



Alico Egypt General Terms of Purchase			
Date	25/08/2015		
Revision	08-15-001		
Originator	I.S		
Revised By	E.K	A.H	

## ALICO EGYPT GENERAL TERMS OF PURCHASE

**1. Definitions and agreed terms:** The "Terms and Conditions" means these General Terms of Purchase, the Purchase Order and its terms and conditions, and any other documentation which is specified therein. In the event of a conflict between the terms and conditions of the Purchase Order and these General Terms of Purchase, the terms and conditions of the Purchase Order will prevail. The term "Buyer" means Alico Egypt or the entity procuring Materials. The term "Supplier" means any individual, corporation or other entity that is to perform, or provide the Materials under these Terms and Conditions. The term "Materials" means all items, goods, equipment, labor, testing, engineering services or other services that are the subject of the Purchase Order. Both parties have agreed that Alico Egypt Letter of Bid and Request for Quotation forms are considered a part of these Terms and Conditions. Additional terms, conditions, or instructions applicable to a particular purchase may be specified in Alico Egypt Particular Conditions separately executed by Buyer and Supplier.

**2. Packaging:** The Supplier warrants that the Materials referred to in the Purchase Order shall be boxed, crated, and packaged in accordance with any special requirement specified in the Purchase Order, or in the absence of such requirements, in accordance with standard commercial practices. Prior to any shipment/delivery, each box, crate, bundle, package, and piece shall be clearly stenciled, marked or otherwise identified with shipping symbols, serial numbers, weights, measurements, and other identification as may be directed by the Buyer or reasons necessary to facilitate due delivery. The Buyer will pay no packing charge or any additional charge for such marking and identification. The Supplier must warn the Buyer of any precautions to take when unloading dangerous or radioactive products.

**3. Delivery:** Deliveries of Materials are to be made both in the quantities and at the times specified in the Purchase Order or other written instructions from the Buyer within these Terms and Conditions. The Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments. Deliveries shall be made at Supplier's expense to Buyer's plant or as otherwise indicated. The Buyer shall have the right to return or reject non-satisfactory or non-required Materials, with any resulting cost paid by Supplier. If the Supplier did not meet any of the delivery dates, specifications or quantities set forth in the Purchase Order or if the Materials supplied with workmanship defects, the Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel the applicable portion of the Purchase Order by notice to Supplier. The Supplier will also pay any and all storage, demurrage, and other costs arising from the early or late delivery of Materials, or otherwise arising from any cause other than the breach of the Terms and Conditions by the Buyer. Without limiting the foregoing, the Supplier shall insure the Materials in transit until delivery to the Buyer and shall be responsible for filing and pursuing claims with carriers for loss of, or damage to, Materials in transit.

**4. Price/Payment Terms:** The Supplier warrants that the prices set forth in the Purchase Order are fixed and complete and will not be varied for any reason without the express consent in writing of the Buyer. The prices shall include all taxes, duties and customs. Unless otherwise expressly set forth in the Purchase Order, the payment terms are ninety (90) days after receipt by Buyer of the Materials and Supplier's valid invoice therefore, and/or after the bill of lading for Materials and services supplied from outside Egypt.

**5. Delayed Payment:** If the Supplier does not receive payment in accordance with the agreed period, the Supplier shall be entitled to receive financing charges compounded monthly on the amount unpaid during the period of delay. Unless otherwise stated, these financing charges shall be calculated at the annual rate of the credit and the discount rate of the central bank in the country of the currency of payment, or if not available, the interbank offered rate, and shall be paid in such currency.

**6. Invoices:** Unless otherwise set forth in the Purchase Order, Supplier shall issue to the Buyer a separate invoice for each delivery. The Supplier shall promptly submit correct and complete invoices with appropriate supporting documentation and other information reasonably required by the Buyer after delivery of the Materials, and the Buyer may withhold payment of any invoice that it disputes until a correct and complete invoice and other required information is received and verified. The deduction of such damages shall not relieve the Supplier from his obligation to provide the Materials or from any other of his obligations, and liabilities under the Purchase Order and these Terms and Conditions.

