

**ORIGIN: KAZAKHSTAN**

**COD2111A\_FOB TANK TO TANK / TANK TAKE OVER CI DIP AND PAY:  
ROTTERDAM, HOUSTON, FUJAIRAH, JURONG, QINGDAO, SHANGAI.**

1. Buyer issues ICPO, and company registration certificate and data page of buyer's Passport or any I.D.
2. Seller issue Commercial Invoice (CI) & Warning Letter, buyer's signs and returns to seller with his TSA. Seller will complete verification on the TANK FARM of the buyer before making their three (3) days tank lease payment.
3. The SELLER approves the TSA that the BUYER has submitted, the BUYER proceeds to request two (2) invoices from the TANK FARM with which the BUYER has a TSA, a 2-day invoice in the name of the BUYER and a 3-day invoice in the name of the SELLER.

The BUYER pays 2 days first to the TANK FARM of the BUYER, when the TANK FARM of the buyer confirms that it received the payment from the BUYER, the SELLER proceeds to pay the 3-day invoice to the TANK FARM of the buyer.

The TANK FARM of the BUYER, after confirming the payments received, issues a 5-day TSR in the name of the BUYER, with the name of the SELLER as the supplier.

The TSR must have the TAC Code and HUB number codes to be validated by the port authority.

4. Seller issues the following:
  - A. Injection Report
  - B. Authorization to verify
  - C. Product Passport
  - D. Fresh SGS Report (48 hours)
  - E. Product Certificate of Origin
  - F. Tank Storage Receipt (TSR)
  - G. Authorization to sell and collect
  - H. Unconditional Dip Test Authorization
5. Buyer conducts Dip test on the product and makes the payment for the total value of product injected into the tanks through the means of MT103- TT and then seller issues the Product Title Holder Transfer Agreement to the buyer.
6. Seller and Buyer pay all intermediaries involved in the transaction based on signed NCNDA/IMFPA, and subsequently monthly shipment continues as per terms and purchase agreement contract between buyer and seller.

**PROCEDURES ARE NOT NEGOTIABLE.**

Buyer must be logistically and financially prepared before starting the transaction.

Product is already positioned in the offered ports, but in first-come, first-served basis.

To start the transaction Enerdealers will have to receive formally written by email from the Buyer, where it is explained the chosen procedure, product, quantity and port, with CIS, logistics agreement and Commitment Letter. After successful DD on the Buyer, Enerdealers will introduce the buyer to the Seller or Seller mandate to move forward with the transaction.

**DO NOT SEND THE ICPO IF YOU DO NOT UNDERSTAND THE PROCEDURE.**

All communications between Buyer and Seller will be in CC to [ceo@enerdealers.com](mailto:ceo@enerdealers.com).

Refineries place the product in transit at the ports of sale, in the tanks at the TANK FARM terminals, which are located within customs territory, which is controlled by Port Authority in a restricted area for authorized personnel only. Port Authority controls the product, so not just any person or buyer can enter the tanks.

## **PROCEDURE EXPLANATION:**

### **Step 1:**

After understanding and accepting the procedure and the buyer's responsibilities within it, and after conducting due diligence, Buyer issues ICPO in the seller's name, assuming the legal commitment to comply with the procedure as described therein.

The ICPO is a legally binding document that obligates the signatory to fulfill the commitment described therein.

The buyer must be logistically and financially prepared to assume the commitments of the procedure.

Buyer must send:

- 1- ICPO
- 2- TSA
- 3- Letter of commitment to compliance. After Enerdealers reviews that these three documents are correct, will be sent by Enerdealers to the email address of the Authorized Mandate with the Buyer in CC.

### **Step 2:**

After receiving the ICPO with the TSA, Seller proceeds to approve the purchase and the TSA.

If Seller rejects the TSA, Buyer must submit a new TSA for the Seller's approval.

Once the purchase and the TSA are approved, the Seller issues the Commercial Invoice.

The issuance of a Commercial Invoice by the Seller implies that the Seller has made an ASSIGNMENT OF THE PRODUCT TO THE BUYER'S NAME with the Ministry of Energy of Kazakhstan, the Port Authority, and the Seller's TANK FARM. This action generates expenses for the Seller.

Each day that the ASSIGNMENT OF THE PRODUCT TO THE BUYER'S NAME remains in effect represents one day of cost to the Seller. For this reason, Seller requests that Buyer acts promptly upon receiving the Commercial Invoice to minimize Seller's expenses. Buyer must return the signed Commercial Invoice as soon as possible, as it only contains the items Buyer requested in the ICPO.

