

Procedure Samples

TTO Options

#1 PROCEDURE FOR TTO W/AFRICA WATERS:

1. SELLER AND BUYER SIGN, SEAL SALES/PURCHASE AGREEMENT WITH FULL BANKING DETAILS INCLUDING THEIR BROKERS BANKING DETAILS BOTH PARTIES FORWARD A COPY OF THIS SIGNED SPA/CONTRACT TO THEIR RESPECTIVE BANKS AND IS LEGALLY ENFORCEABLE. BUYER'S RETURNS THE SIGNED SPA WITH FULL ATB FORMAT AND SUPER CARGO/INSPECTORS FULL DETAILS PHONE NUMBER INCLUSIVE PLUS TUG BOAT FULL DETAILS.
2. BUYER ISSUE **25 MILLION NAIRA BANK DRAFT** SEND THE SCAN COPY TO SELLER'S ACCOUNT OFFICER AND NOTED THAT UPON RECEIVING THE MATB OR NOR THE DRAFT TURN TO CASH. **(To whom the N35 million draft should be made to will be given after returned the signed SPA)**
3. UPON SELLER'S ACCOUNT OFFICER RECEIVING THE DRAFT, SELLER INSTRUCTS HIS CAPTAIN TO ISSUE THE MARINE ATB OR GIVE NOR ACCORDINGLY.
4. UPON BUYER CONFIRMATION OF MATB / NOR DRAFT TURN TO CASH AND BUYER ISSUES BLOCKED FUNDS OF 1 MILLION US DOLLARS FOR MOVING THE CARGO.
5. SELLER BANK CONFIRMED THE ABOVE THEN BUYERS MOBILISES HIS SUPERCARGO AND INSPECTORS ON HIS EXPENSES AND TAKE THEM ONBOARD BASED ON CLEARANCE GIVEN BY SELLER TO DO SO.
6. THEN, Q AND Q IS DONE, INSPECTORS COMES DOWN WITH SAMPLE WHILE SUPERCARGO REMAINED ONBOARD AND IMMEDIATELY BUYERS INSPECTORS COMES DOWN AND THE Q AND Q RESULTS TURNS POSITIVE THE SUM OF \$1 MILLION USD IS PAID CASH BY SWIFT TRANSFER DIRECTLY INTO SELLERS ACCOUNT FOR ALL LOGISTICS AND PLACE MT 103 FOR THE TOTAL BALANCE TO ENABLE SELLER PROCURED ALL CARGO DOCUMENTS ON BUYERS NAME AND LINK HIM TO RECHARTER THE VESSEL. HOWEVER, THIS IS DEDUCTIBLE FROM THE FINAL PAYMENT.
7. ALL CARGO DOCUMENTS ARE THEN MADE AND HANDED OVER TO THE BUYER AND HIS BANK BY SELLER, THE VESSEL IS RECHARTER ON BUYER'S NAME, THEN THE BANK INSTRUMENT TURNS CASH INTO DIFFERENT ACCOUNTS AS STATED IN THE CONTRACT/SPA.
8. AS THE PAYMENT IS COMPLETED AND CONFIRMED BUYER'S VESSEL IS ALLOWED TO SAIL TO HER POD (PORT OF DISCHARGE).

#2 PROCEDURE FOR TTO NIGERIAN WATERS:

- 1) SELLER AND BUYER SIGN, SEAL SALES/PURCHASE AGREEMENT WITH FULL BANKING DETAILS INCLUDING THEIR BROKERS BANKING DETAILS BOTH PARTIES FORWARD A COPY OF THIS SIGNED SPA/CONTRACT TO THEIR RESPECTIVE BANKS AND IS LEGALLY ENFORCEABLE. BUYER'S RETURNS THE SIGNED SPA WITH FULL ATB FORMAT AND SUPER CARGO/INSPECTORS FULL DETAILS PHONE NUMBER INCLUSIVE PLUS TUG BOAT FULL DETAILS.
- 2) BUYER ISSUE **N35,000,000 (THIRTY FIVE MILLION)** NAIRA, BANK DRAFT SEND THE SCAN COPY TO SELLER'S ACCOUNT OFFICER AND NOTED THAT UPON RECEIVING

THE MATB AND CLEARANCE OR NOR THE DRAFT TURNS TO CASH. (To whom the N35 million draft should be made to will be given after returned the signed SPA)

3) UPON SELLER'S ACCOUNT OFFICER RECEIVING THE DRAFT, SELLER INSTRUCT HIS CAPTAIN TO ISSUE THE MARINE ATB, CLEARANCE OR GIVE NOR ACCORDINGLY.

