1. General
1.1 These general conditions of purchase ("Terms") form an integral part of contracts on deliveries and services between the supplier of goods or the service provider, respectively, (hereinafter "Contractor") and the companies of BASF Group located in South America, respectively, (hereinafter "Principal"). If and to the extent that the Contractor has acknowledged these general conditions of purchase, they shall also apply to future contracts with the Contractor.
1.2 General terms of business of the Contractor shall only apply if and insofar as the Principal has explicitly accepted them in writing. Any references of the Principal to correspondence from the Contractor containing or referring to the Contractor's general terms of business shall not constitute the Principal's acceptance of the applicability to this contract of such general terms of business. The Contractor's general terms of business shall also not apply if the Principal should accept any goods / services in the knowledge that the Contractor has purported to deliver them on general terms of business of the Contractor that deviate from or are in conflict with these general conditions of purchase.
1.3 If there is any disagreement between these Terms and written specific contract between the Parties, the specific contract shall prevail.

2. Offer
2.1 Offers and price quotes shall not be remunerated and shall not create any obligations on the part of the Principal.
2.2 In its offer the Contractor shall explicitly expose any discrepancies between its offer and the Principal’s inquiry. If the Contractor has alternatives for an inquiry which is technologically or economically superior it shall additionally present this offer to the Principal.

3. Delivery Date, Changes in the Delivery of Goods / Provision of Services
3.1 The Contractor must comply with the agreed dates of delivery or dates of provision of services, respectively. In case of the delivery of goods such compliance requires the delivery free of any defects to the Principal within the Principal’s regular business hours accompanied by the required shipping documents to the address specified in the purchase order (hereinafter “Place of Destination”). If a delivery including assembly / service has been agreed, the delivery of the goods free of any defects shall not be considered timely unless the assembly / service has been duly carried out as specified in the contract. If a formal acceptance procedure is stipulated by law or specified in the contract, the time specified for such acceptance shall be adhered to by both parties. Advance deliveries of goods / provision of services or partial deliveries / partial provision of services require the Principal’s prior written agreement.
3.2 If the Contractor recognizes that it will not be able to fulfill its contractual obligations either in full or in part, or not within the stipulated timeframe, it must notify this to the Principal in writing forthwith. The notice must state both the reason(s) for the delay and the predicted delay in delivery time. Any acceptance by the Principal of a delayed or partial delivery of goods / provision of services shall by no means constitute a waiver of any rights or claims of the Principal due to late or partial delivery of goods / provision of services.
3.3 Any changes to the goods to be delivered or services to be provided require the prior written consent of the Principal.
3.4 If any documents are being prepared by the Principal to enable the Contractor to carry out the contract, it is the responsibility of the Contractor to request these
documents or other support to be provided by the Principal according to the contract in due time.

4. Sustainability
4.1 The Principal conducts its business in accordance with the principle of sustainable development and adheres to internationally recognized fundamental standards for occupational health and safety, environmental protection, labor and human rights as well as responsible corporate governance (hereinafter “ESG Standards”). The Principal has described its understanding of the ESG Standards in the Supplier Code of Conduct (http://www.basf.com/supplier-code-of-conduct). The Principal expects the Contractor to adhere to the ESG Standards. Furthermore, the Principal calls upon the Contractor to ensure that all its subcontractors of any tier adhere to the ESG Standards likewise. The Principal shall have the right to check adherence to the ESG Standards, either itself or through third parties that it commissions, with prior notice.

4.2 While performing the contract, the Contractor must adhere to the Principal’s occupational health and safety and environmental protection requirements specified in the contract and applicable law.

5. Quality
The Contractor shall carry out and maintain effective quality assurance and, if requested, demonstrate this to the Principal. To this end and if applicable to the goods or services sold under these Terms, the Contractor shall use a quality assurance system with elements as per ISO 9000 ff. or a similar system of equivalent standard. The Principal shall have the right to inspect the Contractor’s quality assurance system with prior notice, either itself or through third parties commissioned by the Principal.

