

## PROCEDURES

We work with Refineries with Refinery's Stringent Procedures and with Buying company's world-wide with Buyer Friendly Procedures. We work as Interface between Refinery and Buyer Companies.

For all CIF Contracts with Buyer Companies, the Refinery Ships to Buyer Nominated Port on behalf of us on a Tri-Party Charter Party Agreement (CPA) signed between us, Refinery and Shipping Company. We pay the Advance Provisioning Allowance (APA) along with 50% of Shipping fees paid by Refinery on behalf of us. The Balance is paid by us after delivery. The insurance is secured by us for all CIF CONTRACTS.

WE NEVER ASK FOR ANY ADVANCE FEES FROM BUYING COMPANIES AS WE FOLLOW ICC GUIDELINES OF INCOTERMS 2010 SUPPORTED BY ICC UCP 600 FOR DOCUMENTARY CREDITS and ICC URDG 758. WE ISSUE AUTOMATIC REVOLVING 2% PB BY SWIFT MT 760 (BG) ON ALL OUR CONTRACTS. WE ISSUE POP WHICH IS WARRANTY OF THE PRODUCT AND THE 2% PB IS ITS GUARANTEE FOR ITS DELIVERY. THESE ARE FOUNDATION OF ALL OUR CONTRACTS.

BUYER & BUYER MANDATES/REPS and their respective associates are welcome to work with us. NOTE THAT TIME SENSITIVE PROCEDURES WILL BE GIVEN IN SCO and CAN BE OBTAINED FROM OUR MANDATE OR REPS.

## PRELIMINARY PROCEDURES

1. BUYER ISSUES ICPO
2. SELLER ISSUES FCO
3. BUYER SIGNS AND ACCEPTS FCO WITH COMMENTS IF ANY
4. SELLER ISSUES SPA
5. BUYER SIGNS AND ACCEPTS SPA
6. SELLER ISSUES PRO-FORMA OF COMMERCIAL INVOICE. (PRICE TO BE BASED ON THREE DAYS AVERAGE OF NWE PLATTS)
7. SELLER ISSUES FCO WITH THREE OPTIONS

•**OPTION 1:** WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER'S BANK SHALL SEND PRE-ADVISE VIA SWIFT MT 705 (NON-OPERATIVE) DOCUMENTARY LETTER OF CREDIT (DLC) OR PRE-ADVISE BY SWIFT MT 799 (BG/SBLC) TO THE SELLER'S BANK TO COVER MONTHLY PAYMENT AND 100% OF CARGO VALUE IN UNITED STATES DOLLARS FOR QUANTITY OF 1,000,000 BBL (ONE MILLION BARREL). OR 50,000 MT (FIFTY THOUSAND METRIC TONS)  
NOTE: WITH THIS OPTION YOU WILL RECEIVE 2% PERFORMANCE BOND (PB) AND PROOF OF PRODUCT (POP). SWIFT MT 700 DLC / SBLC OR SWIFT MT 760 BG (OPERATIVE PAYMENT GUARANTEES)

•**OPTION 2:** WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER'S BANK SHALL SEND ISSUE POB FOR 100% VALUE OF THE FIRST MONTH CARGO VIA SWIFT MT 799. NOTE: WITH THIS OPTION YOU WILL RECEIVE 2% PERFORMANCE BOND (PB) AND PROOF OF PRODUCT (POP).

•**OPTION 3:** WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER'S BANK SHALL ISSUE DLC/BG/SBLC FOR 5-10% VALUE OF FIRST MONTH CARGO VIA SWIFT MT 700/760. NOTE: WITH THIS OPTION YOU WILL RECEIVE ONLY PROOF OF PRODUCT (POP).

### **CONTRACT PROCEDURES**

1. BUYER ACCEPTS THE FCO AND CONFIRMS ACCEPTED PAYMENT TERMS FOR THREE OPTIONS
2. SELLER ISSUES DRAFT CONTRACT, BUYER AND SELLER SIGN DRAFT CONTRACT.
3. SELLER ISSUES PRO-FORMA OF COMMERCIAL INVOICE.

