

**GENERAL CONDITIONS OF SALE OF PB BRASIL INDUSTRIA E COMERCIO DE GELATINAS LTDA.**

**1. – Definitions**

**PB:** PB Brasil Industria e Comercio de Gelatinas Ltda., with registered office at Estrada Vicinal Acorizal – Aldeia Km 03, Acorizal, State of Matto Grosso, Federative Republic of Brazil; limited liability company registered at the CNPJ under number 10.914.514/0001-06.

**Purchaser:** the person or company to which PB delivers or intends to deliver products and/or services of whatever nature, and also any *blender* (purchaser that mixes PB products with other materials and/or goods, and sells his final product) or any other person or company who reconditions the products.

**Incoterms®:** the most recent Incoterms® published by the International Chamber of Commerce.

**2. – Applicability**

These General Conditions of Sale (“Conditions”) are applicable to all quotes, offers and contracts by which PB delivers any kind of products and/or services to the Purchaser. Any changes to these Conditions are only valid if both parties have expressly agreed in writing. The applicability of general purchasing conditions or other conditions of the Purchaser is hereby excluded, unless expressly otherwise agreed.

**3. – Quotations, offers and confirmation of orders**

Quotations are made without commitment for PB. PB is bound only by written confirmation of orders. Offers made by PB are binding during the validity period stated in the offer.

**4. – Delivery time**

Unless otherwise agreed in writing, the delivery time quoted by PB is a best estimate only and without commitment. Late delivery cannot give rise to any indemnity.

**5. – Force majeure**

PB is not responsible for delays, errors, damage or other problems caused by unforeseeable events or events beyond the reasonable control of PB, or arising out of compliance with government requirements, laws or regulations. Unforeseeable circumstances and force majeure events include but are not limited to: wars, accidents, fire, flood, commercial disputes, strikes of PB’s staff or its suppliers, lockouts, sit-ins, total or partial cessation of operations by administrative decision, mobilization, requisition, embargo, shortage of transportation, shortage of fuel, suppliers or raw materials, import/export restrictions or governmental measures of any kind, disproportionate increase in the price of raw materials, breakdown of plant or machinery, total or partial breach of contract by subcontractors, or any other event beyond the control of the parties that has not been foreseen, or that may not have been avoided.

**6. – Duties and taxes**

Customs duties and other taxes, present and future, shall be borne by the Purchaser. Any modification made to these duties and taxes between the date of accepting an order and the date of invoicing is to the charge or to the profit of the Purchaser.

**7. – Payment Conditions**

(i) Unless otherwise agreed in writing between PB and the Purchaser, invoices or bill of lading (“B/L”) are payable upon receipt, without discount or deduction of any kind. In the event that Purchaser’s credit worthiness or ability to pay is or may be impaired, in the reasonable opinion of PB, or PB is unable to obtain adequate third-party credit insurance to cover the total outstanding amount due by Purchaser to PB, at terms commonly used by PB in the ordinary course of its business, Purchaser shall upon PB’s request provide security for payment in the form requested by and satisfactory to PB at Purchaser’s expense and PB in addition to any other remedies shall have the right without further notice to postpone or withhold supply of Product to Purchaser until such security is provided. If no such security is provided within a period of maximum 15 business days, PB is entitled to terminate the contract in accordance with Article 12. In case of payment default, the unpaid obligation will accrue interest at the rate of one percent (1%) + two percent (2%) per month, calculated on the amount actually due, to run from the due date for payment of the accounts until the date the payment is actually received.

(ii) PB is entitled to claim damages suffered as a result of the failure of the Purchaser, as well as a compensation for all its relevant costs of recovery. Default in the payment of an invoice makes all outstanding invoices due.

**8. – Delivery, transfer of risk and title**

Unless otherwise agreed in writing, the delivery takes place in accordance to the Incoterms® Ex Works: the risk of the delivered products is transferred to Purchaser when PB places them at the disposal of the Purchaser at PB’s premises or at another named place. Without prejudice to the preceding paragraph, PB and the Purchaser may agree that the transportation is conducted at PB’s expense. The risk of storage, loading, transportation and discharge is in this case also borne by the Purchaser. Title of the products is transferred to the Purchaser upon full payment of all capital, interest and costs. In the event of non-payment, PB is entitled to retain down payments to cover any losses on resale.

**9. – Warranty and disclaimer**

(i) PB warrants that the products furnished to the Purchaser will comply with all governmental regulations in full force and effect at the time of delivery. PB warrants that, during the shelf life that appears on the packaging, the products will retain their original features and will conform to the technical quality specifications given by PB, provided the product is handled and stored in closed original packaging under cool, dry and odourless conditions, and the Purchaser fully complies with the recommendations of the Safety Data Sheet (“MSDS”), set out in the annex, which forms an integral and indissoluble part of these Conditions.

