

SMU S.A.

**INTERNATIONAL MERCHANDISE PURCHASING
MANUAL**

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1. General considerations

1.1 Objective and audience of the International Merchandise Purchasing Manual

The purpose of this document, entitled International Merchandise Purchasing Manual, is to set – within a standard, transparent framework – the general terms, conditions and objectives that shall govern SMU's relationships with its international merchandise suppliers, in conformity with the agreed-upon Incoterm.

Suppliers shall have access to this Manual before signing the respective International Supply Agreement. This Manual shall establish the general principles under which the Supplier shall supply, sell and deliver its products and/or merchandise to for sale to the public SMU S.A. as well as how SMU S.A. shall pay for the merchandise.

Upon acceptance of a purchase order, the Supplier shall be understood to have accepted this document and the rights and responsibilities established herein. The Supplier is absolutely free to do business with SMU S.A. and, thus, accept or reject a newly issued purchase order.

1.2 Definitions

- i) International Supply Agreement:** A contract used to establish long-term agreements between SMU and a manufacturer (Supplier) that supplies products at predetermined prices. Operations are conducted via periodic (monthly, quarterly, etc.) purchase orders.
- ii) Purchase Order or Proforma Invoice:** A written order issued by SMU, via any means or support, that communicates SMU's unequivocal intention to acquire from the Supplier the products indicated therein. The document must include the SAP purchase order number.
- iii) Supplier:** Any individual or legal entity that occasionally, sporadically or periodically provides SMU S.A. with merchandise for sale to the public. Each mention of Supplier(s) herein shall be understood to refer to this definition.
- iv) Beneficiary:** A third-party appointed by the Supplier to accept and receive payments derived from the International Supply Agreement with from SMU.
- v) Certificate of Origin:** A document that certifies country of origin and serves as proof that the merchandise was manufactured in the stated country. Certificates of origin are used to access preferential tax tables for imports and to levy the corresponding tariffs in the destination countries. The merchandise description must coincide with the commercial invoice and packing list (number, merchandise description, names of the sender and the recipient, brands, etc.)

- vi) **Credit Note:** A legal tax document that a company (Supplier) sends to SMU as proof of reimbursement for a certain amount for the reasons listed thereon.
- vii) **Recovery:** Action through which the Supplier refunds SMU for the value of a product or service that could not be delivered or completed in its entirety.
- viii) **SMU:** SMU S.A., its subsidiaries and related companies that operate in the supermarket industry, through brands including Unimarc, Mayorista 10, Alvi, Ok Market, Abu Gosch and Telemercados.
- ix) **Incoterms:** A set of international trade terms used to set the criteria for distributing costs and transferring risk between the buyer and seller in an international trade transaction agreement.
- x) **Commercial Invoice:** Document issued by the Supplier upon shipment of the merchandise. It has an accounting function for both the seller and the buyer. At a minimum, this document must contain the following: the date; the name and corporate name of the seller and the buyer; the exact name and quantity of merchandise; the unit and total price of the merchandise in the agreed-upon currency; the method and terms of payment and the merchandise delivery terms.
- xi) **Packing List:** A supplier-issued document that must contain the complete, detailed information for the merchandise listed on the commercial invoice. At a minimum, this document must contain the following: identification of the corresponding invoice; the date; the name and corporate name of the seller and the buyer; the number of packages; the exact name and type of merchandise packaging; brand identification; package numbers and the contents of each; and the gross, net and cubic weight.
- xii) **CMR:** A document that establishes the responsibilities and liabilities of each party involved in a contract for the international carriage of goods by road.

2. Supplier and products

2.1 Supplier

The Supplier must submit to SMU at least the following documents within the ten days prior to executing an International Supply Agreement:

- Business license, taxpayer ID number or similar;
- Contact information for the individual designated by the Supplier to act as SMU's business counterpart.

With prior written approval from SMU, the Supplier may designate a third party as a beneficiary (“Beneficiary”) to accept and receive payments derived from the respective International Supply Agreement with SMU. In that case, the Supplier shall submit the aforementioned documentation for the Beneficiary, and the Beneficiary Identification and Conditions form, signed by the Supplier’s legal representative. The agreement shall be governed by the rules established therein. Under this scenario, the Supplier-issued commercial invoice must list the Beneficiary designated by the Supplier.