6. Use of Subcontractors
Third parties (in particular any subcontractors) may only be employed or replaced by the Contractor with the Principal’s prior written consent. If the Contractor intends to use subcontractors to perform the contract from the outset, the Contractor must inform the Principal of this when submitting its offer. In any case, Contractor shall be responsible before the Principal for all acts of Contractor’s subcontractors.

7. Labor Claims
7.1 The Contractor must ensure that it and its subcontractors comply with all labor and social security applicable law, including, but not limited to, payment of minimum wage. 7.2 When choosing subcontractors or personnel service providers, the Contractor shall check fulfillment of the preliminary conditions as per Clause 7.1 and require them to provide written confirmation of compliance. Furthermore, the Contractor shall obtain written assurance from these parties that they will require other subcontractors or personnel service providers as may be engaged to comply with the requirements.

7.3 The Contractor shall indemnify the Principal against justified claims of any employee of the Contractor or any employee of a subcontractor, regardless of level, or of a personnel service provider used has brought forward towards the Principal.

7.4 The Principal is entitled to terminate the contract with the Contractor without notice if and when the Principal is justifiably made liable for obligations of Contractor or its subcontractors. 7.5 Moreover, the Contractor shall accept liability vis-à-vis the Principal for any damage that may be suffered by the
Principal through culpable failure to meet the obligations as per Clauses 7.1 and 7.2.

7.6 Illegal employment of all kinds is prohibited.

8. Delivery, Shipping, Packaging, Passing of Risk

8.1 Unless agreed otherwise, the delivery of goods shall be made “DAP to the Place of Destination (Incoterms 2010)”. Unless agreed otherwise, the delivery shall be accompanied by two copies of the delivery note, the packing list, cleaning and inspection certificates according to the agreed specifications and all other necessary documents. If known, the following details must be given in all shipping documents and – for packaged goods – on the outer packaging too: purchase order number, gross and net weight, number of packages and type of packaging (disposable/reusable), completion date as well as Place of Destination (unloading point) and consignee. For projects, the complete job number and assembly building must be given as well.

8.2 The supply shall be carried out in accordance with the commercial terms stipulated in specific negotiations for which the understanding based on the INCOTERMS shall be applied, in the version in effect on the invoicing date.

8.3 For third country deliveries (imports), the shipping documents must specify whether the goods are being delivered duty paid or duty unpaid.

8.4 If the goods are delivered duty unpaid, the Contractor must submit the all documents that are necessary for customs clearance and payments of duties. The Contractor also ensures that all information necessary for a customs advance notification procedure is completely, correctly and in good time at the disposal of the responsible party who must turn in the advance notification, so that no delivery delays may result.

8.5 The Contractor shall notify the Principal in detail and in writing about any possible obligation to obtain a permit for (re)exports according to the respective national export and customs regulations, as well as the export and customs regulations of the country of origin of the goods and services, if the Contractor is aware that these will be re-exported.

8.6 The Contractor shall uphold the Principal's interests during the delivery. Goods must be packed with packaging materials approved for the Place of Destination as so to avoid damage during transport. The Contractor is liable as per the statutory provisions for any damage incurred due to improper packaging.

8.7 For domestic deliveries, upon the Principal's request the Contractor shall collect any accumulated outer packaging, transport and sales packaging from the Place of Destination following delivery and dispose of it or having this done by a third party.

8.8 The Contractor shall package, label and ship hazardous products according to the applicable national and international laws and regulations, specially the applicable law of the place of destination of the goods.

8.9 Up until the arrival of the goods specified in the contract with the documents mentioned in clauses 8.1 and 8.2 at the Place of Destination, the Contractor shall bear the risk of loss or damage. If the parties have agreed a delivery inclusive of assembly/service, the risk of loss or damage shall pass to the Principal after the assembly/service has been duly completed in accordance with the contract and following the handover of the goods.

8.10 If a formal acceptance is stipulated by law or by the contract, the passing of risk shall take place upon acceptance by the
Principal. If formal acceptance is agreed, the risk of loss shall not pass from the Contractor to the Principal before a successful acceptance has been confirmed by the Principal in the acceptance certificate. Payment of invoice balances shall not replace a formal acceptance.