**7. Inspection/Rejection:** Payment for the Materials ordered in the Purchase Order shall not constitute acceptance thereof. Buyer's employees, agents or third party appointed by the Buyer, may, prior to delivery and upon reasonable notice, at any reasonable time during Supplier's normal business hours, enter Supplier's premises (or any other location) to inspect and test the Materials, for the purpose of confirming Supplier's compliance with the requirements of the Terms and Conditions. Supplier shall, at its expense, furnish or cause to be furnished facilities, equipment and assistance reasonably necessary to ensure the safety and convenience of any such inspections. Buyer has the right to reject Materials (or tender thereof) that do not conform strictly to Buyer's specifications or other requirements set forth in the Terms and Conditions, without waiving Buyer's right subsequently to reject or revoke acceptance of such Materials for any defects. With respect to any nonconforming Materials, the Buyer may, at any time and in its sole discretion, in addition to any other rights or remedies available to the Buyer by law or under the Terms and Conditions, (i) return any such Materials to the Supplier for reimbursement, credit, replacement, or repair, at Buyer's direction, or (ii) correct, rework, or repair any such Materials with all costs associated therewith to be charged to and paid by the Supplier. Any Materials rejected by the Buyer and returned to the Supplier will be returned at Supplier's risk and expense, with the cost of repackaging, reshipping, handling, inspection, and any other costs incidental thereto to be paid by the Supplier. In no event shall the inspection or testing of any Materials, the failure to do so, or the failure to discover any defect or other nonconformance before or after delivery to the Buyer, relieve the Supplier from exclusive responsibility for furnishing Materials in strict conformance with Buyer's specifications and other requirements or impair or waive any right or remedy of the Buyer with respect to Supplier's performance hereunder.

**8. Termination/Cancellation:** The Buyer may terminate or cancel the Terms and Conditions, in whole or in part, without liability by written notice to the Supplier and without prejudice to any other rights or remedies that the Buyer may have, upon the occurrence of (a) Supplier's default of any provision or requirement of the Terms and Conditions, and/or (b) Supplier's suspension of business, insolvency, reorganization or arrangement or liquidation proceedings, assignment for the benefit of creditors, appointment of a receiver for Supplier or Supplier's property, or the Supplier having been adjudged bankrupt. In the event of such termination or cancellation, the Buyer may complete Supplier's performance of the Terms and Conditions by such means as Buyer selects, including the use of any third party, and the Supplier shall be responsible for any additional costs incurred by the Buyer in so doing. If applicable, the Supplier shall promptly deliver or assign to the Buyer any work in progress as the Buyer may request. Any amounts due to the Supplier for delivered Materials in full compliance with the Terms and Conditions prior to such termination or cancellation shall be subject to setoff of Buyer's additional costs incurred in completing the Terms and Conditions and other damages incurred by the Buyer as a result of Supplier's default. In addition to any other remedies available to the Buyer, the Buyer is granted a right of set off and is hereby authorized to deduct any amount payable from any payment which may at any time become due or have become due to the Supplier, whether under these Terms and Conditions or otherwise and whether or not Supplier shall have assigned to another its rights to receive amounts that the Buyer is required to pay under these Terms and Conditions or other agreement.

**9. Changes:** Buyer may, at any time, by ten days prior notice in writing, make changes to the quantity of Materials ordered (within a range of +/- 10%) as well as the date of delivery (within a range of one week). If any such change causes an increase or decrease in the cost of or time required for the performance at work under the Purchase Order, an equitable adjustment, subject to the approval of Buyer, will be made to the price or delivery schedule, or both, and the Purchase Order will be modified in writing accordingly. Any other change will require agreement between the parties.

**10. Liquidated Damages for Delays:** If the Supplier fails to deliver all or any of the Materials ordered in the Purchase Order within the time specified therein, the Buyer shall be entitled to liquidated damages payment of 1% of the Purchase Order price per week of delay with an upper limit of 10% of the Purchase Order Price, except otherwise agreed by the Buyer and Supplier. In addition to the above, the Supplier shall indemnify the Buyer against any claim loss, damage or expense due to or resulting from Supplier's delay to deliver any of the Materials ordered in the Purchase Order within the time specified therein. Notwithstanding the above, the Buyer, at its option, may also decide to terminate the Purchase Order and/or claim for additional damages under the terms hereof.