The products, which the Supplier shall sell to the Beneficiary at the request of SMU and in accordance with SMU’s needs, shall be listed in the annexes, which, for all legal purposes, are understood to be an integral part of the respective International Supply Agreement.

In the event that the liabilities and rights outlined in the Annexes directly or indirectly contravene any of the rules established herein, the former shall prevail.

2.2 Rules for suppliers

Suppliers must abide by the applicable labor and environmental protection legislation in their country and always act ethically and responsibly. SMU encourages business practices consistent with its own principles and requires its suppliers, their beneficiaries, their employees and any business partners to uphold a set of ethical standards. SMU firmly intends to conduct its business responsibly and is committed to building relationships with its business partners and their employees based on the highest ethical principles.

Thus, the Supplier agrees to uphold the following standards:

(i) Child Labor

SMU suppliers are prohibited from using child labor, as defined in the applicable legislation in their country. Regardless of local law, suppliers may not hire minors under the age of 16 or the age until which schooling is compulsory. When working conditions may pose some danger, suppliers shall hire employees older than 18.

(ii) Forced or Involuntary Labor

SMU suppliers are prohibited from using forced or involuntary labor, debt bondage or involuntary prison labor.

(iii) Disciplinary Measures and Harassment

Suppliers must treat employees fairly, with dignity and respect. SMU suppliers shall not tolerate or use corporal punishment, threats of violence or other forms of physical, psychological abuse or sexual/workplace harassment of employees.

(iv) Health and Safety

Suppliers must provide their employees with a safe and healthy environment that complies with all labor laws and regulations in their country. The Supplier's employees must have access to potable water, sanitary facilities and proper first aid supplies. All workplaces must have fire safety equipment, lighting and adequate ventilation.

(v) Environmental Requirements

Suppliers must abide by all applicable environmental laws and regulations in their country.

(vi) Salaries and Wages

Suppliers must abide by their country's applicable laws and regulations on remunerations, including salaries, overtime and similar items.

(vii) Benefits

Suppliers must provide their employees with all the benefits mandated by local legislation or regulations, including, if required, meals, transportation and health benefits.

(viii) Legal Compliance

Suppliers must abide by all applicable laws and regulations in their country, including national codes, treaties and industry standards on employment, health, safety, the environment and similar matters.

3. Proforma Invoice

To place an order, SMU shall issue the Supplier an individual Proforma Invoice (PI). All Proforma Invoices shall be subject to the terms, conditions and provisions established therein¹, in this Manual and the respective International Supply Agreement. In the event that the terms in this Manual or the respective International Supply Agreement contradict those of a given Proforma Invoice, the latter shall prevail. The Supplier shall supply products that strictly fulfill the Proforma Invoice in type, quantity and the agreed price. For all legal and contractual purposes, the Proforma Invoice shall be considered part of the International Supply Agreement.

Upon acceptance of a Proforma Invoice, the Supplier shall be understood to have accepted this document and the rights and responsibilities established herein.

¹ SMU operates via Proforma Invoice, which shall include at least the following fields: 1) Proforma Invoice Title; 2) Date of issuance; 3) Supplier Information, e.g.: trade name, corporate name, ID number, contact information, address, etc.; 4) SMU Information: trade name, corporate name, ID number, contact information, address, etc.; 5) Exact and detailed description of the merchandise, including explicit statement of quantity or units for each product; 6) Unit price, total price and the quoted currency; 7) Date and validity period of the proforma invoice; and 8) Shipping and insurance details.

4. Payment

The parties agreed method of payment shall be listed in the Annex to their respective International Supply Agreement. Direct credit with a 45-day term is the preferred option, followed by 30%/70% upon submission of the B/L and, as a last resort, Letter of Credit.

5. Quality and inspection

5.1 Basic quality standards

The products must meet the quality, description and other specifications listed on the purchase order.

The Supplier must ensure that their products strictly uphold the technical and quality requirements indicated by SMU in the respective Annex to the respective International Supply Agreement.

The Supplier shall be fully liable for damages caused directly or indirectly by its products due to defects in manufacturing or raw materials.

The Supplier shall immediately notify SMU, in writing, of any potential risks posed by the product and/or defects that are known or should be known.

If the products have defects, SMU shall inform the Supplier, in writing, and file a compensation claim.

