



# ENERCON GROUP AE

[www.enercongroupae.com](http://www.enercongroupae.com)

## SOLAR ENERGY SOLUTIONS PAYMENT POLICY

*Effective Date: March 2026*

*Jurisdiction: Dubai / Abu Dhabi, United Arab Emirates*

*Version 1.0*

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### 1. Overview

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This Payment Policy ("Policy") sets out the payment terms, schedules, methods, and related obligations that govern all commercial transactions between Enercon Group AE ("Company") and its clients ("Client") in connection with solar energy supply, installation, EPC projects, Annual Maintenance Contracts (AMC), and consulting services accessible at [www.enercongroupae.com](http://www.enercongroupae.com).

This Policy forms an integral part of any contract, quotation, or service agreement issued by the Company and should be read alongside the Company's Terms and Conditions. By engaging our services or accepting a quotation, the Client agrees to be bound by this Policy in full.

### 2. Currency and Pricing

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All prices, quotations, and invoices issued by Enercon Group AE are denominated in UAE Dirhams (AED) unless a specific alternative currency has been agreed in writing prior to contract execution. Quoted prices are valid for thirty (30) calendar days from the date of issue and are subject to revision thereafter due to fluctuations in material costs, import duties, or foreign exchange rates.

The Company reserves the right to revise prices in the event of significant changes to the cost of solar equipment, raw materials, or logistics costs that occur after quotation but before formal contract execution, provided such changes are communicated to the Client in writing with supporting justification.

### 3. Value Added Tax (VAT) and Other Levies

All quoted and invoiced amounts are exclusive of Value Added Tax (VAT) at the prevailing UAE rate (currently 5%), unless expressly stated otherwise. VAT will be added to all applicable invoices in compliance with Federal Decree-Law No. 8 of 2017 on VAT and its amendments.

The Client is solely responsible for any applicable import duties, customs clearance charges, government levies, municipality fees, or regulatory costs associated with the project. These charges are not included in the Company's quoted price unless explicitly specified in the Scope of Work.

### 4. Standard Milestone Payment Schedule

For solar installation, supply, and EPC projects, payments are structured around project milestones to ensure alignment between financial commitments and physical progress. Unless a different schedule is agreed in writing, the following standard milestone structure applies:

#	Milestone	Payment %	Trigger / Notes
1	Contract Signing / Advance	30%	Due upon execution of contract or acceptance of quotation
2	Equipment Delivery to Site	40%	Due upon confirmed delivery of major equipment (panels, inverters, etc.)
3	Installation & Commissioning Complete	25%	Due upon system commissioning and handover of operation documentation
4	Final Retention Release	5%	Released upon Client sign-off and expiry of any snagging period

*Note: For projects valued above AED 2,000,000, a customised payment schedule may be negotiated and documented in the Project Agreement. Milestone definitions and verification criteria will be agreed in writing prior to contract signing.*

### 5. Annual Maintenance Contract (AMC) Payment Terms

AMC services are billed on an annual basis in advance. The applicable payment structure depends on the duration of the maintenance agreement as detailed below:

Contract Duration	Payment Structure	Invoice Schedule
1 Year	100% annual upfront	Single invoice upon contract signing

Contract Duration	Payment Structure	Invoice Schedule
2 Years	50% per year, in advance	Annual invoice at start of each year
3+ Years	Annual installments	Invoice raised 30 days before each anniversary

AMC invoices must be settled within fifteen (15) calendar days of the invoice date to ensure uninterrupted service coverage. Failure to make timely AMC payments may result in suspension of scheduled maintenance visits and call-out support until the outstanding balance is cleared.

## 6. Consulting and Advisory Services Fees

Solar consulting engagements are billed based on the agreed scope and fee structure outlined in the consulting proposal or service order. The typical billing arrangements are as follows:

- Fixed-fee engagements: 50% payable upon signing of the consulting agreement, with the remaining 50% payable upon delivery of the final report or deliverable.
- Time-and-materials engagements: Invoiced monthly in arrears based on actual hours logged and expenses incurred, supported by a timesheet or activity report.
- Retainer arrangements: Billed monthly in advance at the agreed retainer rate, with any additional work beyond the retainer scope invoiced separately.

