Hydrocarbons # 44 – A Poland Refinery

FOB DIP AND PAY PROCEDURES (ROTTERDAM, HOUSTON, FUJAIRAH)

1. Buyer accepts the seller's working procedure and issues the ICPO to the End seller via the Seller's representative.

2. Seller issues Commercial invoice, and corporate profile | CIS, and Buyer signs and returns signed Commercial invoice on the due date, along with the Buyer's tank storage agreement.

3. The Seller issues the following PPOP to the buyer for evaluation:
   - Certificate of Quality Conformance (COQC)
   - Commitment to supply
   - Tank In Situ agreement (TISA)

4. Upon receipt of the signed Tank, in situ agreement (TISA) between the buyers and their storage company confirming readiness to receive the product and engage the injection from Sellers' ex-tank to the Buyer's Tank, in situ (TISA) (Stock Transfer).

See explanation of TANK IN SITU AGREEMENT on the last page of this document:

Seller issues a copy of the SGS analysis Report and Unconditional Dip Test Authorization letter to Buyer, Buyer orders SGS, CIQ, or equivalent inspection to conduct a Dip Test of the product (Optional) In the Seller's Tank on Buyer's expense upon successful Dip Test.

5. Buyer provides their Notice of Readiness to receive the product to the buyer's tank, Seller, and buyer coordinates with the injection firm to initiate the injection from the Seller's Ex tank to the Buyer's Tank, in situ (Stock Transfer), Seller issues to the Buyer the Title holder transfer agreement, and NCNDA/IMFPA between all intermediaries involved for commission payment to be signed by The buyer and seller before the Injection.

6. Upon completion of the injection into the buyer's tank, the Buyer makes payment by MT103 TT wire transfer for the total product. Upon confirmation of the product payment, the seller issues to the buyer the following documents
   - . ATCS
   - . COO
   - . All export documents.

7. Seller will release commission payments to the intermediaries involved within three (03) working days of receiving the Payment for the product from the Buyer's bank.
8. Seller issues draft Sales and Purchase Agreement to the buyer to review for twelve (12) monthly contract deliveries with role and extension.

9. Buyer reviews and approves the Sales and purchase agreement and issues a Letter of credit, Standby letter of credit, or Documentary letter of credit (non-transferable) auto auto-revolving for 12 months' shipment value, for the length of the contract, and for each lift per schedule.

10. The subsequent delivery shall commence according to the terms and conditions of the contract; Seller pays commissions to all intermediaries as per IMFPA/NCNDA within three (03) working days after receiving the product payment from the buyer.

TRANSACTION CIF SELLING PROCEDURES

1. Buyer issues ICPO with sellers' procedure along with Buyer's CIS to end seller via Seller's. representative

2. Seller Issues Sale & Purchase Agreement (SPA) Buyer reviews, amends (if necessary), signs, and return the SPA to Seller within 3 banking days.

3. Seller issues to the Buyer via email the following transaction documents:
   A. Commitment to supply
   B. Statement of product availability
   C. Authorization to sell and collect

4. Buyer issues SBLC within ten (10) working days if the buyer fails to issue SBLC within the timeframe, The buyer pays a deposit of $320,000.00 to the supplier, Seller issue fresh SGS report to buyer and makes arrangements for the chartered freight with a renowned shipping company for the transportation of the product to the buyer's designated discharge port, Seller and Buyer sign the Charter Party Agreement (CPA) together with the shipping company.

5. After completion of the above Seller to lodge and activate a 2% PB (Performance Bond/Performance Guarantee) in favor of the Buyer. If the Seller fails to supply the cargo/ shipment of the product to the Buyer this 2% Performance Bond will be paid/forfeited to the Buyer, Seller issues to Buyer product title transfer agreement, Buyer signs, and returns. Seller legalizes the joint Contract with the authorities in charge and sends to the buyer the legalized contract, the certificate of product title transfer, and then

proceeds with the port & custom clearance of the product and all internal routines operations accordingly.

6. Upon completion of the above and confirmation of this export approval by the Authority to Seller with the endorsement of the Charter Party Agreement (CPA) and the Shipping Schedule by the Port Authority, to enable Seller to release the below Proof of Product Documents:

- ~ Legalized Charter Party Agreement (CPA) with the Loading Port Authority.
- ~ Injection Report
- ~ Product Allocation Certificate.
- ~ Authorization to sell and collect.
- ~ Allocation Title Transfer Certificate.
- ~ Export License
- ~ Export Approval
- ~ Tank Receipt.
- ~ Dip Test Authorization.

7. The product SGS inspection charges will be borne by the Seller at the loading port. Seller invites buyer for visitation to witness the final inspection and TTM for negotiation of the future transaction (Optional to Buyer). Seller signs NCNDA/IMFPA between all intermediaries involved with the notarized copy sent to Seller's bank.

8. Loading & Shipment of the product commences as per schedule. Upon the Vessel's arrival and finalization of SGS at the destination port, the Buyer releases payment via MT103 / telegraphic transfers (TT) within 5 banking

days to the Seller for the total shipment value after discharge of the product at the destination port and receipt of the entire relevant shipping and export documents. Seller within 72 hours pays the intermediaries involved according to signed & notarized IMFPA.

9. Seller issues draft Sales and purchase agreement to the buyer to review for 12 monthly contract deliveries with role and extension.

10. Buyer reviews and approves the Sales and purchase agreement and issues Letter of credit, Standby letter of credit, or Documentary letter of credit (non-transferable) auto revolving for twelve (12) months shipment value, for the length of contract and for each lift per schedule.