9.1 The Contractor declares the non-preferential origin of goods (country of origin) in commercial documents. Upon the Principal's request, Contractor will provide a proof / certificate of origin specifying the origin of the goods.
9.2 The goods must comply with the regulations for the preferential origin of goods as per the bilateral or multilateral agreements or the unilateral regulations for the origin of goods pursuant to the Generalized Systems of Preferences (GSP), insofar as the delivery is within the scope of preferential trade.

10.1 The Contractor is responsible for delivering goods and services free of defects, in particular compliance with the agreed specification of goods and services, and, additionally, for ensuring that guaranteed properties and features are present. The specification cannot be changed without written approval by the Principal. In addition, the Contractor guarantees that goods and services meet the current technical standards and – if applicable – the generally recognized standards in plant safety, occupational medicine and hygiene; are delivered by qualified personnel and are in line with all pertinent legal regulations at the place of destination. If machines, equipment or plants constitute delivery items, they shall meet the special safety requirements applicable to machinery, equipment and plants at the time of contract fulfillment, and shall be CE marked.
10.2 The Contractor shall ensure that all materials contained in the goods have effectively been pre-registered, registered (or exempt from the obligation to register) and – if relevant – authorized in accordance with the applicable requirements, specially the requirements applicable to the place of destination of the goods. Compliance with international or local regulations related to hazardous materials used in the goods must also be complied with. The same rules are applied to packaging of the goods.
10.3 The Principal shall notify any obvious defects to the Contractor within fifteen (15) days following delivery of the goods or rendering of services. Any defects that only become apparent at a later point in time must be notified by the Principal within fifteen (15) days following their discovery.
10.4 In the event of any defects, the Principal has the right to demand rectification of such defects according to applicable law. The mode of rectification shall be at the Principal’s discretion. The rectification location shall at Principal’s option be either the place of destination of goods, or place of rendering of services, or the place of acceptance, if acceptance is legally required or contractually agreed, or another location for the goods or services if this was known to the Contractor when the contract was concluded. The Contractor shall bear the cost of rectification and must execute rectification in all respects in accordance with the Principal’s instructions and requirements. If (i) rectification does not take place within an appropriate period of time, (ii) rectification has failed, or (iii) it is not necessary to fix a grace period for rectification, the Principal shall be entitled to
claim further legal rights in the event of defects.

10.5 If rectification does not take place within an appropriate period of time, if it has failed, or if it is not necessary to fix a grace period for rectification, the Principal has the right, in addition to the rights named in clause 10.5, to remedy the defects itself at the cost and liability of the Contractor, or allow this work to be undertaken by third parties. The Principal is in this case entitled to demand compensation from the Contractor for the required measures. A grace period for rectification is particularly unnecessary if there is a danger of unreasonably high damages and the Contractor cannot be reached. In addition, the applicable law shall apply. Any additional rights of the Principal concerning the Contractor's statutory liability for defects or under any guarantees shall remain unaffected.

10.6 Claims under warranty shall become time-barred thirty (30) months after the passing of risk unless a longer expiration period is prescribed by law. The Principal shall not be deemed to have waived any of its rights to make claims under warranty in the absence of an express written waiver.

11. Infringing Property Rights
It is the Contractor's responsibility to ensure that the delivery of the goods and / or provision of the services and the use thereof by the Principal pursuant to the contract will not infringe any patent laws, copyright or other proprietary rights of third parties. Notwithstanding other legal claims, the Contractor shall indemnify the Principal from any third party claims for which the Principal may be held liable as a result of the infringement of any of the aforementioned property rights if these are based on a culpable violation of obligations by the Contractor. In this case, the Contractor shall bear the cost of any licensing fees, expenses and fees incurred by the Principal in preventing and / or rectifying any infringements of property rights.

12. Contract Penalty
If a contract penalty has been agreed upon and is incurred, the Principal is entitled to claim such penalty until the final payment is due without requiring a reservation.