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**11. Force Majeure:** Neither Buyer nor Supplier will be liable for any delay in or failure to perform its obligations hereunder for causes beyond its control that were not caused by the affected party's fault or negligence, provided that the affected party notifies the other party in writing of such events as soon practicable and not later than 14 days after the party became aware, or should have become aware, of the relevant event, and gives the other party an estimate of when it will be able to resume full performance. If the Buyer delays delivery or acceptance of Materials for causes beyond its control, Supplier shall hold such Materials at the direction of the Buyer and shall deliver them when the cause of the delay has been resolved. The affected party shall use commercially reasonable efforts to anticipate and mitigate the effect of any such events and to resume full performance as soon as possible. If the Supplier is unable to perform its obligations hereunder for any reason, the Buyer may purchase the Materials from other sources and reduce its purchases from Supplier accordingly without liability to Supplier. If any delay exceeds thirty (30) days from the original delivery date, the Buyer may cancel any affected order without any liability. If the Supplier's production is only partially restricted or delayed, Supplier shall use its best efforts to accommodate the requirements of the Buyer, including giving any affected order priority over those of other customers whenever possible.

**12. Warranty/Guarantee:** Supplier warrants/guarantees that (a) the Materials to be supplied to the Buyer or the works to be performed hereunder will conform to the BOQ, specifications, description and drawings, if any, and all agreed conditions set forth or referred to in the Terms and Conditions, (b) such Materials will be free from defects in design, material and workmanship, (c) Supplier possesses the skills, professional ability, permits, licenses and certificates necessary to provide the Materials, (d) the Materials do not infringe any third party intellectual property rights and (e) Supplier declares the lawful origin of the delivered Materials and guarantees that it has good and full title to the Materials, free and clear of all security interests, liens, charges and other encumbrances. Unless a longer period is specified by law or in a separate agreement between Buyer and Supplier, such guarantees will extend for a period of twelve (12) months from the receipt by the Buyer of the Materials. For breach of any of the above guarantees and in addition to all other remedies that the Buyer may have, Supplier, at its sole expense, will (a) replace the defective materials with conforming Materials at Buyer's Plant where the Materials were originally shipped. Only in case that replacement is not feasible within the timeframe required by Buyer or if it is otherwise required under country legislation, at Buyer's option Supplier will (b) repair the defective Materials or (c) repay to Buyer the purchase price of the defective Materials. If Buyer selects repair or replacement, any defects will be remedied without cost to Buyer, including but not limited to, the costs of removal, repair and replacement of the defective Materials, and reinstallation or delivery of new Materials. All such defective Materials that are so remedied will be equally guaranteed as stated above. Payment will not be claimed by Supplier as a waiver, release or acceptance to avoid fulfillment of this clause. Should the Supplier fail to remedy any defects or replace defective Materials within the time specified by Buyer, the Buyer may order the repairing on his own. Supplier will pay for any resulting costs. These guarantees are in addition to all other guarantees and warranties, express, implied or statutory, which may be applicable according to the Purchase Order. Supplier shall, at its own expense, obtain all the necessary permits, authorizations, licenses, certificates etc. required to perform the Purchase Order.

**13. Insurance:** Only if specified in these Terms and Conditions, the Supplier shall maintain a Third-Party General Liability Insurance Policy, to cover any liabilities deriving from the Terms and Conditions, which shall include, among others, Employer's Liability Insurance for bodily injury, Commercial General Liability Insurance for bodily injury, personal injury and property damage including coverage for products/completed operations and contractual liability, and Automobile Liability Insurance covering the use of all owned, not-owned and hired vehicles. The Supplier shall provide evidence from time to time of the aforesaid insurance cover and validity thereof, and that it is up to date with payment of the corresponding premium at the date of entering into the Purchase Order and any time thereafter. The insurance requirements in this clause are separate and distinct from any other obligations of Supplier contained herein, and neither the issuance of any insurance policy nor the minimum limits if specified herein will be deemed to limit or restrict in any way Supplier's liability arising under the Terms and Conditions.

