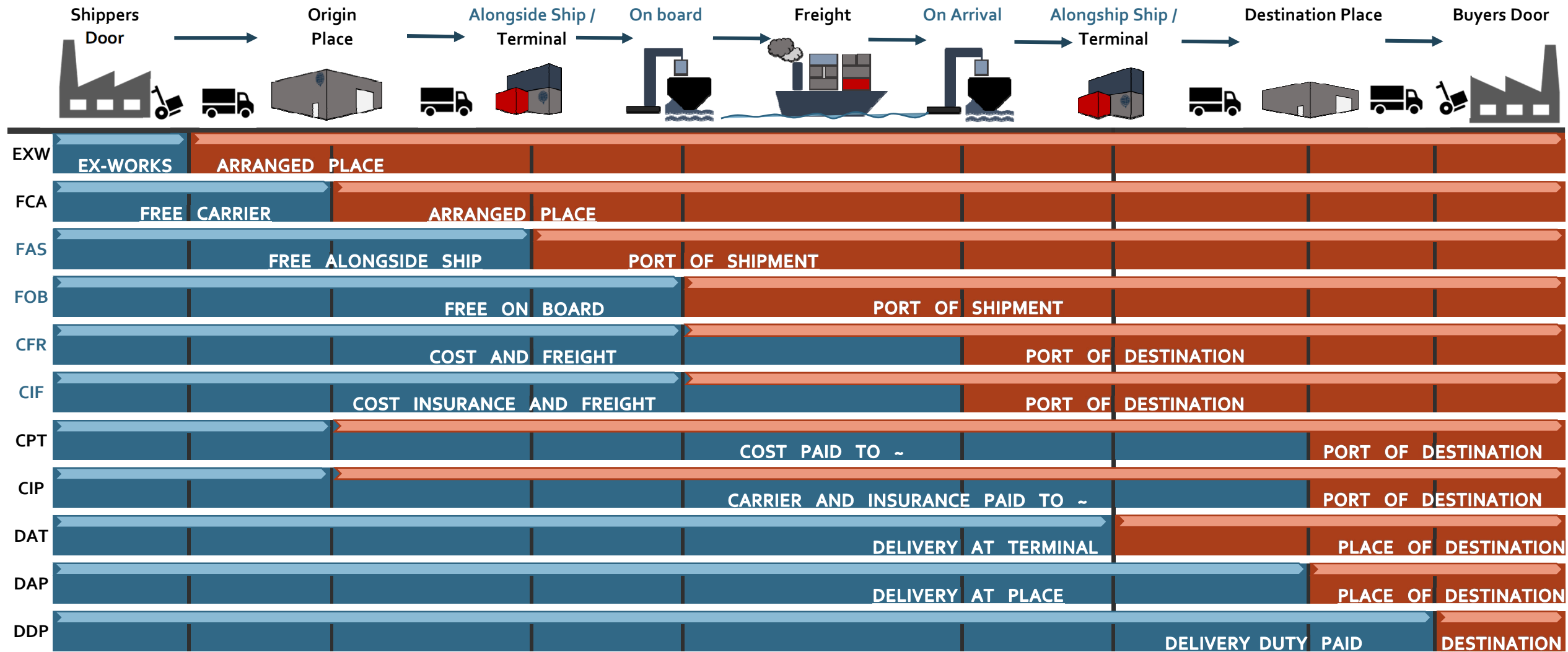


STANDARD ICC INCOTERMS 2010



** This chart is a graphical interpretation of the below defined incoterms which have been understood and independently rephrased by PGL as per the definitions provided by the International Chamber of Commerce.

<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-rules-2010/>

LEGEND

- Shipper Assumes Risk
 - Buyer Assumes Risk
 - Shipper Responsible for Cost
 - Buyer Responsible for Cost
- Risk is defined as the loss or damage of goods while in transit from shippers to buyers door.*

What are Incoterms? (International Commercial Terms) - Trademark of International Chamber of Commerce

Incoterms are a set of universal rules published by the International Chamber of Commerce that define the most commonly used terms of international shipping under sales contracts. The terms are used to define which party (seller or buyer) is responsible for cost of shipping, liability, insurance obligations, risk assumption, and etc. These terms are protected by the International Chamber of Commerce copyright and therefore have become an industry standard in terms of defining responsibility and obligations when it comes to logistics as they aid in reducing confusion and any disputes that may arise during the shipping process.