4) UPON BUYER CONFIRMATION OF MATB AND CLEARANCE / NOR DRAFT TURNED TO CASH

5) SELLER BANK CONFIRMED THE ABOVE THEN BUYERS MOBILIZES HIS SUPERCARGO AND INSPECTORS ON HIS EXPENSES AND TAKE THEM ON BOARD BASED ON CLEARANCE GIVEN BY SELLER TO DO SO.

6) THEN, Q AND Q IS DONE, INSPECTORS COMES DOWN WITH SAMPLE WHILE SUPERCARGO REMAINS ONBOARD AND IMMEDIATELY BUYERS INSPECTORS COMES DOWN AND THE Q AND Q RESULTS ARE POSITIVE THE BUYER PLACES MT 103 FOR THE TOTAL BALANCE TO ENABLE SELLER PROCURED ALL CARGO DOCUMENTS ON BUYERS NAME AND LINK HIM TO RECHARTER THE VESSEL. HOWEVER, THIS IS DEDUCTIBLE FROM THE FINAL PAYMENT.

7) ALL CARGO DOCUMENTS ARE THEN MADE AND HANDED OVER TO THE BUYER AND HIS BANK BY SELLER, THE VESSEL IS RECHARTER ON BUYER'S NAME, THEN THE BANK INSTRUMENT TURNS CASH INTO DIFFERENT ACCOUNTS AS STATED IN THE CONTRACT/SPA.

8) AS THE PAYMENT IS DONE AND CONFIRMED BUYER'S VESSEL IS ALLOWED TO SAIL TO HER POD (PORT OF DISCHARGE).

CIF Options

#1 MT760

- 1) SELLER and BUYER sign Sales and Purchase Agreement [SPA]. The SPA must contain the Particulars and Bank details of all the Parties involved in this transaction. All Parties involved are required to provide the signed and sealed copy of this SPA to their respective banks.
- 2) Seller upon acceptance of buyer's signed and returned SPA issue **EVIDIENCE OF PRODUCT, PAST RECORD and AUTHORITY TO SELL (ATS)**, Buyer will issue OPERATIVE SBLC MT760 as shown of buyer's capacity to this transaction also to cover the entire cost of product.
- 3) Within 10 working days of issuance of SBLC (MT760) by BUYER's Banks, SELLER shall release Full Information of Lay-can to BUYER. SELLER shall also provide to BUYER Full details of the Vessel Chartered and engaged for the transaction with the Charter Party Agreement (CPA) and Estimates Time of Arrival [ETA] at the Part of Discharge. Failure to do this within the specified time is considered a Non-Performance on the SELLER. Note all the docs and the programming shall be done in the BUYERs name and is subject to confirmation.
- 4) Loading takes place as stipulated on Lay-can date and all documentation relating to the Cargo and Shipment completed.
- 5) Vessel sails to Port of Discharge.
- 6) On Vessel arrival at Part of Discharge, with 48 hours of arrival, a Q and Q inspection is conducted to ascertain quality and quantity an-board the Vessel. Once Quality and Quantity are confirmed and certified to be accurate, MT103 SWIFT transfer of Fund to Nominated account in this SPA is executed before Cargo is discharged into BUYER'S storage.

- 7) Discharge of Product into BUYER's storages commence after receipt confirmation of payments by all Parties.