At their own cost, suppliers must replace the defective products within 30 calendar days of receipt of written notice from SMU. The new delivery shall be considered late or delayed. The applicable late delivery penalty shall be assessed for the time elapsed until the Supplier delivers the replacement products, in accordance with the respective Annex of the International Supply Agreement. If the Supplier does not respond within three days of the date the complaint is filed, the Supplier is understood to have accepted the complaint and the means of liquidation proposed by SMU. SMU has the right to take the corrective measures necessary to ensure the quality of the products and the Supplier shall assume all the related costs and risks.

5.2 Product inspection

SMU or a third party appointed by SMU shall inspect supplier-provided preproduction samples or the packaged products themselves. Acceptance shall always be based on SMU quality requirements. If the products are determined to be non-compliant during the SMU pre-loading inspection, the Supplier must remake and deliver them to SMU, within a reasonable time period and before the shipping date, for a second round of examination and inspection. If the Supplier fails to meet the agreed-upon delivery date, the delivery shall be considered late or delayed and late delivery penalties shall be assessed in favor of SMU, as stipulated in the respective Annex.

In the event of a failed first inspection prior to shipment, the Supplier shall assume the re-inspection cost at the current market cost per workday.

Should the products be determined to be non-compliant during the second round of examination and inspection, SMU shall have the right to, at its discretion, revoke the purchase order containing those products or the purchase of the non-compliant products. The Supplier shall be considered in breach of the International Supply Agreement and shall be liable for any loss caused to SMU. Under no circumstance does the preceding imply breach of said Agreement by SMU, which shall not be liable for any compensation to the Supplier for this item.

6 Packaging and shipment

Product packaging must be appropriate for transoceanic or long-distance highway transportation. It must be moisture-resistant, waterproof, dust-proof and pressure-proof. Suppliers shall, at their own cost, follow SMU instructions regarding packaging, delivery, packaging type and material, product and shipment marking and labeling, loading documentation, as well as other instructions SMU deems necessary. Should the Supplier fail to follow SMU instructions regarding containers and packaging, it shall be exclusively liable for any damage resulting from inadequacy or insufficiency.

The Supplier shall deliver the products to the SMU-designated location in a timely manner and shall be liable for any damage and/or losses suffered prior to acceptance of the products at the SMU-designated delivery location.

At least 15 working days prior to delivery, the Supplier shall inform SMU when and by whom the delivery will be made. On the actual delivery date, the Supplier shall submit the relevant documentation to SMU, including but not limited to the corresponding quality certificate.

6.1 Stowage considerations

6.1.1 Pallet types

Unless otherwise instructed, SMU prefers container and truck cargo stowed on four-way wooden pallets, though Euro-pallets or GMA pallets with at least two entries are also accepted. SMU recommends using GMA pallets with at least two entries so that they may be handled with both manual and electric pallet jacks.

Pallets arriving in Chile must have ISPM 15 Phytosanitary quality certification. This is the Food and Agriculture Organization's International Standard on Phytosanitary Measures No. 15, which regulates wooden packaging used in international trade and lists the phytosanitary measures to reduce the risk of introducing and/or spreading pests related to wooden packaging.

The following are examples of pallets SMU accepts:

GMA Pallets



Euro Pallets



6.1.2 Pallet position inside the container

To optimize the palletized load and achieve greater cargo stability within the container, SMU recommends considering the following packing schemes, depending on pallet type.

CONTAINER	# OF PALLETS	GRAPHIC
20' STANDARD	10 standard pallets 1.2 x 1.0m	
	11 Euro pallets 1.2 x 0.8m	
40' STANDARD	21 standard pallets 1.2 x 1.0m	
	25 Euro pallets 1.2 x 0.8m	
40' PALLETWIDE	24 standard pallets 1.2 x 1.0m	
	30 Euro pallets 1.2 x 0.8m	

6.2 Stowage bags

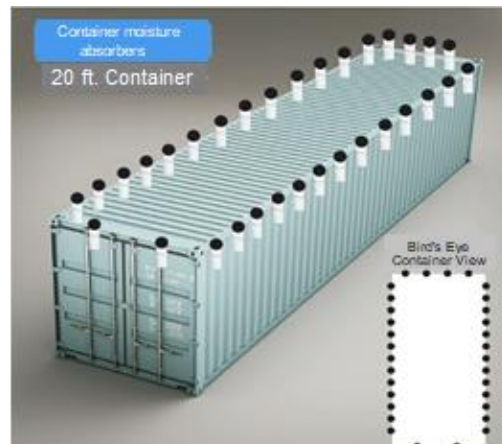
For proper stowage of pallets and cargo in the containers, SMU requires use of stowage bags in the free spaces between the pallets and the walls of the container.



