bayer’s testing personnel costs shall be charged to Contractor. If defects are identified and repeated or additional tests are therefore necessary, Contractor shall be responsible for all material and personnel costs. Contractor shall bear the material and personnel costs of the material certificates for the primary materials.

15.4 Bayer shall have the right to obtain information about the delivery and service of Contractor and related quality assurance measures at any time. Contractor shall ensure that Bayer is provided at all times with all necessary information and data to enable assessment of Contractor’s deliveries and services. Bayer is entitled to visit all sites where services are being performed to conduct its own tests (e.g., Factory Acceptance Tests and Site Acceptance Tests) and verifications, subject to giving Contractor prior notice in good time.

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. Retention of Title

18.1 Title to the items supplied must be transferred to Bayer without restrictions and without regard to payment of the price.

18.2 If, under the terms of an individual agreement, Contractor offers to transfer title conditional on payment of the purchase price, Contractor’s reservation of title expires not later than payment of the purchase price for the goods delivered. Bayer also remains authorized, even before payment of the purchase price, to resell the goods in the ordinary course of business, including the advance assignment of the claim resulting from resale; alternatively, the simple retention of title extended to the resale applies. However, all other forms of retention of title are excluded. The above provision applies in particular to expanded and forwarded retention of title and retention of title extended to include reprocessing.

19. Granting/Transfer of Rights

19.1 The parties agree that all rights to the contractual works, designs, including but not limited to figures and graphics, photographs, software, data collections and/or other work results created by Contractor individually for Bayer, including the associated drafts, planning documents, documentation and information (together “Work Results” below) are the exclusive property of Bayer. The parties further agree that Bayer is entitled to use, exploit, add to, modify and otherwise process these Work Results (including for purposes beyond the business purposes of Bayer and the objective pursued with the specific purchase order) in any conceivable manner for an unlimited time and otherwise to process them and connect or combine them with other works or items and to transfer them in modified or unmodified form to affiliated companies and other third parties.

Contractor shall grant Bayer full rights to use these documents as soon as they are created.

19.2 Contractor, by entering into this Agreement, accordingly, grants exclusive, irrevocable rights of use to the Work Results referenced above created by Contractor and protected under copyright law as well as to all revisions and/or modifications of these Work Results with no temporal, geographic or content-related restrictions, which rights of use may be transferred and/or sub-licensed in whole or in part. This granting of rights includes all rights of exploitation and use, including but not limited to the right of reproduction, dissemination, exhibition, presentation, performance and display, broadcasting, display, rental, leasing and data-base rights, cinema and video presentation rights (including all audio-visual storage systems), merchandising rights, as well as the rights to playback via interactive and non-interactive video or audio media, the playback of wireless transmissions and public access, digitization, on-line availability, transmission and playback, other public playback and access. Also included is the right to modify, process the Work Results (in particular to translate them into other languages and to dub them) and to combine or connect them with other works, projects or items. The above granting of rights includes all known types of use, including but not restricted to use, application and/or exploitation for advertising purposes (such as in the form of posters, brochures, invitations, letters, reproductions on the Intranet and/or Internet, on websites, in
apps and by all other digital media), in the context of books, press releases and/or other written works, in the context of television films, company videos, photographs and/or other recorded images, in all digital forms (such as in the context of multimedia products, on websites, in apps, availability on the Intranet and/or Internet) and/or in artistic and/or graphic images (including logos) that portray or integrate the Work Results. The above granting of rights to the use of the Work Results further includes the use and further processing of planning documents for creating buildings and facilities – and disclosure of them to third parties for that purpose – and rights for unknown types of use as well as use in processed form.

19.3 If third-party copyright arrangements allow it, contractor assigns to Bayer the copyright to the Work Results as such. Contractor assigns to Bayer all additional intellectual property rights to the Work Results as well as the film rights.

19.4 With regard to the contractual software created by Contractor individually for Bayer and/or adaptations to software and/or parts of the software (including patentable databases, data or database structures and data collections) the terms and conditions set forth below also apply:

• If the Work Results are individually created software or adaptations to standard software, Bayer shall be granted exclusive rights to said software or adaptations. Otherwise, the rights shall be granted on a non-exclusive basis.

• Bayer is further granted the rights with regard to the contractual software or parts of the software individually, but also when they are included in other software and/or software parts and to that extent also jointly, in particular the right to exploit, lease, rent, re-produce, reconfigure and modify them, to transmit them wirelessly or by wire in whole or in part, to make them available for retrieval by the public free of charge or for consideration and to publicly report on the service. This right expressly also includes documentation, training materials or interim results of this software.

