

# **ESSENTIA ARGENTINA S.A. GENERAL CONDITIONS OF PURCHASE**

## **1. APPLICATION**

The General Purchase Conditions below are applicable to all contracts entered into or all orders placed by Essentia ARGENTINA S.A. (hereinafter called "Essentia") with suppliers, unless otherwise expressly agreed.

## **2. CONCLUSION OF A BINDING AGREEMENT**

An order shall only be binding upon Essentia if it is in writing and has been confirmed by Essentia in writing. By confirming or executing orders, the supplier accepts Essentia's General Conditions of Purchase. Any conditions of the supplier, e.g. the supplier's sales terms that do not comply with Essentia's General Conditions of Purchase, shall not be binding, even though such conditions have not been explicitly rejected by Essentia. Essentia's taking delivery of goods shall not be interpreted as Essentia's implied acceptance of any deviating terms of delivery.

## **3. TIME AND PLACE OF DELIVERY AND TRANSPORT**

The place of delivery is the delivery address stated in the purchase confirmation. The time of delivery specified by Essentia is fixed and shall be strictly observed. Essentia does not accept early delivery and may reject such delivery. The supplier must immediately inform Essentia of any anticipated delay. Any delay of delivery entitles Essentia to cancel the order and Essentia is exempt from paying any consideration. In addition, Essentia is entitled to claim damages for its direct and indirect losses suffered following the delay including compensation paid to Essentia's customers due to the delay. If Essentia fixes a new time of delivery, this is deemed the agreed delivery date and implies that any deviation from such time of delivery shall be deemed a material breach.

The parties' agreement on transport, costs of transport and passing of the risk appears from the Incoterms 2010 condition stated in the purchase confirmation. In the case of purchase of merchandise in the local market of the Argentine Republic, it must be delivered to Essentia in the agreed place according to the terms of the purchase order.

#### **4. DEVIATION IN QUANTITIES**

Deviations in quantities of up to +/- 5% shall be deemed acceptable. Deviations of more than +/- 5% shall be deemed unacceptable and shall entitle Essentia to cancel the order and/or claim damages. Even if the quantity delivered is less than -5% of the agreed quantity, Essentia is always entitled to compensation for any extra transport expenses imposed on Essentia because of the shortfall of quantity. This clause will be applicable unless the parties have agreed on another percentage in their purchase order.

#### **5. QUALITY REQUIREMENTS**

The goods supplied shall be of satisfactory quality and fit for the purpose according to the purchase confirmation.

The supplier shall be responsible for supplying goods that meet the quality, veterinary and other requirements and standards of both the country of origin, the country of production and the country of destination. In the event of disagreement among such requirements and standards, the strictest requirements and standards shall apply. The supplier must ensure that the goods supplied are not in any way restricted from being sold in the country of destination. The supplier shall be responsible for ensuring that the necessary official certificates, e.g. veterinary certificates, are issued for the goods, also in the event of transiting of the goods.

#### **6. WARRANTY**

The supplier warrants that the goods supplied (i) will be of general good merchantable quality, (ii) will be free from defects and errors, (iii) comply with applicable industry norms and standards including applicable health and safety regulations, and (iv) strictly

meet the requirements specified by Essentia. If the goods deviate from the beforementioned, Essentia is entitled at its discretion to cancel the order or demand replacement delivery immediately without any expenses on the part of Essentia. In addition, Essentia is entitled to claim damages for any direct or indirect losses caused by the defect, including, but not limited to, reimbursement for product recall, cf. section 7. Essentia accepts no limitation of the supplier's liability in the event of delivery of defective goods. The supplier acknowledges that it is not practically possible for Essentia to inspect the goods upon delivery. Accordingly, a complaint from Essentia shall be deemed timely if made within reasonable time after Essentia became aware of the defect.

## **7. PRODUCT RECALL**

In the event Essentia or one of its customers performs a recall of the goods, or of products containing the goods and the recall is required due to a defect in or non compliance of the goods, the supplier shall reimburse Essentia's direct and indirect losses, costs, including, but not limited to, notification costs, return costs, cost of field recall, freight, and rework incurred in effecting any product recall.

## **8. PRODUCT LIABILITY**

The supplier warrants, without any limitation in terms of time, that the goods do not suffer from any defects that may cause damage or injuries. The supplier shall indemnify and hold Essentia harmless against any product liability claims from its customers, distributors or other third party arising from any such goods delivered by the supplier as well as any legal cost of such action. Essentia will permit the supplier to assume or participate in the defence of such liability claim at the supplier's expense. The supplier must co-operate with Essentia in such defence when requested to do so.

## **9. DISPATCH**

If the supplier does not comply with the shipping instructions issued by Essentia, the

supplier shall be liable for any additional transport costs and other losses or damages arising as a result hereof.

## **10. CANCELLATION**

The purchase confirmation from Essentia is issued subject to no circumstances arising in the country of destination and/or origin prior to passing of the risk to Essentia - regardless of the nature of such circumstances, for example veterinary, legal, economic or political circumstances - that partly or totally prevent the import of the goods into the country, or the export from the country of origin. If Essentia due to such circumstances is unable to import or export the goods as intended, Essentia has the right to renegotiate and/or cancel the order.

## **11. BILLING CONDITIONS**

It is an express condition for the validity of this purchase order, that the corresponding invoice must be expressed in Argentinian pesos, so that invoices expressed in another currency that is not the legal tender in the Argentine Republic will be rejected. The indexation clauses and / or monetary update are expressly invalid and illegal which is why Essentia will not accept any invoice that contains indexation, adjustment and / or update clauses.

## **12. VENUE AND APPLICABLE LAW**

The venue for any dispute between Essentia and the supplier arising out of the purchase of goods subject to these General Conditions of Purchase will be the National Courts in Commercial Matters, with headquarters in the City of Buenos Aires, Argentine Republic, expressly waiving any other jurisdiction. The Argentine law in force in the matter will be applied to any dispute between Essentia and the supplier.

### 13. LANGUAGES AND VERSIONS

These general conditions have been written in two languages, English and Spanish, both with full legal validity. In case of discrepancies between both versions, the version written in Spanish will prevail.