Therefore, Buyer must be ready to proceed before sending the ICPO to avoid delays after the product has been assigned.

### **Step 3:**

Buyer must first pay the two days to the TANK FARM, because it is the buyer's TANK FARM; it is the buyer who has chosen it and introduced it to the Seller (Buyer has freely chosen who to pay and where to pay).

When Buyer pays and proves payment, Seller proceeds to pay the three days they are supposed to pay to Buyer's TANK FARM.

It is very important that Buyer negotiates before making payments that the amount due on the 2-day and 3-day invoices issued by Buyer's TANK FARM must include on the TSR: TAC CODE and HUB NUMBER.

**The 5-day TSR issued by Buyer's TANK FARM must contain the following codes TAC CODE and HUB NUMBER**

For Port Authority to validate the TSR and approve the Seller's issuance of POP documents, including a product quality and quantity report prepared by SGS at the time.

When Seller receives the 5-day TSR with the codes: TAC CODE and HUB NUMBER, they present it to the Port Authority and receive authorization to proceed and issue the POP documents.

**But first:**

After the 5-day payment, the tank farm issues the 5-day TSR, but the Seller immediately issues the INJECTION SCHEDULE. The Seller will send the INJECTION SCHEDULE to be signed by Buyer's tank farm.

The Seller then contracts a company to inject the product from the Seller's tanks into the tanks provided by the Buyer.

The company contracted by the Seller to perform the injection, together with the Seller's technicians, prepares an INJECTION SCHEDULE.

The INJECTION SCHEDULE contains the approximate estimated days that the product injection from the Seller's tanks to the Buyer's tanks should take.

Buyer must submit the INJECTION SCHEDULE to their TANK FARM for issuance of a TSR for the estimated days of injection, less the 5 days paid.

Buyer must pay the invoice for the days required to complete the product injection to the Buyer's TANK FARM.

Buyer's TANK FARM must issue a TSR with the active codes and enter the codes and sign the INJECTION SCHEDULE, which must be delivered to the Seller for submission to the Port Authority for authorization to continue the transaction.

Buyer's tank farm signs the INJECTION SCHEDULE after receiving payment from the buyer for the days established in the injection schedule.

Buyer delivers the INJECTION SCHEDULE, signed by Buyer's TANK FARM, and the TSR for the total injection days to the Seller.

The Seller then prepares a file with the TSR for the total injection days, the Injection Schedule, the Commercial Invoice, and other documents, to be sent to the port authority for validation of the purchase and sale transaction by the port authority.

Once the Seller receives authorization from the port authority, it prepares the POP documents, including the FRESH SGS report, for delivery to the buyer.

## **IMPORTANT NOTE:**

Buyer must proceed within the established expiration timeframe of the Dip Test Authorization letter and INJECTION PROGRAM for it to be returned complete and signed.

### **Any delay may generate additional costs for the Buyer.**

Remember that Seller has made a PRODUCT ASSIGNMENT IN THE BUYER'S NAME, which generates a daily cost for the Seller.

Seller estimates a normal response time for a Buyer who is ready to purchase, has the funds available, and assumes the costs associated with the product assignment. However, if the Buyer takes longer than expected, for various reasons, it results in additional expenses and costs. Therefore, Buyer must be ready to purchase before submitting the ICPO.

Buyer's responsiveness will determine whether they will have to pay for additional days due to the cost of the product assignment in their name. When these delays occur, Seller typically invoices to the Buyer for the days of the delay, and the process is halted until the Buyer makes the corresponding payment. This prevents the Seller from delivering the next-level POP documents until payment is received for the days of delay caused by the buyer's procrastination.

## **Step 4:**

After validating and approving the Dip Test Authorization letter and Injection Program with the Port Authority, the Seller receives approval to issue the POP documents:

Seller delivers POP documents to Buyer for verification.

- A. Injection Report
- B. Authorization to verify
- C. Product Passport
- D. Fresh SGS Report (48 hours)
- E. Product Certificate of Origin
- F. Tank Storage Receipt (TSR)
- G. Authorization to sell and collect
- H. Unconditional Dip Test Authorization

We want to clarify the following:

- A) INJECTION REPORT: Can be confirmed with the issuing company and the Port Authority.
- B) AUTHORIZATION TO VERIFY: This is not for physical verification; it allows the Buyer to contact Seller's TANK FARM via email or phone to receive information that the product is in the tanks at the Seller's TANK FARM terminal assigned to the buyer. If deemed necessary, Buyer may request written communication or certification from the Seller's TANK FARM.