#2 DLC China

- 1) Seller send SPA to Buyer, and Buyer receive and sign SPA.
- 2) Buyer signs and returns SPA with the following details: ETA/ATB format, CIS, scan copy of Buyer's passport and company registration certificate. Seller and Buyer lodges SPA in his banks.
- 3) For Trial Shipment: Buyer instructs their bank to forward POF and ATV PROOF of FUNDS to the Seller's Bank.
- 4) Upon Seller's Bank receipt and confirmation of the Buyer's POF. Seller's bank issues a non – operative 2%PB.
- 5) Upon Buyer's Bank receiving non-operative 2%PB, Buyer's bank issues DLC via MT700 to Seller nominate account from top 25 banks in the world valid for 90 days. After Seller's bank receiving and confirmed MT700, 2% PB becomes active.
If the Buyer (bank) will not issue the DLC in 7 bank days, Buyer will be obligated to pay a fine, which is 4 % of the total amount of monthly cargo.
- 6) . Upon confirmation of instrument, within 10 days, Seller sends Laycan, nominates and loads 2m barrel vessel with BLCO in buyer's name and issue POP documents to the Buyer.
- 7) Vessel captain issues NOR/ETA to Buyer Inspectors (shipping agency) and sails to Buyer's Port of Discharge on CIF terms.
- 8) At the port of discharge, Buyer's shipping agent clears the vessel while Vessel captain issue MATB to Buyer's inspection team.
- 9) Seller discharges the Crude Oil into Buyer's Tanks. Inspectors conduct CIQ inspection and release results to both the Buyer and the Seller. Seller issues commercial invoice and inspection result to the Buyer's bank. Seller issued Warranty of Title to the Buyer.
- 10) Buyer's bank pays for discharged cargo by SWIFT MT103 /TT cash wire transfer into Seller's account. And Seller immediately pays all intermediary commissions in accordance with the Fee Protection Agreement provisions of this SPA/Agreement.
- 11) Seller confirms payment and All Original Cargo Documents and Title Documents Are Transferred to Buyer's Name.

#3 MT799 – China – Any World Port

- 1) SELLER AND BUYER SIGN THE SALES PURCHASE CONTRACT FOR 2-10 M BBLs /MONTHLY AND DEPOSIT WITH THEIR RESPECTIVE BANKS.
- 2) BUYER'S BANK SENDS THE POF FOR THE TOTAL CARGO TO SELLER'S NOMINATED BANK IN THE NAME OF THE SELLER VIA VERIFIABLE SECURED EMAIL DOMAIN PER SELLER'S VERBIAGE STATED IN APPENDICES A OR B BELOW.
- 3) SELLER CONFIRMS POF AND THEN LOADS FRESH CARGO IN BUYER'S NAME, ISSUES DOCUMENTS IN BUYER'S NAME AND SELLER'S BANK SENDS POP DOCUMENTS TO THE BUYER'S BANK FOR VERIFICATION AND DUE DILIGENCE.
 - a) Clean on-board ocean Bill of Lading
 - b) Certificate of Quality
 - c) Certificate of Quantity

- d) Certificate of Origin
- e) Vessel Ullage Report
- f) Receipt of Samples
- g) Cargo Manifest
- h) Authority to Sell (ATS)

- 4) BUYERS BANK CONFIRMS THE ABOVE POP DOCUMENTS AND ISSUES MT 799 BLOCK FUNDS TO SELLER NOMINATED BANK IN FAVOUR OF THE SELLER.
- 5) SELLER INSTRUCTS VESSEL CAPTAIN TO INITIATE/OPEN COMMUNICATIONS WITH THE BUYER AND ISSUE MNOR/ETA TO BUYER'S SHIPPING AGENT.
- 6) VESSEL SAILS TO PORT OF DISCHARGE (POD) IN CHINA.
- 7) UPON ARRIVAL, BUYER'S SHIPPING AGENT TO CLEAR THE VESSEL INWARDS AND BERTH THE VESSEL AT SAFE BERTH, VESSEL CAPTAIN ISSUES MATB TO BUYER'S INSPECTORS TO CONDUCT Q&Q/ (CIQ) INSPECTION AND SENDS RESULT TO BOTH BUYER AND SELLER.
- 8) BUYER THEN MAKES PAYMENT VIA MT103/TT, AGAINST FULL CARGO. DOCUMENTS IN BUYERS NAME INCLUDING THE TITLE OF OWNERSHIP ARE DELIVERED TO THE BUYER.
- 9) CARGO IS DISCHARGED, ALL INTERMEDIARIES COMMISSIONS ARE PAID BY THE SELLER IMMEDIATELY AND NEXT SHIPMENT COMMENCES.