6.3 Desiccant

Suppliers are required to use desiccants in maritime containers containing merchandise that must be stored in a cool, dry place, especially if the cargo is consolidated in a country with a tropical climate.

The following are recommendations for installing the dry packs and their placement within a container.



6.4 Cardboard edge protectors

Suppliers shall be obligated to use cardboard edge protectors to protect edges on the corner of the pallets. In the event of vibration or sudden movements during transport, loading and/or unloading pallets, these protectors also ensure that cargo moves uniformly.

The following example shows how edge protectors must be applied to protect palletized cargo:



6.5 Recommendations for shipment and receipt of land cargo

1. Dispatch plans for these trucks, including estimated date of delivery, approximate days in transit, etc., must be coordinated with the SMU Importation Area.
2. The PI must indicate the points related to merchandise shipment, transport conditions and timing.
3. As a minimum standard, SMU requires that trucks used to transport cargo have GPS and that the tractor not be more than seven years old. Tarp-covered loads are not permitted. Ramp height must be 1.25 m.
4. The following documentation must accompany the cargo: Commercial Invoice, Packing List and CMR. Furthermore, the quantities indicated on these documents must match each other and the physical contents of each truck.
5. Receipt of cargo in SMU distribution centers is organized by a daily schedule set a minimum of 48 hours in advance. Notwithstanding the foregoing, SMU shall not, under any circumstances, assume demurrage charges if the Supplier fails to provide the delivery information and aforementioned documentation.

Once the cargo enters Chile, the following must be considered:

1. Once a truck has been released from the Los Andes Land Port (LALP), SMU shall schedule the distribution center delivery appointment for 48 business hours after the truck is released from LALP.

2. The SMU Imports Area shall communicate the scheduled delivery appointment time to the carrier, who must arrive at least 20 minutes early to submit documentation at the gatehouse. After a maximum acceptable delay of 30 minutes, the truck shall be rejected and the appointment rescheduled subject to availability.

3. The carrier must report to the SMU distribution center with the waybill.

4. The carrier may not report to the distribution center without a confirmed delivery appointment. If the truck reports without said confirmation for some reason, it shall not be admitted under any circumstances.

6.6 Responsibilities

The Supplier is responsible for ensuring that all products always meet the quality, description and other specifications on the Purchase Order (PO) and/or Proforma Invoice (PI) as well as the information on the shipping documents for the merchandise (invoice, packing list and B/L). These documents must always accurately reflect what is physically sent to SMU at the container and full purchase order levels.

Under no circumstances may products other than those described on the PO/PI and/or extra quantities by PLU be shipped to SMU. Should that occur, it shall be considered a breach of the PO/PI and SMU may, at its discretion, reject the entire shipment at the Supplier's expense or charge the Supplier for all of the expenses it must incur due to the failure to fulfill the PO/PI.

Failure to follow a PO/PI shall be considered a serious breach of the obligations and commitments undertaken by the Supplier in its business relationship with SMU. Notwithstanding the Supplier's responsibility in accordance with current legal and regulatory standards, such breaches shall be weighed as a decisive factor in deciding whether to terminate or continue business relations with the Supplier.

6.7 Purchase order management; ROLOG

SMU's tracking system enables several SMU areas to monitor the process from purchase order issuance to arrival of the cargo at the destination port. Suppliers also use this platform to electronically perform tasks related to shipment preparation.

To request booking, the Supplier must enter the following information at the following link: <https://ecom-cl.ff.geodis.com/Rolog/Module/Login.aspx>

1. Packing list.
2. Manufacturing completion date.
3. Estimated delivery date.
4. Container type and size.



<https://ecom-cl.ff.geodis.com/Rolog/Module/Login.aspx>

7. Certificate of Origin

The Supplier must quickly and precisely identify the Country of Origin for its products so that SMU may access certain related tax benefits on its purchases.