All consulting invoices are due within fifteen (15) calendar days of the invoice date unless otherwise agreed in the consulting engagement letter.

## 7. Invoicing Procedures

### 7.1 Invoice Issuance

The Company will issue tax-compliant invoices in accordance with UAE VAT regulations. Each invoice will include the Company's VAT registration number, the Client's details, a description of works or services completed, the applicable milestone or period, the net amount, VAT amount, and the total amount due in AED.

### 7.2 Invoice Delivery

Invoices will be sent electronically via email to the Client's designated billing contact, unless the Client has specifically requested hard-copy delivery. The Client is responsible for maintaining an accurate and active billing email address on record with the Company.

### 7.3 Invoice Disputes

If the Client disputes any portion of an invoice, they must notify the Company in writing within seven (7) calendar days of receipt, clearly stating the nature of the dispute and the amount contested. Undisputed portions of any invoice must be paid by the original due date. The Company and Client will endeavour to resolve disputed amounts within fifteen (15) calendar days of the dispute being raised. Failure to raise a dispute within the seven-day window will be deemed acceptance of the invoice.

## 8. Accepted Payment Methods

The Company accepts payments through the following methods. All bank charges, transfer fees, and intermediary charges are to be borne by the Client, and payments must be received net of all such charges:

Payment Method	Details	Processing Time
Bank Transfer (TT)	UAE bank account — details on invoice	1–3 business days
Cheque	In favour of Enercon Group AE; subject to clearance	3–5 business days
Online Bank Portal	IBAN transfer via Client's UAE banking portal	1–2 business days
Letter of Credit	For large EPC projects (>AED 500,000)	As per LC terms

*Note: Cash payments are not accepted for any transaction. The Company does not accept payments via third-party payment apps, cryptocurrency, or barter arrangements unless specifically agreed in writing.*

## 9. Late Payment and Consequences

Prompt payment is essential to maintaining uninterrupted project progress and service delivery. The following escalation framework applies to overdue accounts:

Days Overdue	Action	Interest / Penalty
1 – 15 days	Reminder notice issued	No interest charged
16 – 30 days	Formal notice; works may be suspended	1.5% per month on outstanding amount
31 – 60 days	Works suspended; legal notice issued	1.5% per month (compounded monthly)
60+ days	Contract termination rights activated	Full outstanding balance + legal recovery costs

Interest on overdue amounts will be calculated at a rate of 1.5% per month on the outstanding principal, or the maximum rate permitted under applicable UAE law, whichever is lower. Interest will accrue from the date the payment was originally due until the date of full settlement.

The Company reserves the right to apply any payment received to outstanding interest and charges before reducing the principal balance on overdue accounts.

## 10. Advance Payments and Mobilisation

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Advance payments are required prior to the commencement of any works, procurement of materials, or mobilisation of personnel to site. The advance payment confirms the Client's commitment to the project and enables the Company to initiate procurement activities, particularly for long-lead-time equipment such as solar panels and inverters.

Advance payments are non-refundable once procurement has commenced, except in circumstances where the Company is unable to fulfil its obligations due to its own default. In such cases, the Company will refund the advance less any reasonable costs already incurred and documented.

## 11. Refund and Cancellation Policy

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### 11.1 Cancellation Before Procurement

If the Client cancels a confirmed order or contract before the Company has commenced procurement or mobilisation, the advance payment will be refunded in full less an administrative processing fee of AED 1,500 or 5% of the contract value, whichever is greater.

### 11.2 Cancellation After Procurement

If cancellation occurs after the Company has procured equipment or commenced works, the Client will be liable for all costs incurred by the Company to the date of cancellation, including the full cost of procured materials, transportation, engineering work, and a reasonable demobilisation charge. The advance payment will be applied against these costs, and any shortfall will remain immediately payable by the Client.