#4 MT760

- 1) SELLER ISSUES TO BUYER A PRESIGNED CONTRACT WITH SELLER'S ATS, BUYER COUNTERSIGNS AND COPIES ARE SENT TO THEIR RESPECTIVE BANKS.
- 2) BUYER RETURNS SIGNED SPA WITH NOR/ETA FORMAT AND buyer's bank writes to seller's bank requesting for ATS, and signifies that upon receiving seller ATS, Buyer's bank ISSUES SWIFT VIA MT760 (SBLC) OF 1 MILLION USD TO SELLER'S NOMINATED BANK ACCOUNT FOR LOGISTICS TO WORLD PORT
- 3) Upon Buyer RECEIVING ATS, Buyer's bank ISSUES SWIFT VIA MT760 (SBLC) OF 1 MILLION USD TO SELLER'S NOMINATED BANK ACCOUNT FOR LOGISTICS TO WORLD PORT.
- 4) UPON SELLER CONFIRMATION OF THE MT760 (SBLC), SELLER ISSUES NOR/ETA TO BUYER FOR DELIVERY OF CARGO TO WORLD PORT
- 5) BUYER IMMEDIATELY ACKNOWLEDGED THE NOR/ETA RESPOND WITH THEIR READINESS TO RECEIVE THE CARGO IN WORLD PORT.
- 6) SELLER MOVES CARGO TO BUYER'S POD. VESSEL CAPT INVITE BUYER'S INSPECTION TEAM ONBOARD FOR Q&Q ANALYSIS.
- 7) UPON SUCCESSFUL Q&Q RESULT, BUYER PLACES MT103 AND MAKES PAYMENT TO SELLER AND ALL AGENTS THROUGH WIRE TRANSFER TT AND ALL DOCUMENTS GIVEN TO BUYER'S IN HIS NAME.
- 8) BUYER IS EITHER INTRODUCED TO VESSEL HANDLER TO TAKEOVER AT WORLD PORT, OR VESSEL DISCHARGE AT WORLD PORT TO BUYER TANK FARM.
- 9) TRANSACTION IS ROLLED-OVER.

#5 Rotterdam

- 1) SELLER ISSUES TO BUYER A PRESIGNED CONTRACT WITH SELLER'S ATS, BUYER COUNTERSIGNS AND COPIES ARE SENT TO THEIR RESPECTIVE BANKS.
- 2) BUYER RETURNS SIGNED SPA WITH NOR/ETA FORMAT AND buyer's bank writes to seller's bank requesting for ATS, and signifies that upon receiving seller ATS, Buyer's bank ISSUES SWIFT VIA MT760 (SBLC) OF 1 MILLION USD TO SELLER'S NOMINATED BANK ACCOUNT FOR LOGISTICS TO ROTTERDAM.
- 3) Upon Buyer RECEIVING ATS, Buyer's bank ISSUES SWIFT VIA MT760 (SBLC) OF 1 MILLION USD TO SELLER'S NOMINATED BANK ACCOUNT FOR LOGISTICS TO ROTTERDAM, and UPON SELLER CONFIRMATION OF THE MT760 (SBLC), SELLER ISSUES NOR/ETA TO BUYER FOR DELIVERY TO OF CARGO TO ROTTERDAM
- 4) BUYER IMMEDIATELY ACKNOWLEDGED THE NOR/ETA RESPOND WITH THEIR READINESS TO RECEIVE THE CARGO IN ROTTERDAM.
- 5) SELLER MOVES CARGO TO BUYER'S POD. VESSEL CAPT INVITE BUYER'S INSPECTION TEAM ONBOARD FOR Q&Q ANALYSIS.
- 6) UPON SUCCESSFUL Q&Q RESULT, BUYER PLACES MT103 AND MAKES PAYMENT TO SELLER AND ALL AGENTS THROUGH WIRE TRANSFER TT AND ALL DOCUMENTS GIVEN TO BUYER'S IN HIS NAME.
- 7) BUYER IS EITHER INTRODUCED TO VESSEL HANDLER TO TAKEOVER AT ROTTERDAM, OR VESSEL DISCHARGE AT ROTTERDAM PORT TO BUYER TANK FARM.
- 8) TRANSACTION IS ROLLED-OVER.