• Bayer is entitled to assign rights of use to software that has been purchased by Bayer on the basis of these Purchase Terms and Conditions in the event of restructuring, the formation of new entities for purposes of research and development (in particular including for joint ventures formed in this context), the sale of companies or the outsourcing of IT processes in whole or in parts to affiliated companies and to third parties (in particular service providers in connection with this IT outsourcing). The assignment may to this extent also be only partial and in the context of the license scope shall include a usage authorization in favor of Bayer.

19.5 Contractor also assigns all rights to and from inventions (including rights from patents and utility models), distinctive marks, trademarks, trade names and design rights on the Work Results created for Bayer, to Bayer in full and worldwide. This assignment further comprises all applications and interests in these rights. The assignment is independent of whether the rights, applications and interests are registered or not registered. If any existing protective or distinctive marks, trademarks, trade names or design rights cannot be assigned, Section 18.1 applies as appropriate.

19.6 If Contractor creates software and/or adaptations to standard software on orders from Bayer, the source and object code created in the context of execution of the purchase order shall be assigned to Bayer comprehensively and in appropriate form. If the subject matter of the Agreement is the supply of standard software and if Contractor does not transmit the source and object code for it to Bayer, Contractor must, if Bayer so wishes, deposit the source code with a suitable third-party, i.e., in particular an escrow agent, under standard market conditions and in favor of Bayer.
19.7 In addition to the exclusive title to intellectual property, Bayer also acquires exclusive title to all physical objects and data media created or conveyed in the context of this Agreement by Contractor or on the instructions of Contractor for the performance of the purchase order (e.g. including but not limited to sketches, drafts, documents, molds, models, samples, tools, films, photographs, transparencies, contact prints, film recordings, videotapes, masters, USB sticks, memory cards, advertising material, posters, signs, labels, packing materials etc.). The above provision applies even if some or all of the cited objects remain in Contractor’s possession. These objects must be delivered to Bayer on request.

19.8 With payment of the stipulated compensation, both the services contractually owed by Contractor and the above-mentioned transfers of rights shall be deemed fully compensated.

20. Third-Party Right’s and Attribution

20.1 For image material, Contractor must obtain in advance any required permission of persons portrayed in the image and for its publication and exploitation as stipulated in Section 19.2.

20.2 If third parties such as photographers, illustrators, models, speakers, singers etc. are hired, Contractor shall extend to Bayer the opportunity to restrict the scope of the service with regard to the determination of fees and legal safeguards before these third parties are hired.

20.3 Contractor must ensure that all creators or ancillary copyright holders who are involved in producing the services and items to be provided in the framework of this Agreement on the basis of an agreement concluded with it, or whose services or works it has used, receive an appropriate share of the proceeds therefrom.

20.4 If Contractor is the (co-) author with reference to all uses of Bayer’s work, Contractor waives the requirement for attribution and shall require the third parties involved by it in the performance of its services to likewise waive their rights to attribution. Bayer shall decide on the attribution of Contractor and/or any (co-) authors by name, as well as on any design of the citation.

20.5 Contractor shall ensure by means of corresponding agreements (in particular with employees or any subcontractors hired by it) that the contractual use of the Work Results and other objects conveyed by it may not be adversely affected by any (co-) authorship rights or other IP rights and that Bayer is granted the rights described in Sections 19.1 to 19.7. Contractor must if necessary acquire the necessary rights and/or licenses. Contractor shall pay any license fees.

20.6 With payment of the stipulated compensation, both the services contractually owed by Contractor and the above-mentioned licenses and/or license fees shall be deemed fully compensated.

21. IP Infringements

21.1 Contractor shall hold Bayer harmless from all third-party claims, subject to the provisions of Section 21.2, that are brought on grounds of infringement of third-party IP rights by the Work Results and/or objects supplied when used as stipulated by the Agreement. This hold-harmless obligation includes all expenses that are incurred by Bayer from or in connection with the third-party claim.

21.2 Contractor shall not be liable for services that are made available by Bayer. Bayer shall hold Contractor harmless from third-party claims if and to the extent that the respective claim is brought on grounds that Contractor
has acted at Bayer’s express wish, although Contractor has notified Bayer in writing of its objections with regard to the admissibility of the action.

22.- **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.

23.- **Term, rescission, and early termination.**

23.1.- 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.

23.2.- 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.

23.3.- 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.

24. **Responsibility.**

24.1.- 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.

24.2.- 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.

24.3.- 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 considering the conducting of an audit process to be performed in accordance with the request of the contracting party and in the manner defined by it.

24.4.- 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.


25.1.- 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.

25.2.- 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.
26.- Noncompliance.

26.1.- 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.

27.- Sustainability.

Supplier is obligated to organize its business with Bayer in compliance with Bayer’s human rights-related and environment-related expectations as well as other sustainability topics as outlined in Bayer’s Supplier Code of Conduct ("Bayer SCoC”), Version dated December 31, 2022, which can be accessed through https://www.bayer.com/en/procurement/supplier-code-of-conduct. Bayer reserves the right to amend this Sustainability Clause as well as the Bayer SCoC if Bayer’s human rights-related and environment-related expectations change and will inform Supplier thereof as soon as reasonably possible. Supplier shall acknowledge continued compliance to such amended SCoC or clause, as the case may be.