Incoterms 2020 have already been published by the International Chamber of Commerce and will be put into effect on January 1st, 2020. Once these are released, 2010 terms may still be used to define the shipping terms as long as the respective set of rules is established and agreed upon before proceeding.

Incoterms 2010 Interpretations

EXW: Ex Works | Applicable to Any Mode(s) of Transport

- The seller's responsibilities are complete when the seller has placed their goods at their premises, or another named place at origin for collection. At this point, risk and cost responsibilities transfer over to the buyer.
The seller is still responsible for procuring origin custom documents which include but are not limited to: SLI, Free Trade Agreements, Commercial Invoice, etc.

FCA: Free Carrier | Applicable to Any Mode(s) of Transport

- The seller is responsible for delivering goods to the origin carrier or any other party nominated by the buyer at the seller's door or another named point. Risk and costs pass to the buyer at the point of origin delivery by the seller.

FAS: Free Alongside Ship | Sea and Inland Water Transport Only

- The seller is responsible for delivering goods alongside the vessel intended for international export or the respective terminal or port of export nominated by the buyer. Risk and costs transfer to the buyer upon delivery by the seller.
buyer upon delivery by the seller.

FOB: Free On Board | Sea and Inland Water Transport Only

- The seller is responsible for delivering good on board the vessel, at the named port of shipment nominated by the buyer. Risk and costs pass to the buyer once the goods have boarded the nominated vessel at the nominated port.

CFS: Cost and Freight | Sea and Inland Water Transport Only

- The seller is responsible for delivering goods on board the vessel and see costs through to the nominated destination and port of discharge. Risk is passed to the buyer once the goods have boarded the nominated vessel at the nominated port.

CIF: Cost Insurance and Freight | Sea and Inland Water Transport Only

- Same as CFS incoterm with the additional requirement that the seller guarantees insurance coverage on the buyer's risk during carriage. CIF requires the seller to obtain minimum insurance coverage.
Additional coverage must be agreed upon or purchased by the buyer.

CPT: Carriage Paid To | Applicable to Any Mode(s) of Transport

- The seller is responsible for arranging and paying for transportation of goods to a named place at destination, but not insuring them. Risk transfers from buyer to the seller where and when the goods are accepted by a carrier.

CIP: Carriage and Insurance Paid to | Applicable to Any Mode(s) of Transport

- Same as CPT except the seller must is require insuring the goods at minimum coverage against damage or loss during the carriage. Additional insurance coverage above the minimum must be arranged and agreed upon by both parties prior to shipping and covered by the buyer.

DAT: Delivered at Terminal | Applicable to Any Mode(s) of Transport

- The seller is responsible for placing the goods at the buyer's disposal at a named terminal at the named port or place at destination. The seller assumes all risk and costs until goods have been unloaded at the destination's named terminal.
Once the goods have been collected by the buyer at the named terminal and port, risk and costs transfer to the buyer.

DAP: Delivered at Place | Applicable to Any Mode(s) of Transport

- The seller is responsible for placing the goods at the buyer's disposal at a named place at the named destination. The seller assumes all risk and costs until the goods have been unloaded at the destinations named place.
Once the goods have been collected by the buyer at the named place, risk and costs transfer to the buyer.

DDP: Delivered Duty Paid | Applicable to Any Mode(s) of Transport

- Basically, the opposite of Ex-Works.
Seller is responsible for seeing the delivery of goods through to the buyer's door. Responsibilities include paying for freight, clearing goods for import and export, arranging all transportation from seller's door to buyer's disposal insuring goods if required, paying duties for import and export, and procuring documents and completing all custom formalities. Seller bears all risk under this term.