**14. Supplier's Liability and Indemnification:** The Supplier will indemnify the Buyer, its employees, agents, affiliates and representatives against all liability, claims, costs, and expenses on account of the death of, personal injury or loss or damage to property of any person arising out of or in any

manner connected with the performance of the services and/or delivery of the Materials and caused by an act or omission of the Supplier, its employees, agents, invitees or contractors, in the terms legally established. Supplier will, at its own expense, defend any and all actions based on such acts or omissions and will pay all charges of attorneys and all costs and other expenses arising out of these obligations of indemnification. The Supplier will procure and maintain such insurance in connection with the works/materials delivered, as the Buyer will specify and consistent with common, prudent industry practice, with coverage written in the manner in which Supplier customarily insures comparable risks or as Buyer specifies whichever is stricter.

**15. Assignment:** The Supplier shall not assign/subcontract the Purchase Order or any of its rights or obligations thereunder, in whole or in part, without Buyer's prior written consent and any attempted assignment or delegation by the Supplier without such written consent shall be void. No assignment permitted hereunder shall relieve the Supplier of any of its obligations under the Terms and Conditions. Buyer reserves the right to assign the Purchase Order, or any of its rights or obligations thereunder, to Buyer's successors or affiliates.

**16. Notices:** All notices required or permitted hereunder will be in writing and (i) sent postage prepaid, registered or certified mail, return receipt requested, (ii) personal delivery, or (iii) by email or facsimile transmission (which must be immediately confirmed by one of the other permitted methods specified in clause (i) or (ii) above) to the addresses identified in the Purchase Order. Any such notice will be effective upon receipt.

**17. Governing Law and Dispute Resolution:** Buyer and Supplier agree that the Terms and Conditions shall be governed by and construed in accordance with the Egyptian Civil Law. The settlement of disputes, if any, shall be dealt with in the following manner: For any dispute that arises between the Buyer and the Supplier, the dispute shall be settled, under the Rules of Cairo Regional Center for International Commerce Arbitration (CRCICA) or International Chamber of Commerce (ICC) pending the Buyer's decision, and the place of arbitration shall be Cairo-Egypt. Pending the outcome of any such arbitration, the Supplier must proceed and complete with due diligence the Purchase Order and all his obligations under the Terms and Conditions. The arbitration award shall be final and binding for the parties. No arbitration shall be commenced unless an attempt has first been made by the parties to settle such a dispute amicably. The claiming party shall notify other a call, with due reference to the present clause, for a conciliation meeting, proposing three dates for the same, each with a notice of not less than 14 working days. Said notification shall include a detailed submission of the case. Failure by the other party to answer or attend the meeting shall be construed as a failure of and the end of the process of amicable settlement. At the end of the meeting, if any, the parties shall agree in writing to have a further meeting or agree therein. Writing that a settlement has been reached or, failing any such agreement, after the meeting, the most diligent party may notify to the other his intention to commence arbitration.

**18. Non-Disclosure:** All information disclosed by the Buyer orally or in writing including but not limited to patterns, drawings, documents, software or other media containing specifications, information or data will be maintained in confidence by Supplier and either certified to be destroyed or returned in good order and condition on completion of the Purchase Order or on prior request by the Buyer and will not be published or disclosed to any third party nor copied or used for any purpose other than the fulfillment of the Purchase Order, without the prior written approval of the Buyer.

**19. Severability:** If any term, provision, covenant or condition of the Terms and Conditions is held invalid or unenforceable for any reason, the remaining provisions of the Terms and Conditions shall continue in full force and effect as if this Terms and Conditions had been executed with the invalid portion eliminated, provided the effectiveness of the remaining portions will not defeat the overall intent of the Parties. In such a situation, the Parties agree, to the extent legal and possible, to incorporate a replacement provision to accomplish the originally intended effect.