TTT Option Nigeria, Ghana or Togo Waters

- 1) SELLER AND BUYER SIGN, SEAL SALES/PURCHASE AGREEMENT WITH FULL BANKING DETAILS INCLUDING THEIR BROKERS BANKING DETAILS BOTH PARTIES FORWARD A COPY OF THIS SIGNED SPA/CONTRACT TO THEIR RESPECTIVE BANKS AND IS LEGALLY ENFORCEABLE. BUYER RETURNS THE SIGNED SPA ALONG WITH CHARTER PARTY AGREEMENT (CPA), Q88, INVOICE AND AUTHORITY TO LOAD (ATL), INCLUDING THE BUYER INTERNATIONAL PASSPORT.
- 2) BUYER'S BANK WRITES TO SELLER'S BANK THAT UPON RECEIVING MNOR AND CARGO DOCUMENTS FOR VERIFICATION, BUYER'S BANK WILL SEND A BANK GUARANTEE FOR THE FULL CARGO.
- 3) UPON RECEIPT OF THE LETTER BY THE SELLER'S BANK, SELLER GIVE MNOR AND RELEASES THE FOLLOWING DOCUMENTS TO THE BUYER:
 - ATS
 - BILL OF LADING
 - CARGO MANIFEST
 - CERIFICATE OF ORIGIN
 - CERIFICATE OF QUALITY
 - CERTIFICATE OF QUANTITY
 - TANK ULAGE REPORT
 - DOCUMENTATION RECEIPT
 - MASTER'S RECEIPT OF SAMPLES
 - MASTER'S RECEIPT FOR DOCUMENTATION

○ VESSEL Q88

- 4) UPON POSITIVE VERIFICATION OF DOCUMENTS AND CONFIRMATION OF NOR BUYER BANK GUARANTEE FOR THE FULL CARGO.
- 5) SELLER THROUGH NNPC BONNY TERMINAL CLEARS THE LOADED VESSEL TO ISSUE ETA AND SAIL TO THE AGREED TO TANKER TO TANKER TRANSHIPMENT AND Q&Q POINT 12 TO 15 NAUTICAL MILES GHANA.
- 6) UPON ARRIVAL AT THE AGREED POINT, CAPTAIN ISSUES MATB ALLOWING BUYER'S INSPECTORS ONBOARD THE VESSEL FOR Q&Q INSPECTION.
- 7) BASED ON THE Q&Q REPORT, BUYER RELEASES \$500,000.00 TO THE SELLER FOR DOCUMENTATION AND SELLER ISSUES TO BUYER THE FINAL COMMERCIAL INVOICE AND ALL CARGO DOCUMENTS AND BUYER INSTRUCTS HIS BANK TO ISSUE SWIFT MT-103 CONDITIONAL LESS THE \$500,000.00 TO SELLER'S NOMINATED ACCOUNT
- 8) SELLER MAKES INTRODUCTION TO THE VESSEL OPERATORS TO ENABLE RE-CHARTER OF THE VESSEL IN BUYERS NAME.
- 9) ONCE THIS IS COMPLETED, BUYER'S BANK RELEASES THE MT103 FOR FULL CARGO PAYMENT
- 10) UPON CONFIRMATION OF BUYER'S FULL PAYMENT, HARD COPIES OF THE CARGO AND TITLE DOCUMENTS IN THE BUYER'S NAME ARE SENT TO BUYER VIA COURIER, AND THE VESSEL SAILS UNDER BUYER'S INSTRUCTIONS.

