

PEDTROLEUM PRODUCTS

CLAUSE 11 - PROCEDURE AND PERFORMANCE BOND:

11.1. Seller issues contract to Buyer and the Buyer reviews, signs and returns contract to Seller. Buyer & Seller lodge the Contract with their respective banks.

11.2. Buyer issues a Proof of Funds to confirm financial capability.

11.3. Seller sends Buyer partial POP; the partial POP shall be comprised of the following:

- a. Product Origin
- b. Supplier's company registration certificate

11.4. Buyer confirms partial POP and issues SBLC MT 760 for the full value of contract, Seller issues a 2% Performance Bond after confirmation of Seller SBLC MT760.

11.5. Seller loads vessel(s) and issues the full cargo documents to Buyer.

The Full shipping Documents include;

- 1) A full set of made out "Clean on Board" Ocean Bill of Lading marked "Freight Prepaid", 1 original and 3 copies.
- 2) Certificate of Origin, One (1) Original and three (3) copies
- 3) Original Quantity and Quality inspection certificates plus three (3) copies as issued at loading port by an independent Surveyor Company
- 4) Certificate of Authenticity, One (1) original and three (3) copies.
- 5) Certificate of ownership.
- 6) Signed commercial Invoice, one (1) original and three (3) copies.
- 7) Insurance policy for not less than 110% of the invoice value against All Risks and War Risk and making Buyer as beneficiary, one (1) original plus two (2) copies
- 8) Captain's receipt (original) confirming receipt of bottles containing Arbitration quality samples of Product loaded by vessel.
- 9) Master's receipt one copy of all documents of the shipped Product.
- 10) Cargo Manifest.
- 11) Tank's Cleanliness certificate & Tank's Inspection certificate.
- 12) Ullage report

11.6. Seller issues NOR/ETA to discharge port and sails to discharge port.

11.7. Buyer conducts QnQ at discharge port and makes final payment within 60 days from date of the QnQ Report at Discharge port.

11.8. Next shipment follows.

CLAUSE 12 - NON-PERFORMANCE:

12.1 Should either Party fail to comply with any of their obligations to the other Party related to the contract, then suffering Party will have the option to declare non-performance against defaulting Party.

12.2 Failure by either Party to take against the other, in case of the other party's non-compliance with obligation or conditions set forth with this contract, shall not relieve the non-compliant party of the same or other obligations or conditions.

12.3 If the Seller fails to perform the delivery according to the contract, or provide the Buyer with Invalid certificate of Origin which led to the Buyer's failure at the customs clearance, then the Buyer shall have the right to detain the Performance Bond as the sole indemnity from the Seller.

And, in case if the Buyer refuses to accept the goods at the discharge port after positive Q&Q by SGS/CIQ or refuse to make payments after the goods pass the SGS/CIQ at the discharge port, then the Seller shall have the right to draw against the Buyer's SBLC for the total value of the shipment of the Product and transfer title to the Buyer OR Seller shall have the right to require Buyer to pay Seller an amount of 2% of the entire shipments value for Seller's loss and maintain ownership of the product without any liability to the Buyer for transfer of title to Buyer.

12.4 Buyer shall take full responsibility on the import customs formalities. In case the cargo experiences import difficulties or problems from the discharge port customs for any reason; such as shortage of import permit, products import allocations, customs required import documentations etc. a then Buyer also shall be fully responsible for the loss of the Seller which relates to the such an event. The Seller may draw against Buyer's SBLC for such losses.