Should the Supplier fail to quickly provide a precise Certificate of Origin and, consequently, make SMU unable to harness of the aforementioned benefits, the Supplier must issue to SMU a Credit Note for the amount that the company was unable to recover (henceforth, the "Recovery"). The Supplier must submit said Credit Note within three business days of receipt of the written request from SMU. If the Supplier does not submit the Credit Note within that period, it authorizes SMU to deduct and retain an amount equivalent to the Recovery from payments owed to the Supplier. Said deduction and retention shall be made on one or several occasions until the total amount of the Recovery is reached.

8. Transportation and transfer of risk

The Supplier must delegate product transport to a qualified transportation company. The Supplier shall be responsible for and must adequately compensate SMU for any product damage caused by the transportation company.

The Supplier may not ship products to SMU that have failed the first and/or second rounds of examination and inspection described in the preceding sections. SMU's receipt of the products shall not be interpreted as a renunciation of its right to file claims against the Supplier regarding the penalty for product defects.

The shipping date (henceforth SD) shall be stipulated on the Proforma Invoice. Any change or amendment to the SD must be agreed upon in writing by both parties. Otherwise, shipments subsequent to the SD shall be the exclusive responsibility of the Supplier and shall incur the penalties for delayed or late delivery set forth in the respective Annex.

The product risk shall be transferred to SMU in accordance with the agreed-upon Incoterm.

9. Shipment of samples

Product samples, which must be shipped at the Supplier's cost and risk, must comply with the following instructions:

Required documentation:

- a) Technical specifications for the products with complete information in Spanish.
- b) Commercial Invoice stating the real commercial price of the merchandise (Do not list "samples with no commercial value", Proforma or Proforma Invoice.)
- c) Packages containing samples may not, under any circumstances, exceed a gross weight of 19.5 kilos.

To:

RENDIC HERMANOS S.A.
CERRO EL PLOMO 5680, 7TH FLOOR
LAS CONDES, SANTIAGO, CHILE
TAXPAYER ID NO: 81.537.600-5

Requested by:

Contact: xxxxxxxx
Telephone: xxxxxxxxx
E-mail: xxxxxxxxx

10. Applicable legislation

The validity, interpretation and application of this Manual shall be subject to Chilean law.

11. Crime prevention (Law No. 20,393)

The Supplier is prohibited from engaging in or tolerating any activity that constitutes a crime, very especially, bribery of national or foreign public officials, money laundering, terrorism financing, receiving stolen goods, corruption among private entities, inappropriate business dealings, improper management, misappropriation, water pollution, or sale, storage and transportation of banned or scarce hydro biological resources. Accordingly, the Supplier expressly declares:

- That it is aware of the provisions set forth in Law No. 20,393 and thus guarantees that it shall adopt a Crime Prevention Model or, at a minimum, take the necessary and sufficient preventative steps to mitigate the risk of crime throughout the duration of this instrument. In addition, it shall respect and comply with all current legal standards that prohibit criminal conduct of any type or nature, especially those listed in Law No. 20,393.

- That it is aware of SMU's commitment to strict compliance with Law No. 20,393 and its implementation a Crime Prevention Model to prevent the crimes listed in the above-mentioned law.
- That, to date, it has not been convicted of such crimes and its representatives have not been subpoenaed under Article 22 of the above-mentioned law. Furthermore, the Supplier hereby commits to maintaining such compliance throughout the life of this agreement and agrees not to participate in or undertake, in any event or through any of its officials, managers, representatives, agents or employees, in general, any type of activity or conduct that could affect compliance with those rules.

Furthermore, the Supplier declares that it understands and accepts that it and its workers, board members, managers, advisors, representatives and all other employees are absolutely prohibited from:

- Offering, providing, giving, paying, granting, issuing or facilitating, directly or indirectly, to any employee, manager, board member, advisor or representative of SMU, commissions, shares, entertainment, gifts, bonuses, perks, omissions, waivers or any tangible or intangible, direct or indirect incentive, regardless of commercial value, on behalf of any person who intends or may intend to procure more favorable terms in any aspect of their business relationship with SMU.
- Providing items of illicit origin to SMU, particularly if they originate in one of the crimes listed in Law No. 19,913 on money laundering.
- Offering, promising or consenting to give an employee or public official, whether Chilean or foreign, an economic or other type of benefit, for that individual or a third party, on account of their position or in exchange for performing an act related to their position, refraining from doing so, neglecting their duties, exercising influence or committing a crime in the performance of their duties or so that they engage in an act or omission in order to obtain or maintain, for themselves or others, any business or undue advantage.
- Knowing its origin or not being able to avoid such knowledge, having in its possession, for any reason, stolen goods or goods that are the object of theft, receiving stolen goods or misappropriation under Article 470, number 1 of the Criminal Code; transporting, purchasing, selling, transforming or selling them in any way. Under no circumstances, may such goods be supplied to SMU.
- Depositing or ordering another entity to deposit into the ocean, rivers, lakes or any other body of water chemical, biological or physical agents of any kind that may damage said bodies of water or the hydrobiological components found therein.
- Engaging in extractive activities in benthic resource management and exploitation areas without owning the rights to do so.
- Processing, manufacturing or storing hydrobiological resources or their derivative products without verifying their legal origin;
- Pooling, transforming, transporting, selling or storing prohibited hydrobiological resources or their derivative products.

The Supplier declares that it is aware of the crime described in Article 318 ter of the Criminal Code, which establishes that anyone who, knowingly and having authority over the work of a subordinate, orders them to go to their workplace, when this is a location other than their domicile or residence,

while the worker is under quarantine or mandatory health isolation decreed by the health authority, shall be punished with ordinary imprisonment at its minimum to medium levels and shall pay a fine of ten to two hundred monthly tax units per worker ordered to appear.

Consequently, in compliance with Article 318 ter of the Criminal Code, the Supplier agrees not to order its workers who are under quarantine or health isolation decreed by the health authority to go to a workplace outside domicile or residence.

Failure to comply with any of the provisions set forth in Law No. 20,393 and its amendments shall constitute a serious breach of the Commercial Agreement and shall be sufficient motive for early and immediate termination thereof by SMU without the right to any compensation in favor of the Supplier.

Product samples, provided by suppliers or their representatives that report to SMU, for the purposes of objective analysis of their characteristics and their potential inclusion as merchandise, shall not be considered incentives, gifts, favors or donations. Such samples must be submitted at SMU offices and may only be removed from those physical spaces under exceptional, duly authorized circumstances and when necessary for product testing and/or advertising.

At the outset and throughout the commercial relationship, all Suppliers shall be subject to the review processes established by SMU, whether to assess risks related to Law No. 20,393 or to examine legal, financial, tax, commercial or other risks. Furthermore, suppliers must issue a conflict of interest statement upon doing business with SMU for the first time and update it in accordance with company procedures.

12. Code of Ethics and Business Conduct, Free Competition and Good Faith

Relationships between SMU and its Suppliers must be agreed upon and executed in strict compliance with current Chilean law and the principles of good faith, cooperation and reciprocal loyalty. Both parties agree not to engage in practices that may be categorized as disloyal or illegal or poor business practice or conduct contrary to the SMU Code of Ethics and Business Conduct.

Full respect for regulations on free competition is an essential condition for SMU supplier relationships, such that any breach on these matters by the Supplier is cause for SMU to immediately terminate the International Provision Agreement and its Annexes without the right to any compensation for the Supplier. SMU declares that it does not consent to any type of anti-competitive practice.

SMU has codified its values and principles in a Code of Ethics and Business Conduct, which is available on the company's website and sets out a coherent framework of shared action and provides guidelines for daily activities, business ethics and personal integrity. SMU expects the same of its suppliers, advisors and contractors.

13. Complaints and queries channel

SMU has set up an anonymous and confidential complaints and queries channel where its clients, employees, suppliers, service providers, contractors and third-party stakeholders may report violations of the Crime Prevention Model, Code of Ethics and Business Conduct and/or current legislation. The complaints and queries channel can be accessed via:

- The Company website, through the Complaints and Queries link.
- A letter submitted in a sealed envelope and addressed to “Crime Prevention Officer,” Cerro El Plomo No. 5680, 10th floor, Las Condes, Santiago.

14. Dispute resolution

Any problems or disputes that arise between the parties in relation to the application, interpretation, term, validity or execution of the respective International Provision Agreement or any other matters shall be submitted to mediation under the Rules of Mediation Procedure of the Santiago Arbitration and Mediation Centre in place at the time of request.

If mediation is unsuccessful, the problem or dispute shall be resolved through arbitration under the Centre’s Rules of Arbitration Procedure in place at the time of request.