11. Upon the product's arrival at the port of delivery the vessel captain will hand over the entire original POP documents to the buyer's or buyers' representative, the buyer pays for each shipment after SGS, CIQ, or equivalent inspection at the discharge port, the Buyer release payment within 5 to 7 banking days via MT103 / telegraphic transfers (TT) on each monthly quantity delivery.

12. The subsequent delivery shall commence according to the terms and conditions of the contract; the Seller pays commissions to all intermediaries as per IMFPA/NCNDA 72

hours after receiving the product payment from the buyer.

PROCEDURE - TANK TO VESSEL

1. Buyer issues official Irrevocable corporate purchase order (ICPO) and Corporate Profile.

2. Seller issues Commercial invoice, and corporate profile | CIS, and Buyer signs and returns signed Commercial invoice along with the Buyer's charter party agreement.

3. Seller provides buyer with the following documents
   a. Certificate of Quality Conformance (COQC)
   b. Tank Storage Receipt (TSR)
   c. Authorization to Verify product availability (ATV)
   d. Dip Test Authorization (DTA)

4. Buyer verifies the documents and secure three (03) days tank reservation for the dip test authorization operational approval for buyer to dip test on the product

5. Buyer proceeds according to the scheduled date and dip-tests in the seller’s tank. NCNDA/IMFPA will be signed by all parties to secure payment commissions. Buyer provides Authority to Inject from his vessel. Seller commences Injection into vessel

6. Buyer makes payment for the total product by MT-103 Seller submits to buyer the complete Injection Report, Notarized Authorization to Sell and Collect (ATSC) and transfers “Title of Ownership with all exportation documentation” to the buyer.

7. Seller pays commission to all intermediaries, and upon the successful spot lift, buyer reviews SPA contract for 12 months with possible rolls and extension.

PRICES: Next page:

# 44	PRODUCT	Mea sure	NET	Commissions to all	FINAL COST GROSS	MOQ	MAX QUANTITY
FOB	EN 590 10 ppm	MT	$ 485.00	$ 10.00	$ 495.00	50,000	600,000
CIF	EN 590 10 ppm	MT	$ 495.00	$ 10.00	$ 505.00	50,000	600,000
FOB	JET Fuel A 1	BBL	$ 78.00	$ 2.00	$ 80.00	500,000	6,000,000
CIF	JET Fuel A 1	BBL	$ 80.00	$ 2.00	$ 82.00	2,000,000	6,000,000
FOB	Diesel D6	Gall	$ 0.95	$ 0.02	$ 0.97	100,000,000	600,000,000
CIF	Diesel D6	Gall	$ 0.97	$ 0.02	$ 0.99	84,000,000	420,000,000
FOB	MT 103 / TT	ROTTERDAM - HOUSTON and FUJAIRAH					
TERM	12 Months or more						

❓ **Question:**
Can the terms **"Tank in Situ Agreement" (TISA)** and **"Tank-to-Tank Injection Agreement" (TTIA)** be considered the same or almost the same in petroleum industry terms?

▮ **Answer:**
No, they cannot be considered the same, although they are related.

The objective of having the (TISA) Tank to Situ Agreement is to guarantee the right to use or rent a specific tank, and this is done so that the buyer can demonstrate that they already have their tanks ready and paid for.

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1 Tank in Situ Agreement (TISA)

- It is an **agreement for the use or lease of a tank** in its current location.
- Allow the buyer, seller, or trader to **use an existing storage tank** for a specific period.
- Focus on **custody and tank usage rights**: access, inspections, insurance, and liability.
- Can be signed **with or without products** already in the tank.
- It is commonly used to **reserve or secure storage capacity**.

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2 Tank-to-Tank Injection Agreement (TTIA)

- It is an **operational contract for transferring products between two tanks** (in the same terminal or different terminals).
- Focuses on the **operational movement of hydrocarbons** from an original tank to a destination tank.
- Regulates **volumes, quality, inspections, risks, and liabilities** during the

transfer.
- Typically used when a seller delivers product to the buyer's or trader's tank.

🔍 Comparison

Aspect	TISA (Tank in Situ Agreement)	TTIA (Tank-to-Tank Injection Agreement)
Purpose	Grants right of use or lease of a specific tank	Regulates the transfer of product between tanks
Focus	Custody, access, and usage rights	Operational details of the product transfer
Includes product movement?	❌ Not necessarily	✅ Yes, it covers the product movement
Typical use	To secure or reserve storage capacity	To deliver product from seller to buyer/trader tanks

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📊 Visual Diagram

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          +-------------------------+
          | Tank in Situ Agreement |
          |      (TISA)          |
          +-------------------------+
                |
                | Grants right to use or lease
                | a tank in its current location
                |
                v
+---------------------------+     +-------------------------------+
| Ensures custody, access,  |-----> |  Tank-to-Tank Injection       |
| inspection and liability  |      | Agreement (TTIA)             |
| terms for a specific tank |     +-------------------------------+
+---------------------------+           ^
                            |
                            | Operates when product is
                            | transferred from one tank
                            | (origin) to another (destination)
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✅ Conclusion

- **They are not the same terms.**
- A **Tank in Situ Agreement (TISA)** can be a **preliminary or complementary step** before executing a **TTIA**, but each contract covers **different stages and objectives.**

- Many petroleum operations **require both contracts**: one to secure the tank (**TISA**) and another to move the product to or from that tank (**TTIA**).

NOTE: If the buyer fails to provide the endorsed Tank, in situ agreement between the buyers and its storage company within ten (10) business days buyer shall pay a guaranteed deposit of $230,000.00 to the supplier and take over the seller's tank.