C) PRODUCT PASSPORT: Can be verified with the Port Authority and the Ministry of Energy of Kazakhstan.

D) FRESH SGS REPORT (48 HOURS): Can be verified with SGS and the Port Authority. Even after confirming this report, Buyer may withdraw from conducting another inspection of the Seller's tanks if they deem it necessary.

E) PRODUCT CERTIFICATE OF ORIGIN: Verifiable with the Ministry of Energy of Kazakhstan and the Port Authority.

F) TANK STORAGE RECEIPT (TSR): This is the TSR of the payment made by the Seller for the Seller's TANK FARM to store the product until its sale. This can be confirmed with the Seller's TANK FARM and the Port Authority.

G) AUTHORIZATION TO SELL AND COLLECT: This authorization allows the Buyer to negotiate, sell, and collect payment for the product before obtaining title to the product and closing the purchase and sale transaction.

H) UNCONDITIONAL DIP TEST AUTHORIZATION: Buyer, if deemed necessary, may contract SGS or a similar company to conduct a quality and quantity inspection or report on the tanks where the seller stores the product, at their own expense.

**BETWEEN POINTS 4 and 5, THE FOLLOWING OCCURS:**

Once the buyer verifies and approves the received POP documents, they confirm the quality and quantity report prepared by SGS and, if necessary, hire SGS or a similar company to prepare their own quality and quantity report on the Seller's tanks. This way, they communicate to the Seller that they accept the quality and quantity of the product in the Seller's tanks.

The seller pays for the injection.

Buyer's TANK FARM must issue a TSR with the active codes and enter the codes and sign the INJECTION SCHEDULE, which must be delivered to the Seller for submission to the Port Authority for authorization of the product injection.

Once the Port Authority authorizes the injection, it is executed according to the prepared INJECTION SCHEDULE.

Every day at the end of the day, the company contracted by the Seller to perform the injection issues a report of the day's injections and the cumulative injections to date, until the total amount of product is injected.

**IMPORTANT NOTE:**

During the injection, additional costs may be incurred by the Buyer. For example:

The buyer has paid for all the days stipulated in the Injection Program, but the following occurs during the injection:

On Saturdays, injections are only performed for half a day, so only half of the estimated quantity is injected, resulting in an additional day that the Buyer must pay for.

Injection is not permitted on Sundays, but these days are considered paid for. Each Sunday generates an additional day that the Buyer must pay for.

After the injection process is complete, the injection company needs one day to dismantle the equipment. This also generates an additional day that the Buyer must pay for.

The injection company needs one or two days to prepare the final injection report. The Buyer must pay for one or two additional days for this report.

The company must contract SGS or a similar company to conduct a quality and quantity audit of the product injected into the Buyer's tanks. This also requires one or two additional days, which the buyer must pay for. The Buyer must be financially prepared for these unforeseen expenses.

In conclusion:

Payment for additional days of storage at the Buyer's tank farm to complete the injection: for Saturdays, Sundays, one day to dismantle equipment, one or two days for the final injection report, one or two days for the quality and quantity report of the product injected into the tanks.

All payments must be made and the TSRs (Tank Service Receipts) must be in place to complete the injection and for the Buyer to receive the product.

If buyer's tank farm has received Buyer's payments, it allows the Seller to deliver the following to the buyer to buyer:

- 1- Final injection report
- 2- Quality and quantity report of the injected product
- 3- All complete POP documents.

#### **Step 5:**

Buyer, if deemed necessary, contracts and orders a quality and quantity report for the product injected into the Buyer's tanks.

Once the quality and quantity of the product have been verified, Buyer proceeds to pay for the full amount received according to Seller's invoice, via cash transfer: MT103.

After payment, within approximately 48 hours, Seller delivers all the corresponding documentation to the Buyer.

**This procedure is very clean, clear, and trustworthy for a company that is ready to purchase and that knows the business.**

**If you understand this procedure and are willing to fulfill the obligations within the Buyer's process, and if you have sufficient funds to cover commitments and unforeseen expenses, please submit the ICPO to initiate the purchase and sale process.**