### **TIME SENSITIVE BANKING PROCEDURES FOR OPTIONS 1 & 2.**

1. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER BANK SHALL ISSUE SWIFT AS PER VERBIAGE NEGOTIATED IN THE SPA.
2. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF BUYERS SWIFT, THE SELLER SHALL ISSUE PROOF OF PRODUCT (POP) DOCUMENTS.
3. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF BUYERS SWIFT, THE SELLER BANK SHALL SWIFT MT 760 AND SEND APPROPRIATE OPERATIVE 2% PB (TWO PERCENT PERFORMANCE BOND) TO COVER THE CARGO OF FIRST MONTH DELIVERY. THIS 2% (TWO PERCENT) PB SHALL ACTIVATE AND MAKE THE BUYER'S INSTRUMENT OPERATIVE.
4. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF POP AND SELLER'S OPERATIVE 2% (TWO PERCENT) PERFORMANCE BOND BUYER BANK SHALL ISSUE OPERATIVE DLC (SWIFT MT 700) /SBLC or BG (SWIFT MT 760) TO COVER 100% VALUE OF THE CARGO.
5. (OPTIONAL) THE BUYER PRINTS SIX HARD COPIES OF SPA AND INK SIGN-SEALS ON ALL THE PAGES AND SENDS THE HARD COPIES OF SPA BY FIRST CLASS EXPRESS COURIER \*FedEx. THIS IS FOR THE VERIFICATION AND AUTHENTICATION OF SELLER'S LEGAL ADDRESS. BUYER PROVIDES TRACKING NUMBER FOR TRACKING PURPOSE,

6. (OPTIONAL)THE SELLER AFTER RECEIPT OF HARD COPIES WILL INK SIGN-SEAL ON ALL SIX COPIES. THE SELLER THEN SENDS BACK THREE HARD COPIES OF THE CONTRACT BACK TO BUYER. THIS IS FOR THE VERIFICATION OF BUYER'S LEGAL ADDRESS. SELLER PROVIDES TRACKING NUMBER FOR TRACKING PURPOSE.THE HARD COPIES ARE FOR RESPECTIVE PRINCIPALS, THEIR LEGAL ATTORNY, AND RESPECTIVE BANKS.

7. WITHIN 15 (FIFTEEN) TO 20 (TWENTY) BANKING DAYS SELLER SHALL COURIER FROM SELLER'S BANK TO BUYER'S BANK THE APPROPRIATE DOCUMENTS WHICH MAKE UP THE AND FULL PROOF OF PRODUCT TO BUYERS BANK.(TO BE ISSUED BANK TO BANK AFTER LOADING)(TO BE ISSUED BANK TO BANK AFTER LOADING)

8. FIRST LOADING/LAYCAN COMMENCED WITHIN 15 (FIFTEEN) TO 20 (TWENTY) BANKING DAYS AND FIRST DELIVERY COMMENCED WITHIN 30 (THIRTY) TO 35 (THIRTY FIVE) DAYS FROM THE DATE OF RECEIPT OF BUYER'S OPERATIVE INSTRUMENT IN SELLER'S BANK. SUBSEQUENT MONTHLY DELIVERIES WITHIN 30 (THIRTY) DAYS.NOTE: DELIVERY TIME = PRODUCTION + LAND LOGISTICS + LOADING/LAYCAN + SEA LOGISTICS TO BUYER DISCHARGE PORT.

9. BUYER CAN MAKE PAYMENT AFTER LOADING AND WITHIN FIVE (5) DAYS OR

10. UPON ARRIVAL AND AFTER COMPLETION OF THE INSPECTION BY SGS/CIQ AT DISCHARGE PORT, THE BUYER SHALL EFFECT FINAL PAYMENT FOR SHIPMENT WITHIN 2 (TWO) BUSINESS BANKING DAYS VIA TT/MT<sup>103</sup> COVERING VALUE OF TOTAL SHIPPED CARGO ISSUED TO SELLER'S NOMINATED BANK AFTER CIQ/SGS INSPECTION CERTIFICATES OF QUALITY AND QUANTITY (Q&Q) ISSUED AND SIGNED AT DISCHARGE PORT + COMMERCIAL INVOICE, BILL OF LADING AND OTHER SHIPPING DOCUMENTS LISTED BELOW

11. AFTER CONFIRMATION OF RECEIPT OF PAYMENT INSTRUMENT AT SELLER'S BANK FOR THE DELIVERED CARGO, SELLER SHALL INSTRUCT SHIP'S CAPTAIN FOR DISCHARGE OF CARGO.

FOR OPTION 3:

1. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER BANK SHALL ISSUE SWIFT AS PER VERBIAGE NEGOTIATED IN THE SPA.

2. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS THE BUYER'S BANK SHALL ISSUE DLC/BG/SBLC FOR 5-10% VALUE OF FIRST MONTH CARGO VIA SWIFT MT 700/760.

3. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF BUYERS SWIFT, THE SELLER SHALL ISSUE PROOF OF PRODUCT (POP) DOCUMENTS

4. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF POP BUYER BANK SHALL ISSUE OPERATIVE DLC (SWIFT MT 700) /SBLC or BG (SWIFT MT 760) TO COVER 90-95% (FOR A TOTAL OF 100% VALUE OF THE CARGO).
5. WITHIN 5-10 (FIVE TO TEN) BUSINESS BANKING DAYS AFTER RECEIPT AND VERIFICATION OF BUYERS FINANCIAL INSTRUMENT, THE SELLER BANK WILL SWIFT MT 760 AND SEND APPROPRIATE OPERATIVE 2% PB (TWO PERCENT PERFORMANCE BOND) TO COVER THE CARGO OF FIRST MONTH DELIVERY.
6. (OPTIONAL)THE BUYER PRINTS SIX HARD COPIES OF SPA AND INK SIGN-SEALS ON ALL THE PAGES AND SENDS THE HARD COPIES OF SPA BY FIRST CLASS EXPRESS COURIER \*FedEx. THIS IS FOR THE VERIFICATION AND AUTHENTICATION OF SELLER'S LEGAL ADDRESS. BUYER PROVIDES TRACKING NUMBER FOR TRACKING PURPOSE,
7. (OPTIONAL)THE SELLER AFTER RECEIPT OF HARD COPIES WILL INK SIGN-SEAL ON ALL SIX COPIES. THE SELLER THEN SENDS BACK THREE HARD COPIES OF THE CONTRACT BACK TO BUYER. THIS IS FOR THE VERIFICATION OF BUYER'S LEGAL ADDRESS. SELLER PROVIDES TRACKING NUMBER FOR TRACKING PURPOSE.THE HARD COPIES ARE FOR RESPECTIVE PRINCIPALS, THEIR LEGAL ATTORNY, AND RESPECTIVE BANKS.
8. WITHIN 15 (FIFTEEN) TO 20 (TWENTY) BANKING DAYS SELLER SHALL COURIER FROM SELLER'S BANK TO BUYER'S BANK THE APPROPRIATE DOCUMENTS WHICH MAKE UP THE AND FULL PROOF OF PRODUCT TO BUYERS BANK.(TO BE ISSUED BANK TO BANK AFTER LOADING)(TO BE ISSUED BANK TO BANK AFTER LOADING)
9. FIRST LOADING/LAYCAN COMMENCED WITHIN 15 (FIFTEEN) TO 20 (TWENTY) BANKING DAYS AND FIRST DELIVERY COMMENCED WITHIN 30 (THIRTY) TO 35 (THIRTY FIVE) DAYS FROM THE DATE OF RECEIPT OF BUYER'S OPERATIVE INSTRUMENT IN SELLER'S BANK. SUBSEQUENT MONTHLY DELIVERIES WITHIN 30 (THIRTY) DAYS.NOTE: DELIVERY TIME = PRODUCTION + LAND LOGISTICS + LOADING/LAYCAN + SEA LOGISTICS TO BUYER DISCHARGE PORT.
10. BUYER CAN MAKE PAYMENT AFTER LOADING AND WITHIN FIVE (5) DAYS OR
11. UPON ARRIVAL AND AFTER COMPLETION OF THE INSPECTION BY SGS/CIQ AT DISCHARGE PORT, THE BUYER SHALL EFFECT FINAL PAYMENT FOR SHIPMENT WITHIN 2 (TWO) BUSINESS BANKING DAYS VIA TT/MT<sup>103</sup> COVERING VALUE OF TOTAL SHIPPED CARGO ISSUED TO SELLER'S NOMINATED BANK AFTER CIQ/SGS INSPECTION CERTIFICATES OF QUALITY AND QUANTITY (Q&Q) ISSUED AND SIGNED AT DISCHARGE PORT + COMMERCIAL INVOICE, BILL OF LADING AND OTHER SHIPPING DOCUMENTS LISTED BELOW

12. AFTER CONFIRMATION OF RECEIPT OF PAYMENT INSTRUMENT AT SELLER'S BANK FOR THE DELIVERED CARGO, SELLER SHALL INSTRUCT SHIP'S CAPTAIN FOR DISCHARGE OF CARGO.

