GENERAL CONDITIONS OF SALE OF DSM PRODUTOS NUTRICIONAIS BRASIL S.A.

RUMINANTS

1. GENERAL CONDITIONS

1.1 These General Conditions of Sale (“Conditions”) govern all offerings, sales and delivery of all goods and/or services (hereinafter jointly referred to as the “Product(s)”) from or on behalf of DSM Produtos Nutricionais Brasil S.A., and its affiliates (“DSM”), to customers (“Customer”) and apply to all transactions between DSM and Customer.

1.2 By contracting with DSM, Customer agrees to the applicability of these Conditions to all the transactions, even if in the future there is no expressed forecast for such application, prevailing over any other provisions to the contrary.

1.3 Any others contrary terms to these Conditions will be only valid against DSM in the case of expressed and written agreement.

2. QUOTATIONS, ORDERS AND CONFIRMATION

2.1 The quotations under any way elaborated by DSM, and purchase orders formulated by Customers, does not link DSM to its terms, being revocable and/or changeable to its exclusive discretion. Orders are not binding until accepted by DSM in writing (“Confirmed Order”).

2.2 Each delivery must be treated as an independent transaction and any delivery failure will not have any consequences to further deliveries.

3. PRICES

Prices and currencies are as set out in the Confirmed Purchase Order, and will only include taxes, charges or duties if expressly and specifically disposed between both undertakings. The payment of any Taxes is Customer’s duty. If DSM grants a discount to the Customer, such discount will be only and solely applicable to the specified supply mentioned in the Order Confirmation.

4. PAYMENT

4.1 Unless stated otherwise in the Confirmed Order, payment shall be made on the basis of net cash, to be received by DSM within 30 (thirty) days following the date of DSM’s invoice.

4.2 Possible delays will allow DSM to charge interests at legal rate of at least 12% (twelve percent) per year on any overdue payment, interests calculated pro rata die, counting from the expiry date until the full payment date of all the late values. All the expenses incurred by DSM related to the collection of the late values (including, but not limited to, reasonable legal fees, expert fees, court costs and other expenses related to the litigation) shall be paid by the Customer.

4.3 Any complaints regarding the invoice shall be notified in writing to DSM, up to 20 (twenty) days after the invoice issue date. From then on, the invoice shall be considered approved by the Customer.

5. DELIVERY AND ACCEPTANCE

5.1 Products will be delivered with carriage and insurance paid until the place of destination, as agreed by DSM and Customer in each Order.

5.2 Unless stated otherwise in the Confirmed Order, any times or dates for delivery by DSM are estimates and shall not be of the essence. The deadline of Products delivery, which will respect the Customer Service Politics, might have some variations and shall not relieve Customer of its obligation to accept delivery thereof.

6. CANCELLATION

Customer’s cancellation after acceptance or wrongful non-acceptance of the Products by Customer, shall entitle DSM the right to recover from Customer:

(i) full price of Products, in case they cannot be reasonably resold; (ii) 50% (fifty percent) of Product’s price, as liquidated damages, unless Customer can demonstrate that DSM has not suffered damages, or that they are less than the value of the liquidated damages.

7. EXAMINATION AND CONFORMITY TO SPECIFICATIONS

7.1 On delivery Customer shall examine if the agreed specifications for the Products as stated in the Confirmed Order (the “Specifications”) are present, as well as the information and orientations of Products label.

7.2 Complaints about possible defects or faults must reach DSM up to 7 (seven) days from the date of the possible knowledge of Product’s defect or fault, but in no event later than (i) 6 (six) months from the date of delivery of the Products or (ii) the expiry of the Products’ shelf-life whichever is the earlier.

7.3 DSM will perform quality analyses and verify the conformity of Products, by analyzing samples or records. In case of discord between the parties, DSM will submit the samples to an independent laboratory, verifying the Specifications compliance. The result of such analysis shall be binding upon the parties and will be paid by the party without reason.

7.4 Defects in parts of the Products do not entitle Customer to reject the entire delivery of the Products, unless Customer cannot reasonably be expected to accept delivery of the remaining non defective parts of the Products. Complaints, if any, do not affect Customer’s obligation to pay as defined in Article 4.

8. TRANSFER OF RISK AND PROPERTY

8.1 The risk of loss or deterioration of Products will pass to Customer upon delivery place (see Article 5.1).

8.2 The ownership of the Products will pass between parties only after its full payment by Customer.

8.3 In the event of termination on the basis of Article 16, DSM shall, without prejudice to any other rights of DSM, be entitled to require immediate return of the Products, or to repossess the Products, for which it may invoke a retention of title.

9. LIMITED WARRANTY

9.1 DSM solely warrants that on the date of delivery the Products shall conform to the Specifications. DSM’s obligation shall be limited solely to repair or replacement of the Products or for credit of the Products.

9.2 The foregoing warranty is exclusive and in lieu of all other warranties, representations, conditions or other terms, express, implied, including, without limitation, any warranty of merchantability, suitability for any purpose, or absence of infringement of any claim in any intellectual property right covering the Products.

10. LIMITED LIABILITY

10.1 DSM’s liability for any and all claims arising out of or in connection with the Products, is limited to direct damages of Customer and shall not exceed the sales value of the defective batch of the relevant Product delivered to Customer.