The parties confer special, irrevocable power upon the Santiago Chamber of Commerce such that, at the written request of either part, it may appoint a legal arbitrator from among the members of the Santiago Arbitration and Mediation Centre arbitration corps.

The decisions of the arbitrator shall be final. The arbitrator shall be expressly authorized to resolve any matters related to his authority and/or jurisdiction.

15. Confidentiality

All Suppliers are required to maintain due confidentiality for business activities in the context of a free market and in strict adherence to free competition defense regulations. Based on the above, the Supplier agrees not to divulge, in any form or under any circumstances, the negotiations, conditions, price lists, product list, strategic or marketing plans, information, material or information contained in the agreements and commitments undertaken by the entities.

Similarly, SMU also agrees to keep private the agreements, negotiations and conditions agreed to with the Supplier, thus respecting its strictly bilateral relationship with each supplier and ensuring that it upholds free competition regulations at all times.

All of the information to which the Supplier gains access through or as a result of the delivery of merchandise and/or provision of services is confidential in nature. As such, without prior written authorization from SMU, the Supplier may not disclose said information to third parties or use it for purposes other than the delivery of goods and/or provision of services.

The duty of confidentiality shall remain in force, even in the event of termination of the Business Agreement and its annexes.

This duty of confidentiality does not protect information which: i) having been revealed under terms of confidentiality enters the public domain without violating the duty of privacy stipulated in this document; ii) was developed independently without the use of confidential information provided by SMU; iii) was in the custody of the Supplier prior to its relationship with SMU; or iv) is requested by the authorities, whether administrative or judicial, as long as the Supplier immediately notifies SMU prior to furnishing the information so that SMU may take the measures it deems pertinent. Furthermore, the Supplier agrees to provide only the information expressly requested. If the authority has not specified the type of information requested, the Supplier must do its best to

maintain the confidentiality of as much information as possible.

16. Intellectual property rights

Logos, registered trademarks, commercial brands and SMU's company name or those of its affiliates shall remain property of SMU at all times. The Supplier may not use them in any way without prior written authorization from SMU.

Logos, registered trademarks, commercial brands and company names of the Supplier and/or third parties shall remain the property of their respective owners at all times.

The Supplier may not sell any product that bears the logo, registered trademark, commercial brand or company name belonging to said owner of intellectual property rights without prior written consent from the owner of the intellectual or industrial property rights.

The Supplier shall ensure that the products it provides do not and shall not infringe upon the intellectual property rights of third parties. Should a third party claim any intellectual property rights for the products, the Supplier shall assume all liability and expenses. It shall compensate SMU and SMU clients for any losses or damages incurred as a result of the dispute over intellectual property rights to the Supplier's products and must exempt SMU and/or SMU clients from all liability.

SMU has the right to terminate the respective International Supply Agreement and/or revoke any transaction between the parties as well as seek damages and compensation if the Supplier fails to respect SMU's intellectual property rights or violates clauses.

17. Force majeure or acts of God

Either party shall immediately notify the other in the event of a violation of all or part of the International Supply Agreement due to *force majeure* or an act of God. The notifying party must provide proof, issued by a competent authority, within 30 (thirty) days.

Neither party shall be responsible for compensating the other if the delay in or lack of execution is caused by duly accredited *force majeure* or an act of God.

18. Absence of a labor relationship

SMU is a legal entity independent of the Supplier, and, under no circumstances, shall it be considered to be employed by the latter or vice versa. The parties expressly declare that, for all legal purposes, the relationship governed by this document is a commercial or civil relationship and not a labor relationship. Consequently, all staff who perform tasks related to the provision of services or merchandise for SMU shall be individuals hired by the Supplier in accordance with the terms set forth in the next paragraph.

The parties declare that the relationship governed by this Manual may not, under any circumstances, be interpreted as creation of a permanent association, joint venture, community or company of any kind between them.

SMU shall have no labor relationship of any kind with the employees, contractors and/or subcontractors of the Supplier, who shall be solely responsible for the actions of said parties as well as proper and timely fulfillment of the obligations set forth in labor, benefits, social security, tax and any other legislation applicable to its workforce, contractors and/or subcontractors.

19. Notifications and communications

Communications and notifications between the parties shall generally be sent via email or certified letter to the email address and domicile listed by the parties on the respective International Supply Agreement.