#### **LIST OF POP DOCUMENTS**

1. REGISTRATION DOCUMENT OF COMPANY
2. AND PASSPORT COPY OF DIRECTOR AND COMMERCIAL DIRECTOR
3. CERTIFICATE OF ORIGIN.
4. STATEMENT OF PRODUCT AVAILABILITY.
5. COMMITMENT TO SUPPLY.
6. LETTER FROM MINISTRY OF JUSTICE, RUSSIAN FEDERATION.
7. PRODUCT PASSPORT.
8. AUTHORIZATION TO SELL.

#### **LIST OF FULL POP DOCUMENTS**

**THE FULL PROOF OF PRODUCT WILL INCLUDE THE FOLLOWING DOCUMENTS AND DOCUMENTS FROM SHIPPING ON BOARD VESSEL. (TO BE ISSUED BANK TO BANK AFTER LOADING)**

1. STATEMENT OF PRODUCT AVAILABILITY,
2. REFINERIES COMMITMENT TO SUPPLY,
3. CERTIFICATE OF ORIGIN,
4. REGISTRATION DOCUMENT OF EXPORT,
5. PRODUCT PASSPORT (DIP TEST RESULT),
6. STORAGE TANK RECEIPT,
7. CHEMICAL ANALYSIS REPORT OF PRODUCT IN STORAGE TANKS

#### **DOCUMENTS FROM SHIPPING ON BOARD VESSEL.**

(TO BE ISSUED BANK TO BANK AFTER LOADING)

1. OCEAN BILL OF LADING: 1 ORIGINAL COPY OF 3/3 PAGES.
2. SGS Q/Q REPORT AT THE PORT OF LOADING: 1 ORIGINAL COPY OF 2/2 PAGES.
3. CERTIFICATE OF ORIGIN: ONE COPY
4. SIGNED COMMERCIAL INVOICE BASED ON THE DELIVERED QUANTITY AND QUALITY VESSEL;
5. CARGO MANIFEST: ONE ORIGINAL COPY.
6. CAPTAIN'S RECEIPT OF ALL DOCUMENTS OF THE SHIPPED PRODUCT 1/1;

## OUR CONTACT WITH REFINERIES

WE ARE CONNECTED WITH SIX MAJOR RUSSIAN REFINERIES AND 100's OF THEIR SUBSIDIARIES, AND HAVE ACCESS TO FOLLOWING PRODUCTS

1. RUSSIAN DIESEL GAS OIL D2 L-0.02-62 GOST 305-82
2. RUSSIAN ORIGIN LIQUEFIED NATURAL GAS GOST 5542-87
3. RUSSIAN ORIGIN LIQUEFIED PETROLEUM GAS GOST 20448-90 (50% PROPANE 50% BUTANE)
4. RUSSIAN FUEL OIL MAZUT M100- GOST 10585-105
5. RUSSIAN FUEL OIL MAZUT M100- GOST 10585-85
6. RUSSIAN FUEL OIL MAZUT M100- GOST 10585-75
7. RUSSIAN FUEL OIL MAZUT M100- GOST 10585-99
8. RUSSIAN AVIATION KEROSENE GOST 10227-86 GRADE TS-1 (JET FUEL)
9. RUSSIAN AVIATION FUEL: Jet A1 GOST R 52050-2006
10. RUSSIAN GASOIL ULSD 10ppm GOST R 52368-2005 TYPE III (EURO 5) EN590 STATNDARD.
11. RUSSIAN DIESEL GAS OIL LSD 50ppm GOST R 52368-2005 TYPE II (EURO 4)
12. RUSSIAN DIESEL GAS OIL 350ppm GOST R 52368-2005 TYPE I (EURO 3)
13. REBCO RUSSIAN EXPORT BLENDS CRUDE OIL GOST 9965-76
14. RUSSIAN BITUMIN GOST 52056-2003.
15. RUSSIAN BITUMEN GRADE 90/130 GOST 22245-90
16. RUSSIAN BITUMEN GRADE 60/90 GOST 22245-90
17. RUSSIAN UREA 46 N PRILLED GOST 2081-92
18. RUSSIAN UREA 46 N GRANULAR GOST 2081-2010
19. RUSSIAN DIESEL FUEL OIL D6
20. RUSSIAN BASE OIL /SN 500
21. RUSSIAN BASE OIL /SN 150
22. RUSSAIN BASE OIL /SN 100
23. RUSSIAN UNLEADED GASOLINE RON OCTANE 93 GOST 2084-77-AI-93
24. RUSSIAN UNLEADED GASOLINE RON OCTANE 95 GOST 2084-77-AI-95

- The above are Exported with Stringent Adherence to Standard Russian Export Specifications with Respective GOST.
- Specs shall be provided upon request