10.2 DSM shall under no circumstances be liable to Customer or any other person for any kind of special, incidental, indirect, consequential or punitive damage or loss, cost or expense, including without limitation, damage based upon lost goodwill, lost sales or profit, delay in delivery, work stoppage, production failure, impairment of other goods or based on any other cause, and whether arising out of or in connection with breach of warranty, breach of contract, misrepresentation, negligence or otherwise.

11. FORCE MAJEURE

11.1 Neither party shall be liable for any loss, damage, cost or expenses arising out of or in connection with any occurrence beyond its reasonable control (“Force Majeure”).

11.2 Upon the occurrence of any event of Force Majeure, the party shall inform the other party by written notice specifying the facts and how it will affect its obligations, allowing the prejudiced party to suspend the obligation of delivery until the end of Force Majeure or, in case there is no predictable ending to the event, cancel the contract without any liability to the parties.

12. MODIFICATIONS, INFORMATIONS AND INDEMNITY

12.1 Unless otherwise agreed in writing, DSM reserves the right to change or modify the Specifications from time to time without notice.

12.2 Customer must utilize and solely rely on its own expertise, know-how and judgment in relation to the Products and Customer’s Use thereof. Consultation provided by DSM shall not give rise to additional obligations. Customer shall indemnify and hold DSM harmless from and against any and all damages, losses, costs, expenses, claims, demands and liabilities (including without limitation product liabilities) arising out of or in connection with the Products and Customer’s Use thereof.

13. COMPLIANCE WITH LAWS AND STANDARDS

13.1 Customer acknowledges that the Use of the Products may be subject to requirements or limitations under any law, statute, ordinance, rule, code or standard, including, but not limited to, all applicable regulations.
13.2 Customer expressly warrants that employees, agents and independent contractors of the Customer shall not directly or indirectly (i) accept, promise, offer or provide any improper advantage to or (ii) enter into an agreement with any entity or person - including officials of a government or a government-controlled entity -, or (b) relating to a product, which would constitute an offence or infringement of applicable Laws and Standards.

13.3 Customer shall be exclusively responsible for (i) ensuring compliance with all Laws and Standards associated with its intended Use of the Products; and (ii) obtaining all necessary approvals, permits or clearances for such Use.

14. NIDEPENDENT CONTRACTORS

DSM and Customer are independent contractors, and the commercial relationship created hereby shall not be deemed as agency and/or distribution.

15. ASSIGNMENT AND CHANGE OF CONTROL

Neither party may assign any of the rights or obligations under the Confirmed Order without the prior written consent of the other party, except that either party may assign such rights and obligations to any of its affiliates or to a third party acquiring all or a substantial part of its assets or business relating to the Products.

16. SUSPENSION AND TERMINATION

16.1 If Customer is in default of performance of its obligations towards DSM and fails to provide to DSM adequate insurance before the date of scheduled delivery, or if the Customer: becomes insolvent or unable to pay its debts as they mature; goes into liquidation, judicial and extrajudicial recovery, bankruptcy (other than for the purpose of reorganization, merger or acquisision); or in case of non-compliance of Customer with Laws and Standards, DSM may by notice in writing forthwith, without prejudice to any of its other rights: (i) demand return and take repossession of any delivered Products which have not been paid and delivered, and all costs relating to the recovery of the Products shall be for the account of Customer; and/or (ii) suspend its performance or terminate the Confirmed Order for pending delivery of Products unless Customer makes such payment for Products on a cash in advance basis or provides adequate assurance of such payment for Products to DSM.

16.2 In any such event of Article 16.1 all outstanding claims of DSM shall become due and payable immediately with respect to the Products delivered to Customer and not repossessed by DSM.

17. WAIVER

Failure by DSM to enforce at any time any provision of the Conditions shall not be construed as a waiver of DSM’s rights to act or to enforce any such term or condition and DSM’s shall not be affected by any delay, failure or omission to enforce any such provision. No waiver by DSM of any breach of Customer’s obligations shall constitute a waiver of any other prior or subsequent breach.

18. INDEPENDENCE OF THE PROVISIONS AND REVIEW

In the event that any provision of the Conditions shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever, the validity and enforceability of the remaining provisions between the parties and shall be severed therefrom. The pertaining provisions held to be invalid or unenforceable shall be reformed to meet the legal and economic intent of the original provisions to the maximum extent permitted by law.

19. LIMITATION OF ACTION

Unless otherwise stated hereunder, no action by Customer shall be brought unless Customer first provides written notice to DSM of any claim alleged to exist against DSM within 30 (thirty) days after the event complained of first becomes known to Customer and an action is commenced by Customer within 12 (twelve) months after such notice.

20. VENUE

Conflicts arising out of relationship originated under effects of these Conditions shall be exclusively directed to the venue of São Paulo City, State of São Paulo, even if there’s any other competent court.

21. SURVIVAL OF RIGHTS

The parties’ rights and obligations shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, directors, officers, employees, agents and legal representatives. Termination of one or more of the parties’ rights and obligations, for whatever reason, shall not affect those provisions of the Conditions which are intended to remain in effect after such termination.

22. INTELLECTUAL PROPERTY

22.1 All intellectual property rights arising out of or in connection with the Products shall be the exclusive property of DSM.

22.2 The sale of Products shall not, by implication or otherwise, convey any license under any intellectual property right relating to the compositions and/or applications of the Products, and Customer explicitly assumes all risks of any intellectual property infringement by reason of the Use of the Products, whether singly or in combination with other materials or in any processing operation.