Supplier will address the substantive provisions of the Bayer SCoC to its suppliers and ensures that the substantive provisions of the Bayer SCoC are adhered to by itself and its suppliers, including access to Bayer’s complaint portal specified in the Bayer SCoC.

Bayer reserves the right to evaluate, control or audit (onsite or remote audit, online or paper questionnaire, recognized certification systems or audit-systems, etc.) to ensure and verify compliance with the aforementioned. An evaluation, control or audit can be executed directly by Bayer or by a qualified third party.

Supplier shall, without undue delay, (i) report to Bayer in writing any identified risks for and violations of the principles outlined in Bayer SCoC and (ii) take appropriate remedial actions to prevent, end, or minimize the violation. Bayer reserves the right to (i) apply a concept for ending or minimizing a violation and (ii) ask for Supplier’s cooperation in this respect. If Supplier fails to comply with the requirements of the Bayer SCoC, and after a grace period of three months has lapsed without the violations having been eliminated, Bayer reserves the right to either (i) suspend the agreement until such violations have been remedied, or (ii) give extraordinary notice of termination after the aligned timeline for execution has lapsed unfruitful and at Bayer’s exclusive discretion.

Supplier acknowledges and supports Bayer’s Supplier Inclusion & Diversity efforts, its commitment to the participation of diverse businesses and the prohibition of discriminatory treatment in the supply chain as outlined in Bayer SCoC. Supplier will use reasonable efforts to employ qualified diverse suppliers and subcontractors where appropriate and feasible, keep record of their use, and be able to produce a report upon Bayer’s request of spend percentages with diverse suppliers.

Supplier shall indemnify and keep Bayer and its affiliates, including Bayer AG (all Bayer affiliates listed at https://www.bayer.com/sites/default/files/GDIS_Companies_EN.pdf) harmless from any damages, 3rd party claims, fines, or losses arising out of violations of the obligations described either herein or in the SCoC.
28.- 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.

29.- 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 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.

30.- 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: farmacovigilancia.venezuela@bayer.com; and in any Central American and Caribbean countries, report to: farmacovigilancia.cac@bayer.com.

31. 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.

32.- 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.

33.- 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. In addition, Contractor shall hold Bayer harmless from any liability with regard to claims by its employees, its subcontractors and other parties under the above regulations.

33.1. Contractor undertakes to inform its subcontractors about all regulations, stipulations and provisions relating to the commissioned deliveries and services in full and in time. Contractor shall also ensure that its subcontractors comply with these regulations, stipulations and provisions. Contractor shall obligate its subcontractors to cooperate with Bayer where that is contractually indicated; this shall also apply in particular to the sharing of documents and participation in meetings.

33.2. When engaging subcontractors, Contractor must heed and comply with all relevant legal regulations, in particular regarding the labor and social security laws. In addition, Contractor shall hold Bayer harmless from any liability with regard to claims by its employees, its subcontractors and other parties under the above regulations.

33.3. If the performance of the service takes place at Bayer’s site, Contractor must comply with the safety and administrative regulations for outside companies and/or the internal operating regulations applicable at the respective site. Contractor must also comply with all other requirements displayed for its information on the site. If Contractor considers the requirements unreasonable, it must immediately register its objections with Bayer.

33.4. Contractor shall use only qualified persons for the performance of the service. Persons whose employment with Bayer was previously terminated by Bayer for personnel or performance-related reasons may not be used, or persons who have repeatedly damaged or continue to cause particularly serious damage to Bayer’s interests. Contractor shall bear any increased costs resulting from a replacement of the personnel used for the performance of the service.
34. **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.

35. **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.

36. **Limitation Periods**

36.1 Unless expressly agreed otherwise, the statutory periods of limitation apply. Notwithstanding the above, the provisions set forth below apply.

36.2 Non-contractual claims on grounds of material defects and defects of title and contractual claims on grounds other than defects are subject to the statutory periods of limitation.

36.3 The period of limitation on justified warranty claims is extended by the length of time between the registration of the warranty claim and its satisfaction. If the item/service supplied is replaced in its entirety, the period of limitation begins again. For a partial replacement, the period of limitation applies to the replaced parts. The period of limitation shall not start over if Contractor is visibly not acting in the framework of its obligation to remedy defects.

37. **Applicable Law, Construction of Provisions, Notifications.**

37.1 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.

37.3 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.

37.3 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.

38.- Place of Execution and Jurisdiction.

38.1.- Unless stated otherwise in the PO/Agreement, the place of execution shall be the delivery place specified by Bayer.

38.2.- 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.