### 11.3 Manufacturer Defects and Returns

Equipment found to be defective upon delivery or commissioning will be returned to the relevant manufacturer or supplier at the Company's cost, and replacement equipment will be provided at no additional charge to the Client, subject to the manufacturer's warranty policy. Refunds in lieu of replacement are not offered for equipment defects; the Company's obligation is limited to providing a functional replacement.

### 11.4 No Refund on Completed Services

No refunds will be issued for consulting services, completed installation work, or AMC services where the Company has fully performed its obligations under the agreed Scope of Work.

## 12. Credit Facilities and Extended Payment Terms

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Credit terms beyond the standard payment schedule are not offered as a default arrangement. However, the Company may, at its sole discretion, consider extended payment arrangements for government bodies, large industrial clients, or long-standing commercial partners under the following conditions:

- A formal credit application must be submitted and approved by the Company's finance team prior to contract execution.
- Approved credit limits and repayment schedules will be documented in the Project Agreement.
- Credit facilities are subject to annual review and may be withdrawn or amended by the Company with thirty (30) days written notice.
- Extension of credit does not waive any right of the Company to enforce payment under these terms.

### **13. Retention Amount**

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A retention amount of 5% of the total contract value is withheld by the Client and is payable upon final project sign-off and completion of any snagging items identified during the handover inspection. The retention period shall not exceed ninety (90) calendar days from the date of practical completion unless a specific defects liability period has been agreed in writing.

Release of retention is conditional upon the Client issuing a written Completion Certificate or equivalent sign-off document. Any snagging items must be documented in writing within the agreed snagging period. Items raised outside this period will not be accepted as grounds to withhold retention.

### **14. International and Cross-Border Payments**

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For international clients or cross-border transactions, all payments must be made in AED unless an alternative currency arrangement has been agreed in writing. The Client is responsible for all foreign exchange conversion costs, international wire transfer fees, and correspondent bank charges. The Company will provide its IBAN and SWIFT/BIC details upon request for international transfers.

The Company does not accept responsibility for delays arising from international banking processes, currency controls, or regulatory holds applied by intermediary banks. The payment obligation is fulfilled only upon confirmed receipt of cleared funds into the Company's designated bank account.

### **15. Confidentiality of Payment Information**

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All financial information exchanged between the Company and the Client, including contract values, payment schedules, and banking details, is treated as strictly confidential. The Company will not disclose payment or financial information to any third party without the Client's prior written consent, except where required by applicable UAE law, regulatory authority, or judicial order.

The Client must take all reasonable precautions to protect the Company's banking and payment instructions from fraud or interception. The Company will never request a change to its bank account details via email alone. Any such request should be verified directly with the Company through a known contact number before acting upon it.

## 16. Amendments to This Policy

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Enercon Group AE reserves the right to update or revise this Payment Policy at any time. The current version will always be published on [www.enercongroupae.com](http://www.enercongroupae.com) and will apply to all new contracts entered into after the revision date. For ongoing contracts, material changes to payment terms will be communicated with a minimum of thirty (30) days written notice.

## 17. Governing Law and Dispute Resolution

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This Payment Policy is governed by the laws of the United Arab Emirates, including the laws of the Emirate of Dubai where applicable. Any disputes arising from the interpretation or enforcement of this Policy shall be resolved in accordance with the dispute resolution provisions set out in the Company's Terms and Conditions, which provide for mediation and arbitration under UAE law.

## 18. Contact for Payment Enquiries

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For all invoicing queries, payment confirmations, receipt requests, or billing disputes, please contact:

### **Enercon Group AE — Finance & Billing Department**

Website: [www.enercongroupae.com](http://www.enercongroupae.com)

All formal payment notices and dispute communications must be submitted in writing via email or registered post to the Company's registered office address.