TTO/TTO SPECIFIC REQUIREMENTS ON 12month contract West Africa Waters

- 1) Seller forwards Sales Purchase Agreement (SPA) to Buyer-signed and seal with full Buyer's Banking Co-ordinates. The electronic copy of the signed SPA is deemed legally binding and enforceable and parties deposit copy of electronic signed SPA with their respective Banks.
- 2) Buyer's returns the signed SPA with NOR/ATB Format, scan copy of Buyer's Passport and CIS Form; Harbourmaster's Information, scanned copy of Supercargo's and Inspector's ID/PP.
- 3) Buyer's Bank issues block fund of N15m in Buyer's account IN FAVOUR OF Seller's Fiduciary as LOGISTICS FEES BY SWIFT to Seller fiduciary account to sail (10,000 Metric Tons of BLOC) to point of QNQ. THE BUYER'S ACCT OFFICER SEND THE COPY OF THE BLOCK FUND TO SELLER FIDUCIARY ACCOUNT OFFICER BY E-MAIL) Seller confirmed the block fund, the Transaction VESSEL sails to board buyer team in GHANA INTERNATIONAL WATERS and a Copy of the BLOCK FUND is forwarded to Seller for follow-up action in the Terminal.
- 4) Upon confirmation of Buyer's block fund by Seller's Fiduciary Account to Seller, Seller secures Logistics and Seller/NNPC instructs loaded vessel's Master to issue NOR/ETA to Buyer's Shipping and Inspection Agents as per Buyer's NOR FORMAT and move vessel to GHANA INTERNATIONAL WATERS, Upon arrival @ 10—14 NM to TEMA GHANA WATERS Vessel Master announce arrival (NOA—NOTICE OF ARRIVAL) to Harbourmaster and Buyer's Shipping Agent to clear the vessel into Inspection location and vessel Master issues Marine Authority To Board to Buyer (Supercargo/Inspector).for Product Confirmation and attendant Q&Q Inspection and Analysis within 48 hrs.
- 5) Seller's board Buyer team on boards and confirms Product, Attestation Letter is issued from Vessel Captain's e-mail domain, signed by Supercargo with Supercargo's scanned ID attached to all e-mails on the ATB Format, Inspector draws samples for Q&Q Analysis and disembarks

to completes his calibration while Supercargo remains on board the loaded vessel until final payment.

- 6) Upon Confirmation of the Captain's Attestation Letter, Buyer's Bank releases via Cash Wire Transfer the N15m LOGISTICS FEE to Seller's Fiduciary Account in favour of Seller and a Copy of the Cash Wire Transfer of the LOGISTICS FEE to cover Documentation is forwarded to Seller for follow-up action with the Terminal. Inspector takes samples and disembarks while Supercargo remains on board until final Payment and Buyer places total payment for the Product via MT103 to Seller's Nominated Account.
- 7) Seller facilitates the recharger of vessel by linking Buyer to the vessel handlers to possess the cargo and Buyer pays the cost of chartering the said vessel. Copies of all Original cargo documents are made in the name of Buyer or Buyer's Nominated name and released to Buyer's Bank together with Seller's Commercial Invoice for payment..
- 8) Within 72 hours of Q&Q Report submitted to both Banks, Buyer's Bank Effects Final payment via Swift Wire Transfer simultaneously to Seller's Nominated Account for the full cargo value and commissions to all Nominated Intermediaries Accounts in the SPA **less the N15, 000,000.00 for Logistics fee as Part payment.** Payment is based on Out-Tonne Metric Tons of Q&Q Report.
- 9) Seller's Bank confirms payment to all Accounts and Seller hands over all Non-negotiable original cargo documents in Buyer's name to Buyer together with the Warranty of title.
- 10) Vessel sails to Port of discharge
- 11) **Extension:** This Agreement may be extended by mutual agreement in writing to cover additional supplies of the crude oil for quantity and duration acceptable to all parties. any additional supply is to be agreed between the parties prior to the termination of this Agreement.

TFD Basis Nigeria

1. SELLER AND BUYER SIGN SPA. BUYER RETURNS SIGNED SPA WITH **NOR FORMAT & TANK FARM DETAILS** WITH AGREEMENT & ISSUES A BANK ASSURANCE LETTER/ BLOCKED FUND OR AN IBPU FOR THE ENTIRE CARGO.
NOTE: **ACCEPTABLE INSTRUMENT: LC/ SBLC/ BG/ MT799/ IRDLC**
2. SELLER UPON CONFIRMATION OF INSTRUMENT INSTRUCTS CAPTAIN TO ISSUE NOR TO BUYER'S TO TANKFARM.
3. VESSEL PROCEEDS TO TANKFARM TO DISCHARGE
4. UPON CAPTAIN'S ATTESTATION, AND A COPY IS RELEASED TO BOTH PARTIES, BUYER CONDUCTS Q & Q AND PRODUCT IS DISCHARGED AFTER QNQ.
5. SELLER ISSUES OTHER SALES DOCUMENTS FOR TANKFARM.
6. ORIGINAL CARGO DOCUMENTS ARE RELEASED UPON BUYER PAYING FINAL PAYMENT WITH MT 103 FOR THE FULL/ENTIRE CARGO.

Note: The Above are samples only and subject to joint approval.