

## PAYMENT TERMS & CONDITIONS :

Our Payment terms are as mentioned in the sample below :

- MT700 LC at Sight Irrevocable Revolving Confirmed ) covering at least 20% of the total contract value with the remaining 80% balance guaranteed by buyers bank - By example Contract is 1.000.000 MT guarantee can be given as follows - " 1.000.000MT x 280 = 280.000.000,- USD from which 20% = 56.000.000,- USD which need to be guaranteed with the rest remaining 80% balance ( 224.000.000,- USD ) of the contract guaranteed by buyers bank - this verbiage is mandatory by Saudi Law for a MT700 )

" 20% of the contract value to be provided by an LC MT 700 and 80% of the rest contract value to be upon in the form of Bank Guarantee which is now a total of 100%, And after each shipment received, invoices will be generated in which it will be deducted further from the Bank Guarantee."

- SBLC MT760 from World Prime bank as HSBC - Barclays - City etc..  
At Sight - Fresh Cut - Confirmed - Cashbacked - Unconditional - 365 + 1 day validity -  
By example Contract is 1.000.000 MT ( For a 12 months shipments contract the total quantity can be divided in batches and guarantee can be given based on 4 months shipments value as guarantee based on a monthly shipment delivery example of 100.000 MT - " 100.000 MT x 280 = 28.000.000,- USD x 4 Months shipments based on = 112.000.000,- USD Only which need to be guaranteed - The rest remaining 80% balance guaranteed by buyers bank does not apply here )\* SBLC value can be applied also based on 20% of the full contract value this will be depending on the Buyer Profile and Monthly quantity shipments, this will be advised after the FCO countersigning

Regarding the payment you have the below 4 options to choose from - see below samples :

### OPTION 1 :

LC MT700 : At Sight - Confirmed - Irrevocable and will be based on a LC value coverage of as below -

Total quantity of 12 Million MT divided over 2 Batches :

1st Batch 6 Million Based on a minimum LC value coverage of ; (20% of 6.000.000 MT) 1.200.000 MT / x ..... USD / MT Total LC .....,- with full guarantee from buyer's bank for the remaining 80% (4.800.000MT value x .....- USD ) .

### OPTION 2 :

LC MT700 : At Sight - Confirmed - Irrevocable and will be based on a LC value coverage of as : MT700 100% LC with a 3 Million MT x .....,- USD Coverage for the full amount .....000.000 USD renewable until the 12 Million MT finish.

OPTION 3 :

SBLC MT760 - From World Prime bank as HSBC - Barclays - City etc.. Contract - At Sight - Fresh Cut - Confirmed - Cash backed - Assignable - Transferable - Irrevocable and Unconditionally - 365 + 1 day validity - For a 12 months shipments contract with the Monthly shipment quantity of minimum 500.000MT the total quantity can be divided in batches and guarantee can be given based on 4 months shipments value as guarantee based on a monthly shipment delivery of 500.000 MT - " 500.000 MT x .....,- = .....000.000,- USD x 4 Months shipments based on = .....000.000,- USD

OPTION 4 :

- MT700 LC where besides the 20% LC coverage also the total contract amount is being guaranteed by the same bank noted in the verbiage at 47.A.1 .

Upon request our Sample verbiage is available - For a regular MT700 LC where besides the 20% LC also the total contract amount is being guaranteed by the same bank.

OPTION 5 - USED RAILS ONLY - :

LC MT700 : At Sight - Confirmed - Irrevocable and will be based on a LC value coverage of as : MT700 100% LC with a 1 Million MT x 195,- USD Coverage for the full amount .....000.000 USD renewable until the 12 Million MT finish. ( This option needs to be at least 195 USD per MT not lower!!!! )

Final payment can be of course for all 5 options by MT103 TT at discharge if required..

Trials are not accepted

Performance Bond Seller will issue 20% Performance Bond by MT760 against the Buyers LC or SBLC

Above mentioned guarantees can be followed up by final payment by MT103 after SGS Inspection at discharge Port..

Baghlaf Steel will issue an 20% PB Guarantee MT760 against the LC..

Note ; ACSIQ & CIQ are available as we are already importing for many years to China.

PRE ADVISE FOR SBLC & MT700 :

Since last mid December Saudi Banks are not responding any more on Free messages MT199 and MT799 and have advised us only to use MT760 / MT700 /MT705

We are not able nor to receive nor ourself to issue an MT199 or MT799 anymore.. as our Saudi Banks will not reply active on the Free messages anymore.

After we receive the MT760 SBLC we will issue accordingly also the same an MT760 Performance Bond Guarantee..

All our Saudi Banks the above is applicable and applied on.

Besides Bank Al Rajhi we can also manage the below Saudi based banks to receive the MT700 / MT705 or MT760 for your consideration if needed :

- SAMBA BANK ( SAUDI AMERICAN BANK )
- SABB BANK ( SAUDI BRITISH BANK ) The Saudi British Bank (SABB) is a Saudi joint stock company and co owned by HSBC Holdings plc.
- BSF BANK ( Banque Saudi Fransi (BSF) )