13. General Liability, Insurance
13.1 Unless otherwise established in these general purchasing conditions, the Contractor shall be liable as per the statutory provisions.
13.2 The Contractor shall maintain sufficient liability insurance at its own expense for damage for which it or its subcontractors or agents for which it is vicariously liable are responsible. Evidence of the amount of insurance coverage for each occurrence of damage shall be provided to the Principal upon request. The Contractor's contractual and legal liability remains unaffected by the extent and amount of its insurance coverage.
13.3. The Contractor shall indemnify, defend and hold harmless the Principal its affiliates, and their successors, assigns, directors, officers, employees and agents from and against all costs, liabilities, losses, damages, fines, penalties and expenses (including reasonable fees of attorneys and other professionals) of every character whatsoever ("Claims"), arising out of or resulting from any actual or alleged claims and lawsuits for: damage to property, including the environment, pollution and contamination, and/or death or injury to persons, which are caused by, arise out of, result from or are in any way connected with (a) the failure of the Contractor, its employees or agents to comply with the terms of this Terms; (b) a breach of any of
13. The Principal shall reasonably and promptly notify the Contractor in writing of any Claim for which indemnity is claimed.

13.5. All costs and expenses, including the fees of attorneys and other professionals, incurred by Principal shall be reimbursed by the Contractor.

14. **Invoicing, Payment**

14.1 Unless otherwise required by applicable law of Principal’s principal place of business, the agreed prices are net of any applicable value-added tax. Invoices are to be issued for deliveries made and services provided. These invoices shall comply with the relevant statutory invoicing requirements according to the national value-added tax legislations to which the deliveries/services being invoiced are subject.

14.2 The Contractor must provide a separate, auditable invoice for each purchase order, which must include all of the legally required information under applicable law. The invoice must include the Principal’s full order number and, if applicable, the Contractor’s delivery note number. Certificates of work completed and any other records are to be submitted with the invoice. Invoices must correspond to the information in the purchase order in respect of the goods described, price, quantity, the order of the items and item numbers. Invoices are to be sent to the billing address specified by the Principal in the purchase order.

14.3 Unless agreed otherwise, the Principal’s payment period is 60 days and such period shall commence as soon as an invoice that meets the applicable value-added tax requirements has been issued. Payment will be made subject to determination of contractual compliance and completeness for the delivery/service provided.

14.4 Payment by the Principal shall not be an indication of acceptance of conditions or prices, and shall not constitute a waiver of the Principal’s rights with regard to deliveries made/services provided that differed from those as agreed upon, the Principal’s rights to inspection, and the right to find fault with an invoice due to other reasons.

14.5 If the Principal pays license fees to foreign Contractors, the Principal may be obliged to withhold taxes.

15. **Assignment of Contract, Transfer, Change of Company Name, Offsetting, Retention and Cancelation**

15.1 The Contractor may assign the rights and obligations under the contract with the Principal to third parties only with the prior written consent of the Principal.

15.2 The Contractor is required to notify the Principal forthwith in writing of any assignment of the contract by virtue of law and of any change of its trade name.

15.3 The Principal may assign the rights and obligations under the contract with the Contractor to BASF SE, Ludwigshafen (Rhine) or to any affiliated company at any time without the Contractor’s prior agreement.

15.4 If the applicable law of Principal’s place of business allows, the Contractor is only permitted to offset claims that are
undisputed or substantiated by court judgement. The Contractor is only entitled to a right of retention if the claim, due to which the right of retention shall be deemed valid, has its origins in the same contractual relationship.

15.5 The Principal will have the right to cancel or modify any order at any time by providing written notice to Contractor.

16. **Termination, Rescission**

16.1 In case of a contract for the performance of a continuing obligation such contract may be terminated without notice for good cause. Grounds for good cause shall also include:

– A violation of contractual obligations by the Contractor which is not remedied within an appropriate period of time set by the Principal, or after issuing an unsuccessful warning notice by the Principal; or

– a considerable deterioration of a party’s financial situation which threatens to impact such party’s ability to perform its obligations under the contract and / or to discharge of its tax and / or social liabilities; or

– the further execution of the contract is or will be either entirely or partly impermissible due to legal or official regulations.

