

ORIGIN: KAZAKHSTAN

**COD2211_FOB TANK TO VESSEL / TANK TAKE OVER
ROTTERDAM, HOUSTON, FUJAIRAH, JURONG, QINGDAO, SHANGAI.**

1. Buyer issues official ICPO addressed to the refinery or representative with buyer vessel details.
2. Seller issues Commercial Invoice (CI), buyer signs and returns the signed invoice to seller.
3. Seller provide buyer with the below listed PPOP.
 - Product Passport (product analysis report)
 - Authorization to verify (ATV)
 - Tank Storage Receipt (TSR)
 - Statement of Product Availability (Notarized)
 - Commitment and Assurance Letter to supply (Notarized)
 - Authority to sell and collect (ATSC).
4. Buyer to extend seller's tank and dip test is conducted immediately with buyer's team to obtain fresh SGS report.
5. After successful Dip Test in Seller's tanks, Buyer takes over seller's tank or Seller injects product into buyer's vessel / Tank and buyer conducts its own DIP TEST Inspection for Q & Q of the Petroleum Products aboard vessel / Tank.
6. After successful Q & Q Dip test on the product, buyer makes the payment for the total value of product injected into the Vessel/tanks through the means of MT103 - TT.
7. Upon seller receives the payment for the product from the buyer, seller issues to buyer the Title ownership of the product and all exporting document of the Product.
8. Seller pays all intermediaries involved in the transaction.

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.

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 has to send:

- 1- ICPO with CIS
- 2- CPA
- 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:

Once the purchase is approved by the Seller, issues the Commercial Invoice to the Buyer.

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.

IMPORTANT NOTE: To have a CPA does not mean that the Vessel for the transaction is reserved and paid by the Buyer. Buyer is responsible to ensure that his/her Vessel is ready to receive the goods.

Step 3:

ATV - This is not for physical verification; it is for the Buyer to contact the seller's TANK FARM by email or phone to confirm that the TANK FARM has the Seller's product stored, which has been ASSIGNED to the Buyer.

This is so that the Buyer can negotiate with the seller's TANK FARM to extend the Seller's tanks. **It is necessary for the Buyer to extend the Seller's tanks in order to perform the DIP test on the Seller's tanks before the product is injected into Buyer's Vessel.**

This is because the quality and quantity of the product must be checked before injecting it into the Seller's storage tanks, which is what guarantees that the product is of the correct quality. The Seller has no guarantees regarding the condition of the Vessel's tanks to ensure the product is maintained.

Since quality is checked in the Seller's tanks, any changes occurring when the product enters the Vessel's tanks are not the Seller's responsibility; the product's quality has already been confirmed in the seller's tanks.

Step 4:

Buyer pays Seller's tank farm for the tank extension, which includes the Access Code (TAC) to the terminal where the tanks are located, sufficient to perform the dip test on the Seller's tanks.

Step 5:

Buyer decides to extend Seller's tanks until they have access to a Vessel or other tank where they will inject the product. **Buyer can also request that the Seller injects the product immediately into the Vessel at Seller's expense.**

Step 6:

After the Seller has injected the product into the Vessel, Buyer verifies the quality and quantity injected and pays to the Seller the full amount of the product received.

The contract then proceeds for a period determined by both parties.