

Fuel Protocols

SIGNATORY/TITLEHOLDER

Protocols we currently use to deliver petroleum products:

1. Buyer sends an LOI on their Letterhead (aka; RFQ, ICPO, etc.)
2. When we receive an LOI; The office staff will:
 - a. Confirm the business entity is in good standing
 - b. Contact the LOI signatory to arrange an introductory call
 - c. Brokers can attend this call (if buyer approved)
3. **Proof of Funds (POF) is needed** as we are the TITLEHOLDER to the products we DELIVER. We need confirmation the buyer can:
 - a. Send payment via MT103 [bank wire] **AFTER** we deliver
 - b. Issue a Collateral Instrument from an **acceptable** bank
4. **POF Option One:** Documents/data must be less than <60 days old:
 - a. Bank Statement, Banker Signed Tear Sheet, Bank Capacity Letter (BCL), Banker to Client Email, Bank to the office Email or other supporting documents acceptable
 - b. A 'banker signed' Ready Willing and Able (RWA) letter to issue a Stand By Letter of Credit (SBLC) on behalf of the buyer
 - i. *Suggested RWA letter verbiage can be provided*
5. The buyer can send their POF documents to:
 - a. One of the offices (see our website)
 - b. Our USA attorney (J. Dossey)
6. **POF Option Two:** the buyer sends our office an Authorization to Verify (ATV) document.
 - a. We can provide an ATV template
 - b. Our banker will validate the buyer's capacity to issue an SBLC
7. When the POF is verified, a Formal Corporate Offer (FCO) is issued to the BUYER.
 - a. **Specific** prices, volume, banking coordinates, load/discharge ports, delivery timeline, product specifications, etc. are in this document
 - b. FCO's are NOT given to 3rd parties.
 - c. **Our prices are MORE than 10% BELOW PLATT**
 - d. Brokers receive a Fee Protection Agreement (IMFPA) lodged with our USA attorney who remits payment if closure occurs.

When the FCO is signed as accepted:

8. A Sale Purchase Agreement (SPA) is issued to the BUYER
 - a. This SPA has price, index discount, volume, load/discharge ports, delivery timeline, product specifications, banking coordinates and other tacit data.
 - i. Delivery timeline depends on the Product, Amount, Load/discharge ports, and vessel availability
 - b. **The SPA is NOT given to brokers.**
9. When the buyer signs and returns the SPA, the product is [refinery] committed.
 - a. The SPA is registered with our office, Refinery Corporate offices and our banker
 - b. The buyer's banker transmits the Bank Instrument after SPA signing
 - c. Our banker reverts with a 2% Performance Bond

10. When the Bank Instrument is [banker] validated, we LOAD a vessel at OUR expense to deliver the product per the Sale Purchase Agreement. Product, Loading, Shipping and Insurance Documents are sent to the buyer (which can be buyer validated).
 - a. Charter Party Agreement (CPA)
 - b. Vessel Questionnaire (Q88)
 - c. Commercial Invoice (aka: Commitment to Supply)
 - d. Notice of Readiness (aka: ETA to destination issued by CPA)
 - e. Statement of Product Availability (Certificate of Origin)
 - f. Bill of Lading (aka: Cargo Manifest)
 - g. Ullage Report
 - h. Inspection Report (SGS, Intertek, Saybolt, etc.)
 - i. Certificate of Quality (aka: Specifications Sheet)
 - j. Vessel/Product Insurance Policy (Lloyds)
 - k. Our Executive's signature will be on many of these documents**
11. The Buyer gets [wet signature] HARD COPY DOCUMENTS via Courier directly from the refinery corporate offices
 - a. The buyer can track and/or communicate with the vessel at their convenience
 - b. It is the Buyer's Responsibility to arrange Target Shore Tanks or vessel transfer
12. Per normal shipping protocols our shipper contacts the buyer and target harbormaster within a 48-hour arrival date/time
 - a. We issue the Authorization to Board (ATB) and Dip test Authorization (DTA)
 - b. Customs will accompany the buyer per local rules
13. Certificate of TITLE Transfer is issued when payment is made
 - a. Our Executive's Signature will Pass Title**
 - b. Shore tanks are injected at harbormaster direction

NOTE:

- ❖ **Payment is made AFTER DELIVERY to the target port (or vessel).**
- ❖ **We deliver at OUR expense and there are NO UPFRONT FEES.**
- ❖ **These procedures have been used with other major refiners we've dealt and work with.**

I hope to deliver to you and offer these comments after years of deliveries:

- *Anyone asking a buyer for an upfront fee is a 'scam' (IMO)*
- *Major Refinery(s) do not have 'mandates'*
- *Russian Ministry of Energy does NOT require any buyer to pay a fee for petroleum products exports*
- *Russian Ministry of Justice does NOT require any buyer to pay a fee for exporting petroleum products*
- *Russia/US Sanctions do NOT affect our shipments*
- *We Can deliver Russian and Non-Russian fuel*
- *We have Refiner Agreements Globally*

We look forward doing business with you.