Further rights legally provided to the Principal regarding termination, termination for good cause and rescission from the contract shall remain unaffected by this provision.

16.2 If the Contractor has acquired from the Principal any documents, records, plans or drawings within the scope of the contractual collaboration or for the purposes of fulfilling the contract the Contractor must forthwith hand them over to the Principal in the event of termination of the contract by a party to the contract. These requirements apply likewise in the event of rescission.

16.3 The Principal may terminate the contract for the performance of a continuing obligation at any time and without cause upon thirty (30) days written notice to Contractor without incurring any liability for compensation or indemnification to Contractor.

17. **Contractor’s Removal Duty in the Event of Termination of Contract**

In the event of termination of the contract, the Contractor must, at its own expense and regardless of the grounds for termination, forthwith dismantle and remove any plant, tools and equipment used and / or stored on the Principal’s premises. Any waste or debris produced by the Contractor’s work must be promptly removed and disposed of appropriately by the Contractor at its own expense. If the Contractor does not fulfill its duties in this regard, the Principal may undertake the work itself or have it undertaken by a third party and charge the expenses incurred to the Contractor if the work has still not been completed after a reasonable period of time has elapsed. These requirements apply likewise in the event of rescission.

18. **Documents, Confidentiality, Rights of Use**

18.1 The Contractor must provide to the Principal the agreed quantity of any plans, calculations or other documents in order not to exceed the contractual deadline for execution.

18.2 The review of any documents by the Principal shall not relieve the Contractor of any of its responsibilities under the contract.

18.3 Any models, samples, drawings, data, materials and other documents provided to the Contractor by the Principal (hereinafter “Principal Documentation”) shall remain the property of the Principal and must be returned to the Principal forthwith upon its request at any point in time. The Contractor shall have no rights to retain any Principal
Documentation. The Contractor must observe the proprietary rights of the Principal in and to all Principal Documentation.

18.4 The Contractor is obliged to keep confidential all technical, scientific, commercial and other information obtained either directly or indirectly within the scope of the contract, in particular the information given in Principal Documentation (hereinafter “Confidential Information”). The Contractor may not exploit Confidential Information for commercial purposes, make it the object of industrial property rights, pass it on or make it accessible to third parties in any way. The Contractor is entitled to share confidential information with subcontractors approved by the Principal if the subcontractor requires this information in order to fulfill the contract.

Confidential Information may not be used for any purpose other than fulfilling the contract. The aforementioned confidentiality obligation shall continue to apply for a period of ten (10) years after the contract has ended.

18.5 This confidentiality requirement shall not include any information that the Contractor lawfully possessed prior to the Principal’s disclosure of such information, or is lawfully known to the public, or has been lawfully obtained from a third party. Also excluded from this confidentiality requirement shall be information that is disclosed to persons subject to a legal obligation to confidentiality, whereas the Contractor shall not release such a person from its obligation to confidentiality. The burden of proof for such an exception lies with the Contractor.

18.6 The Contractor shall ensure that its employees and other vicarious agents deployed to fulfill the contract are obliged to confidentiality according to the above confidentiality provisions by means of appropriate contractual agreements, too. Upon request, the Contractor shall confirm compliance with these obligations to the Principal in writing.

18.7 The Contractor shall specifically undertake all required, appropriate precautions and measures to effectively protect the Confidential Information obtained at all times against loss or against unauthorized access. This includes in particular the creation and maintenance of appropriate, required access and entry precautions for facilities, repositories, IT systems, data storage devices and other information storage devices, especially those which contain Confidential Information. This also includes informing and instructing those people who are granted access to Confidential Information pursuant to this clause. The Contractor is required to promptly notify the Principal in writing in the event that Confidential Information is lost and / or accessed by unauthorized parties.

