Aurelian Capital
Trading Procedure- Soft Commodities

1. Scope of Products

This procedure applies to the international trading of soft commodities, including but not limited to:

- Grains: Yellow & White Maize, Wheat, Barley, Sorghum
- Oilseeds & Meals: Soybean Meal, Rapeseed Meal, Sunflower Meal
- Rice (various grades)
- Sugar (raw & refined)
- Pulses and other agricultural bulk commodities

2. Parties Involved

- **Seller:** Licensed producer, miller, processor, aggregator, or exporter
- **Buyer:** Government entity, miller, trader, food processor, 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

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

- Commodity specification and grade
- Quantity and tolerance
- Origin (if specified)
- Delivery port
- Delivery terms (FOB / CFR / CIF)
- Preferred payment term

3.2 Buyer & Seller KYC and Trading History Submission

In addition to the inquiry, the counterparty 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.

4. Mandatory Due Diligence Requirements

- Company profile
- Certificate of Incorporation / Registration
- Valid export licence for the relevant commodity
- Shareholding structure and ultimate beneficial owner (UBO) declaration
- KYC documents for directors and authorised signatories
- Physical office address and contact details
- 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)

- Evidence of past trading history by way of:
  - **Redacted Bills of Lading (BLs)**
  - **Redacted SGS / BV / Intertek inspection certificates**
- Supporting documents may include:
  - Redacted commercial invoices
  - Redacted SPAs
  - Proof of delivery or discharge confirmations

C. Operational Capacity Verification

- **Videos and photographs** of mills, refineries, silos, warehouses, or processing facilities
- Evidence of ownership, lease, or offtake arrangements
- Confirmation of production, aggregation, and loading capability

D. Banking & Financial Standing

- Bank name, branch, and SWIFT details
- Confirmation of ability to receive **LC or Bank Guarantee**
- Bank reference or comfort letter (where requested)

E. Compliance Note

Submission of documentation does not constitute acceptance.
Aurelian Capital reserves the right to request additional information, decline to proceed, or share documents with banks, insurers, and compliance partners strictly for due diligence purposes.

5. Offer & Contracting

- Seller issues an **Indicative Offer**, followed by a **Firm Commercial Offer (FCO)**
- Buyer reviews and confirms acceptance
- Parties execute a **Sales & Purchase Agreement (SPA)**

The SPA shall include:

- Quantity and tolerance
- Commodity specification and quality parameters
- Inspection and sampling protocol
- Payment terms and security
- Penalties, remedies, and dispute resolution
- Governing law and arbitration

6. Financial Instruments & Payment Structure
Accepted Payment Mechanisms

- **Letter of Credit (LC)**
- **Bank Guarantee (BG)** against compliant documents
- **Telegraphic Transfer (TT) only upon satisfactory review and approval of the supplier profile**

Key Principles:

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

7. Pre-Shipment Procedures

- Seller confirms cargo readiness and loading window
- Independent inspection company appointed
- Sampling, testing, and quality verification conducted
- Fumigation and container cleanliness checks completed
- All pre-shipment certificates issued prior to sailing

8. Shipping Documents

Seller provides a full and compliant document set including:

1. Bill of Lading
2. Commercial Invoice
3. Packing List
4. Certificate of Origin
5. Certificate of Conformity (COC) – RFC date must be prior to sailing date
6. Certificate of Analysis
7. Non-GMO Certificate (where applicable)
8. Phytosanitary Certificate
9. Fumigation Certificate
10. Certificate of Container Cleanliness
11. Certificate of Weight
12. Health Certificate
13. Veterinary Certificate

Documents must strictly conform to SPA and LC/BG terms.

9. Payment & Title Transfer

- Payment released upon presentation of compliant documents
- Title and risk transfer as per agreed Incoterms
- Buyer assumes risk post-transfer

10. Discharge & Final Inspection

- Cargo discharged at destination port
- Optional destination inspection conducted where required
- Quality and quantity reconciliation performed
- Claims handled strictly in accordance with SPA timelines

11. Compliance & Risk Management

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

12. Confidentiality & Non-Circumvention

All parties agree to:

- Confidential handling of all 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 soft commodity transactions are executed with the same **discipline, transparency, bankability, and international best practice** applied across its petroleum and energy trading activities.