

NNPC CIF Nominations, Shipment & Transaction Procedure: {LC}

1. Buyer & Seller sign and seal Sales & Purchase Agreement (SPA). Electronically signed copy of the SPA is legally binding and lawfully enforceable. Both parties lodge the fully executed SPA with their respective banks. Buyer sends Seller. full details of the Receiving Port of Discharge (POD) to include full details of harbor master, shipping agency, Inspection Company, and supercargo etc

Buyer/Buying Companies must issue their detailed current/updated Client Information Sheet (CIS)/ KYC including passport/license data page of Buyer

2. Buyer's Bank (Any Top 100 World Prime Bank), within three (3) banking days of submitting signed contract to both Banks, shall first pre-advice via MT799 swift transmission to Seller fiduciary bank account stating their readiness to issue LC via MT700 swift transmission with value and duration upon receipt of operative 2% PB upfront from Seller. A copy of this pre-advice via MT799 shall be made available to the Seller by mail. Within 72 banking hours Seller shall conclude financing of transaction with his financier bank after Seller fiduciary bank confirms pre-advice. Seller fiduciary bank swifts operative 2% Performance Guarantee to Buyer Bank account. Buyer bank immediately upon receipt and confirmation of operative 2% PB swifts Letter of Credit via SWIFT MT700 (Seller's Verbiage, see ANNEX A below) transmission covering one hundred percent (100%) of estimated value of cargo to Seller's nominated bank account and Buyer's Bank provides carbon copy of SWIFT to Seller for immediate confirmation and authentication.

3. Within Fifteen-Twenty (15-20) banking days, Seller nominates vessel and pays for charter. Details of Chartered Vessel are sent to NNPC Marine Transport Department (NNPC-MTD) for Programming of Loading Window & issuance of Laycan. Upon acceptance of vessel by NNPC-MTD. Seller pays mandatory and official cargo deposit of \$2.5m in Bank Draft to NNPC-MTD and also raise \$1m bank Draft as Vessel Indemnity to NNPC. NNPC-MTD confirms these payments and issues Laycan, Stem Number, Keyboard PIN Number for the vessel loading window. Seller pays all Port Charges (NPA, NIMASA, CUSTOMS, NAVAL Clearance etc) and clears vessel into loading terminal for loading. Seller raise fresh Bank Guarantee to NNPC to cover total quantity cost of quantity allocated on LAYCAN awaiting to be loaded into Seller Vessel and gives SWIFT copy to NNPC for confirmation. NNPC-MTD confirms Bank Guarantee and vessel is loaded.

Seller will furnish both Buyer & Vessel Home-office/Foreign Handler and The Buyers with details of LAYCAN for their records.

NB: Twenty-one (21) banking day period involves Nominating the Vessel, Payment for Charter, Securing Laycan & Loading Window from NNPC, Sailing Vessel to Nigeria & Clearing Vessel into Loading Terminal & Actual Loading.

4. Vessel is loaded and Seller Secures Full Cargo Documents and Title issued in both Seller's and Buyer's name to include:

- Clean Ocean Bill of Lading, One (1) Original and Three (3) Copies
- Seller's Commercial Invoice, One (1) Original and Three (3) Copies
- Certificate of Origin issued by NNPC, One (1) Original and Three (3) Copies
- Certificate of Authenticity issued by NNPC, One (1) Original and Three (3) Copies
- Cargo Manifest, One (1) Original and Three (3) Copies
- Certificate of Quality, One (1) Original and Three (3) Copies
- Certificate of Quantity, One (1) Original and Three (3) Copies
- Master's Receipt for Samples
- Master's Receipt for Documents
- Tanker Ullage Report
- Tanker Time Sheet
- Charter Party Agreement
- Certificate of Ownership (Title)
- NNPC Authority to Sell (ATS)
- Export Clearance Permit (NPA waiver, Custom Clearance Certificate etc.)
- Q&Q Inspection Report Performed at Loading Port by Intertek
- Other relevant documents related to the cargo

NB: Non-negotiable electronic copies of some of these Above Cargo documents will be sent to the Buyer and Buyer's and Seller's Banks. Q&Q Inspection is conducted at the Buyer's POD and result released to both Buyer & Seller.

5. Vessel is loaded and Seller secures all documentation and outward clearance for loaded vessel to sail to Buyer disport. Seller raises insurance cover on cargo even as loaded vessel captain sends Marine Notice of Readiness (NOR) to Buyer Shipping Agency at Disport. Buyer Shipping agent acknowledges NOR and reply their readiness to receive the cargo on behalf of the Buyer.

6. Vessel sails to POD. Further ETA updates to be sent to Buyer's POD at ten (10) and five (5) days and then at forty-eight (48), twenty-four (24), and twelve (12) hours prior to arrival at POD. Upon arrival at Buyer's POD, vessel announces arrival to Port Authority/Navy. Buyer's shipping agency clears vessel into the POD Anchorage.

NB: The loaded vessel will only anchor in the international waters of the POD country pending Clearance form Buyer shipping agent. Any expenses; port charges, levies, security, tugging etc. that might arise as a result of vessel coming into the POD country harbor/port/terminal/storage or waters will be borne by the Buyer. All clearing processes will be carried out by the Buyer's Shipping Agent. If after seventy-two (72) hours upon

vessel arrival and there is congestion at the port which thus causes delay, Buyer shall bear cost of demurrage.

7. Vessel is cleared into Buyer Discharge Port and Vessel Master issues a Marine Authority To Board (ATB) to Buyer's nominated Inspectors as per Buyer's format. Q&Q analysis is conducted at Buyer's expense. Inspection Agency must be either SGS, INTERTEK, SAYBOLT, CIQ or equivalent and must be acceptable to Seller. The final Q&Q report is sent to both Buyer and Seller respectively.

8. Upon receipt of the Inspector's Q&Q report by both Buyer & Seller. Seller issues the Final Commercial Invoice based on out-turn barrels inspected.

NB: The Calculated Price for The Final Commercial Invoice Shall Be Based on the Q&Q Report at POD and On The THREE-DAY AVERAGE OF DATED (DTD) BRENT Day of Closing. As Stated in The Daily Published PLATT'S CRUDE OIL MARKET-WIRE REPORT/EUROPEAN MARKET-SCAN.

9. Buyer's Bank makes Full Payment in USD to Seller's Nominated Bank Account via Telegraphic Transfer within three (3) banking days of receiving the Final Commercial Invoice. Buyer's Bank will advise Seller's Bank by SWIFT or tested telex quoting the value date of the transfer, the amount, the invoice number, and the clearing bank, if any. Such advice is to be sent in due time so as to enable Seller's Bank to credit Seller with value on due date.

NB: If Full Payment is not received within a maximum of five (5) banking days of Buyer receiving the Final Commercial Invoice, Full Cargo Document and Title on Cargo, Seller's Bank has the right to call the Buyer's Stand-By Letter of Credit for settlement of total cost of cargo.

10. Seller's Bank confirms Payment and Seller sends Original Copies of all Shipping Documents, Title and Discharge Certificate to Buyer via Courier.

11. Seller instructs Vessel Master of Loaded Vessel to Discharge Cargo into Buyer's Storage Facility.

12. Seller pays all Brokers Commissions per signed NCND Master Fee Protection Agreement.