18.8 The Contractor shall grant the Principal rights of use free from any restrictions as to area, content or time for all plans, drawings, graphics, calculations and other documents related to the contract, in all known media formats including electronic media, Internet and online media saved to all imaging, audio and data storage devices, for the contractually agreed purposes or purposes implied as per the contract. This information may have either been prepared by the Contractor itself or by third parties.

18.9 Moreover, the Contractor shall grant the Principal an exclusive right to use and exploit work results that the Contractor created specifically for the Principal or had third parties create for the Principal, and shall obtain any necessary rights from third parties. Pre-existing rights of the Contractor or of third parties shall remain unaffected hereby.

18.10 The Parties agree to: (i) not to use any
of the Confidential Information, except for the purpose of this Agreement; (ii) not to disclose any Confidential Information of any part of it to any third party; and (iii) not to copy, duplicate or forward the Confidential Information or any part of it, except for the strict compliance of the provisions of these Terms and the corresponding Agreement.

18.11 The Confidential Information disclosure restrictions and use limits shall not be applied in any part of the Confidential Information which: (i) demonstrably are or become publicly known or available to the general public for any reason not due to the disclosure by the disclosing party; in a breach of this Agreement, or, still, not as a result of any improper disclosure; (ii) are demonstrably known to the receiver party, non-confidentially and prior to its receipt; (iii) are disclosed to the recipient party on a non-confidential basis; and (iv) if required by law, regulation, legal proceeding or regulatory authority.

19. Force Majeure

19.1 Applicable law of Principal’s principal place of business being observed, “Force Majeure” is understood to mean circumstances of extraordinary and unpreventable character that are beyond the reasonable control of the Principal or Contractor and affect the timely performance of their obligations, provided that the party affected did not and, as a reasonable person, could not foresee such circumstances at the time of execution hereof including, but not limited to war, acts of terrorism, civil commotion, fire, earthquake, storm, labor disputes, disturbances or strikes (regardless of the merit), failure of public utilities.

19.2 Insofar as the Principal or Contractor are prevented from fulfilling their obligations for reasons of Force Majeure, they shall not be liable for the consequences thereof otherwise than as herein provided. Time limits stipulated herein shall be extended as necessary, but no longer than the duration of Force Majeure. However, both Principal and Contractor shall use reasonable efforts to minimize the delay.

19.3 A party wishing to invoke relief because of Force Majeure must notify the other party within two (2) business days of the intervention of such circumstances; otherwise, the party shall be stopped from the right to invoke relief. The party that has invoked relief shall notify the other party about the cessation of the respective circumstances in like manner as provided above in respect of their intervention.

19.4 If, as a result of a Force Majeure event, Contractor's output of goods or services shall be reduced, then such reduced production quantity shall be made available in the first priority to the Contractor and its affiliates and in the second priority to Principal. Under no circumstances shall the quantities made available to Principal be reduced by more than the proportionally smallest reduction made to any other customer of the Contractor.

19.5 In the event a Force Majeure event continues unabated for a period of ninety (90) consecutive days, the non-invoking party may terminate the relationship with the invoking party by providing written notice to the invoking party.

20. Publicity Ban, Severability Clause, Applicable Law, Place of Jurisdiction

20.1 The Contractor may only refer to or publicly disclose otherwise its business relationship with the Principal with the prior written consent of the Principal, or where this is unavoidable in order to fulfill the contract.

20.2 The invalidity or unenforceability of any provision or part of a provision of the contract or these Terms shall not affect the validity of the entire contract or these Terms.
20.3 These Terms shall be construed and be subject to the substantive laws of the place of destination of the goods or services sold or provided by Contractor under these Terms with the exclusion of (i) the United Nations Convention on Contracts for the International Sale of Goods (“CISG”) dated 11 April 1980 and (ii) the applicable rules on the conflict-of-laws.

20.4 At the Principal's option the place of jurisdiction shall be either the court competent for the Principal's registered office or the court competent according to the applicable law.

20.5 If these Terms are submitted to the Purchaser in another language in addition to the language in which the agreement was signed, this shall occur only to facilitate its understanding. In case of different interpretation, the text written in the local language of Principal's principal place of business shall prevail.

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Version approved in May 2018.