AURELIAN CAPITAL
TRADING PROCEDURE – PETROLEUM PRODUCTS

1. Scope of Products

This procedure applies to the international trading of refined petroleum products including, but not limited to:

- Gas Oil / Diesel (AGO / EN590 / 10ppm)
- Gasoline (PMS)
- Jet Fuel (Jet A-1)
- Liquefied Petroleum Gas (LPG – Propane/Butane)
- Heavy Fuel Oil (HFO)
- Bitumen (60/70, 80/100, 50/70, etc.)

2. Parties Involved

- Seller: Approved refinery, producer, or licensed petroleum trader
- Buyer: Government entity, NOC, major oil marketer, or accredited private buyer
- Trader: Aurelian Capital Ltd (acting as principal or mandated intermediary)
- Inspection Company: SGS / Intertek / Bureau Veritas (or equivalent)
- Shipping Line / Vessel Owner: Approved and class-certified
- Banks: First-class international or regional banks acceptable to both parties

3. Initial Commercial Engagement

3.1 Buyer issues a formal inquiry (ICQ / LOI) specifying:

- Product specification
- Quantity
- Delivery port
- Delivery terms (FOB / CIF / CFR)
- Preferred payment terms

3.2 Buyer KYC & Trading History Submission

In addition to the formal inquiry outlined under Clause 3.1, the Buyer shall submit a complete KYC and compliance package, together with evidence of recent and relevant past trading history, to enable Aurelian Capital to conduct regulatory, banking, and counterparty due diligence prior to progressing the transaction.

A. Mandatory KYC Documentation

- Certificate of Incorporation / Registration
- Valid Commercial / Trading License
- Shareholding structure and ultimate beneficial owner (UBO) declaration
- Valid passports for authorised signatories
- Company profile outlining business activities and operational history
- Company website
- Bank confirmation letter or bank reference letter (issued within the last 3 months)
- Proof of active bank account to be used for the transaction

B. Past Trading History (Most Recent)

- Copies of Bills of Lading (BLs) from completed transactions
- Commercial invoices corresponding to the BLs
- Proof of payment (MT103 or bank confirmation)
- Past Sales & Purchase Agreements (SPAs) or contracts (redacted if necessary)
- Inspection certificates (SGS / Intertek / Bureau Veritas or equivalent), where available
- Delivery or discharge confirmations from ports or counterparties
- Reference letters from previous suppliers or counterparties (where available)

C. Compliance Note

Submission of the above documentation does not constitute acceptance of the Buyer. Aurelian Capital reserves the right to request additional information, decline to proceed without providing reasons, and share documentation with banks, insurers, or compliance partners strictly for due diligence purposes.

4. Offer & Contracting

- Seller issues a Firm Commercial Offer (FCO).
- Buyer reviews and confirms acceptance.
- Parties execute a Sales & Purchase Agreement (SPA) governed by agreed law and arbitration.
- SPA includes: quantity & tolerance, price formula, quality specifications, inspection protocol, payment security, performance guarantees, penalties and remedies.

5. Financial Instruments & Payment Structure

Accepted payment mechanisms include:

- Irrevocable Letter of Credit (LC) at sight or usance
- Standby Letter of Credit (SBLC)
- Bank Guarantee (BG)
- MT103 Wire Transfer (where contractually agreed)

Key principles:

- All instruments issued by acceptable banks
- Instruments subject to UCP 600 / ISP98
- Payment triggered strictly against compliant shipping documents

6. Pre-Shipment Procedures

- Seller nominates vessel and submits:
  - charter party,
  - vessel Q88,
  - insurance certificates,
  - laycan dates.
- Buyer issues financial instrument within SPA timelines.
- Upon financial confirmation: seller schedules loading and inspection company is appointed.

7. Loading & Inspection

- Product loaded at refinery or approved terminal.
- Independent inspection conducted for: quantity, quality, density & temperature.
- Inspection company issues: Certificate of Quantity and Certificate of Quality.

8. Shipping Documents

Seller provides full document set including:

- Commercial Invoice
- Bill of Lading (Clean on Board)
- Certificate of Origin
- Certificate of Quality & Quantity
- Insurance Certificate
- Packing List (where applicable)

Documents presented strictly per SPA terms.

9. Payment & Title Transfer

- Payment released upon compliant document presentation
- Title and risk pass as defined under Incoterms
- Buyer assumes risk post-transfer

10. Discharge & Final Inspection

- Cargo discharged at destination port.
- Optional discharge inspection conducted.
- Any claims handled per SPA dispute resolution mechanism.

11. Compliance & Risk Management

- Full AML / KYC compliance
- Sanctions screening
- Trade documentation audit
- Insurance coverage throughout shipment

12. Confidentiality & Non-Circumvention

All parties agree to:

- Confidential handling of commercial information
- No circumvention of Aurelian Capital's role
- No direct engagement without written consent

13. Governing Law & Arbitration

- Governing law as per SPA (typically English law)
- Arbitration via ICC / LCIA / DIAC
- Venue mutually agreed

14. Conclusion

Aurelian Capital ensures that all petroleum transactions are executed with transparency, bankability, operational discipline, and international best practice.