

PAYMENT BASICS& CONDITIONS

Commercial & Financial & Contract

1. **Total Price:** the offer is quoted based on **CIF Price** in USD, consisting of two price phases as follows:
(i) **commodities /equipment/machines**, (ii) **engineering works& services**.
Commodities are the items, equipment, machine, production line ,.. defined as **Direct Sale**.
Engineering works& services include all charges to initiate, activate and manage the direct sale of commodities /equipment/machines, such as deposit, appraisal, performance& operations study, inspection and test inland& abroad, travel& accommodation, set up& startup, technical support, organization, guarantee, training, after sales service... which are mainly coordinated by **ABD Co**.
2. **Invoice:** the total price will be partially invoiced into two amounts as follows:
2-1 Foreign Invoice: (50%-80%), in USD, by the foreign Supplier/Manufacturer.
2-2 ABD Invoice: (20%-50%), in EGP, by **ABD Co**, invoice title& items: Engineering Works& Services.
The related amount will be transformed from USD to EGP as per exchange rate of Egyptian Central Bank at dues date. VAT or any kind of tax is to be added.
3. **Payment Method:** either, via LC: 100% at sight for each payment term,
Or, via T&T: 50% (in advance) as down payment, 50% (balance) before shipment.
4. **4. Contract (or PO):** is defined as **Integrated Contract**, as follows:
4-1 Foreign Contract (Proforma Invoice): in USD based on CIF-Egyptian Port, with the foreign Supplier/Manufacturer. Its full amount will be definitely stated by (50%-80%) of Total Price.
4-2 Local Contract: in EGP, with **ABD Co**.
ABD Co is the dominated party in both foreign and local deals. Proforma Invoice must state the Integrated Contract No.
5. **Documents& Delivery:** Delivery to any Egyptian Port, based on CIF, and the documents as follows:
5.1 The Supplier/Manufacturer in China will issue the shipping documents according to Incoterms 2010, legalized as per needed in Egypt, and equal to its related amount, in USD.
5.2.1 ABD Co will issue a commercial invoice and Letter of Quality Guarantee for the commodities.
5.2.2 The description of the invoice will stipulate in details the "Engineering Works& Services" for the mentioned items in contract or PO, and equal to its related amount plus VAT tax, in EGP.
6. All certificates, proforma, invoices,.. must state the PO No, and the Integrated Contract No.
7. All above mentioned terms have been finally set up according to multiple commercial& financial factors have been highly considered due to pending procedures and restrictive regulations of governmental authorities in both Egypt& China, such as Central Bank rules, customs declaration, taxes system, saving& remittance& exchange rate of foreign currency...

GENERAL TERMS:

1. Before Shipment

1.1 Inspection and Test:

1.1.1 After the machines are finished, **ABD Co** will send their representative to manufacturer's factory for final inspection before shipment.



1.1.2 In this agreement, the customer will send his representative to manufacturer's factory in China for test, inspection and acceptance before shipment.

1.1.3 The Customer (Buyer) will bear the round-trip air ticket for his engineer(s) to China. The Seller or **ABD Co** is responsible to bear expenses generated, e.g., meals, accommodation, inland travel.

2. After-sales service

2.1 Technical documents

All the symbols on the equipment should be in English. Seller is responsible to provide general layout plan, electric plan, installation direction, and manual book in English to Buyer on time.

2.2. Arrangement for inspection, installation and testing work

a. After all machines are delivered to customer's factory; **ABD Co** is the organizer, and coordinator of requirements and topics between buyer and seller. The buyer is responsible for all preparation work, e.g. electricity supply, water supply, labors and cranes, etc.

b. By request, **ABD Co** will prepare for visa application for their engineers, who are responsible for guide of machine installation and testing at the Buyer's factory.

c. The Buyer will buy the round-trip air ticket for Engineer if visa application is approved. The buyer is also responsible to bear expenses generated, e.g. visa formalities, meals, accommodation and allowance of **USD100** per day for each engineer.

d. Engineer will give free training lessons to labors in buyer's factory.

e. If buyer doesn't request installation and commissioning by Seller's engineer in 4 months since date of bill of lading, which to be accounted all the machines has been successfully tested by buyer.

2.3. Quantity and quality guarantee

a. Quantity/Quality Discrepancy to destination port during transportation:

In case of quality/quantity discrepancy to destination port in transportation, customer should file claim within 30 days after the arrival of the goods at port of destination. Insurance company and shipping company will be responsible for any discrepancy of the goods caused by shipping company and other transportation organization and/or post office.

b. Guarantee period and after-sales services: 13 months since date of bill of lading. During this guarantee period, **ABD Co.** will provide spare parts without any charge in case of quality discrepancy caused by us. If the malfunctions are caused by your incorrect operations, **ABD Co.** will provide the buyer spare parts at cost price.

c. Long-term service:

ABD Co will charge the buyer cost price of spare parts beyond one year and provide long-term technical guide.

Thanks for your cooperation

Eng. Abdallah Salah Zaki