(ii) The parties agree that the products sold by PB to the Purchaser are intended to be used in the production process of another new product, exclusive to the Purchaser, which shall be sold by him, and therefore any recommendation or suggestion relating to the use of the products made by PB either in technical literature or in response to specific

enquiry or otherwise, is given in good faith but it is for Purchaser to satisfy himself of the suitability of the products for his own particular purpose or function in his new final product. Since the final processing and use of the products are beyond PB’s control, **PB gives no warranty as to the merchantability or fitness of the products for any particular purpose or function in the new final product of the Purchaser, nor as to the actual final product itself.**

(iii) This warranty is not extended to the particularities of the final product sold by *blenders* or Purchasers who reconditions the products of PB.

**10. – Acceptance of the products and complaints - Remedies**

(i) The parties expressly agree that any complaints about apparent defects must be formulated in writing within eight working days after delivery and complaints for hidden defects must be formulated in writing within thirty working days after delivery; or in the case of a defect that may only be discovered later (due to its nature), within one hundred and eighty days from the date on which the Purchaser was aware of such defect. In all cases of complaint, the Purchaser must take all necessary measures to allow PB to examine the products on the spot. The use, even of a part of the delivery, shall be considered as the acceptance thereof. Any claim made outside the agreed time limits shall have no effect.

(ii) If a complaint is recognized as justified, PB shall, at its choice, either to (a) replace the products recognized as defective free of charge, or (b) return the price of these products and the products insofar as the Purchaser has not damaged them, or c) offer a reduction of the price of such products.

(iii) The replacement free of charge, the refund or reduction of the price and the return of the products shall be the sole and exclusive remedy of the Purchaser in case of defects and supersede all other warranties expressed or implied. The Purchaser waives the right to any other type of compensation.

(iv) In no case may the Purchaser use a complaint as a pretext for suspending or delaying his payments.

**11. – Limitation of liability – Indemnity**

(i) The parties agree that the maximum amount of the indemnity to be paid by PB due to the breach of its obligations under these Conditions shall be equal to the purchase price, which is defined as the sum of the purchase orders placed, limited to a maximum period of the last 12 months. In no event shall PB be liable for loss of profits, except in the event of willful misconduct of PB.

(ii) The limited liability of PB will only be accepted in case of breach of contract which is attributable to PB as a result of noncompliance with deadlines, and provided that the Purchaser (a) has fulfilled his obligations and (b) has immediately served a valid written notice to PB, giving PB a reasonable cure period to remedy the alleged noncompliance. PB shall be liable only if it has not executed its obligation at the end of this term. The notice has to specify in as much detail as reasonably possible the noncompliance.

(iii) The Purchaser will hold PB harmless against all product liability claims of third parties, related to defects or damage caused by products delivered by the Purchaser that were composed of materials or products delivered by PB, unless the Purchaser conclusively proves that the alleged damages have been caused exclusively by PB’s materials or products.

(iv) The Purchaser claims that PB’s prices are adjusted to the risk allocation and limitation of liability provided in these Conditions.

**12. – Termination of the contract**

If the Purchaser is in breach of contract, PB will be entitled to terminate the contract unilaterally and also, at its discretion, any order which is in the process of being carried out, without prejudice to all other rights and claims for damages. The contract can be terminated by registered letter automatically, without serving of legal notice.

**13. – Purchaser’s undertakings**

Unless otherwise agreed in writing, the Purchaser is responsible for obtaining all authorizations and/or licenses for compliance with applicable import laws, laws and regulations. The Purchaser undertakes to give the products the use to which it may reasonably be expected that the product will be put, and undertakes not to use the products in hazardous or ultra hazardous materials, applications or activities. If the Purchaser should have failed to obtain the licenses or authorizations in time for PB to make possible delivery on the dates indicated in the confirmation of order, PB will be entitled to terminate the contract in the conditions foreseen in Article 12 above, even when the failure of the Purchaser should be due to force majeure.

**14. – Confidentiality**

All PB’s offers are confidential and proprietary information that shall not be disclosed outside the Purchaser and shall not be duplicated, used or disclosed in whole or in part, for any purpose other than to evaluate the acceptance of PB’s offer.

**15. – Severability**

Should any term, clause or provision contained in these Conditions be declared or held invalid by a court of competent jurisdiction, such declaration or holding shall not affect the validity of any other term, clause or provision contained in these Conditions. The parties agree to replace immediately the invalid clause/s for a clause that is as close as possible to the original intention of the parties and has the same or as similar as possible economic effect.

**16. – Applicable law and jurisdiction**

All contracts between PB and the Purchaser are exclusively governed by the laws of the Federative Republic of Brazil, with exception of the United Nations Convention on Contracts for the International Sale of Goods which are hereby excluded. Any disputes arising out of or in connection with these contracts shall be irrevocably submitted to the ordinary courts of the city of Cuiabá, State of Matto Grosso, Federative Republic of Brazil.