SMU shall not be responsible for the consequences of any change in email or physical address not reported in a timely manner. Furthermore, SMU shall not be responsible for the consequences arising from communications sent by SMU to the Supplier's listed email or postal address, but that have not been received by the Supplier, even when the cause(s) of the delivery failure are not attributable to the Supplier.

20. Changes to the manual

SMU may modify this International Merchandise Purchasing Manual at will, as long as it communicates said changes at least 10 days before they become effective. Modifications shall be published on the web page www.smu.cl.

Annex: Sample Proforma Invoice



SUPPLIER XXXXXX

PROFORMA INVOICE

Corporate name:
Address:
Contact name:
E-mail: Phone:
Fax:

To:
RENDIC HERMANOS SA
CERRO EL PLOMO
5680, FLOORS 7-11
LAS CONDES




Prof/Invoice No.:
Date:
Payment Term:

SANTIAGO, CHILE
Taxpayer ID No.: 81.537.600-5

Delivery Date:
Terms of sales:
Transport:
Port of Loading:
Origin Country:

Buyer:

To:
Page: 1 / 2

PHOTO	SUPPLIER REFERENCE	PLU	DESCRIPTION	QUANTITY	UNITS PER CASE	TOTAL CASES	CBM/CTN	TOTAL CBM	FOB PRICE	TOTAL
	FO8FRT	345279	WOODEN TOY TRAIN	1,440	12	120	0.03	3.600	USD 1.50	USD 2,160
	UTSDC	TO BE CONFIRMED	PDQ KITCHEN UTENSILS	179,992	604	298	0.07	20.860	USD 1.20	USD 216,265
	TBSHP	457389	LIGHT BULB	12,500	50	250	0.09	22.500	USD 0.69	USD 8,625
				193,932				46,960	TOTAL	USD 227,050

Transfer Instructions

Beneficiary
Address

Bank Name :
Account
Address:

Shipment details:

Tolerance : +/- 5% in quantity and amount are permitted for the container
Containers : 1 X 20' GP + 3 X 40' HQ
Number of shipments : 1st shipment in March and 1x40' HC per month
Production Time : 60 days after sample approval and advance payment
Transport temperature : +15 °C -18 °C



SUPPLIER XXXXXX

Corporate name:
Address:
E-mail:
Phone:
Fax:

PROFORMA INVOICE

To:
RENDIC HERMANOS SA
CERRO EL PLOMO
5680, FLOORS 7-11










Prof/Invoice No.:
Date:
Payment Term:

LAS CONDES
SANTIAGO, CHILE
Taxpayer ID No.: 81.537.600-5

Delivery Date:
Terms of sales:
Transport:
Port of Loading:
Origin Country:

Buyer:
XXXXXXXX

To:
Page: 1 / 2

PHOTO	SUPPLIER REFERENCE	PLU	DESCRIPTION	TOTAL UNITS	CAPACITY BY COMPONENT	TOTAL PDQ	CBM/CTN	TOTAL CBM	FOB PRICE	TOTAL
	XXXXX1	TO BE CONFIRMED	WHISK	20,264	68	298	0.03	8,940	USD 0.60	USD 12,158
	XXXXX2	TO BE CONFIRMED	SILICONE BRUSH	20,264	68	298	0.09	26,820	USD 0.57	USD 11,550
	XXXXX3	TO BE CONFIRMED	SCRAPER	20,264	68	298	0.07	20,860	USD 5.60	USD 113,478
	XXXXX4	TO BE CONFIRMED	SLOTTED SPOON	20,264	68	298	0.09	26,820	USD 0.62	USD 12,564
	XXXXX5	TO BE CONFIRMED	SPATULA	20,264	68	298	0.09	26,820	USD 0.65	USD 13,172
	XXXXX6	TO BE CONFIRMED	LADLE	20,264	68	298	0.09	26,820	USD 0.69	USD 13,982
	XXXXX7	TO BE CONFIRMED	PASTA SERVER	20,264	68	298	0.09	26,820	USD 0.67	USD 13,577
	XXXXX8	TO BE CONFIRMED	FLAT EDGED SPOON	20,264	68	298	0.09	26,820	USD 0.69	USD 13,982
	XXXXX9	TO BE CONFIRMED	TONGS	17,880	60	298	0.09	26,820	USD 0.66	USD 11,801
				179,992						USD 216,265

Characteristics

Size
Color
Side
Weight
Base

Transfer Instructions

- Beneficiary
Address