



FOB DIP & PAY PROCEDURES

PETROLODEX

Jurisdiction: Dubai, UAE
2026

Overview & Introduction

This document establishes the official Petrolodex Free On-Board Dip and Pay Procedure, serving as the formal and sequenced framework governing all FOB fuel transactions facilitated through the Petrolodex platform. It is intended as a clear, step by step operational and contractual reference for Buyers, Sellers, and authorized intermediaries.

FOB Terms and Risk Transfer

Under FOB terms as defined by Incoterms 2020, the Seller's responsibility and risk transfer to the Buyer at the moment the product is confirmed transferred at the designated terminal or passes the ship's rail at the nominated loading port. From that point forward, all costs and risks including freight, marine insurance, and destination port charges are borne solely by the Buyer.

The Dip and Pay Method

The FOB Dip and Pay Procedure is Petrolodex's primary FOB transaction method. It combines physical product inspection at the Seller's tank facility with a performance-based payment model. Under this method, the Buyer proceeds with payment only after independently verifying product quality and quantity through a physical Dip Test conducted by an approved independent inspection agency such as SGS or an approved equivalent.

Pre-Transaction Workflow

Before the FOB Dip & Pay Procedure commences, all parties must complete the following preliminary steps:

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| 1. Preliminary Verification | The Buyer completes and submits the Petrolodex Buyer Information Form and executes the NCNDA via official corporate email to info@petrolodex.com |
| 2. Letter of Intent (LOI) | Upon approval, the Buyer issues a formal Letter of Intent specifying the product, volume, delivery terms, and target transaction timeline. |
| 3. Full Corporate Offer (FCO) | Petrolodex issues the Full Corporate Offer for the Buyer's review and written acceptance. |
| 4. ICPO Issuance | The Buyer issues the Irrevocable Corporate Purchase Order addressed to the End Seller and submits it to Petrolodex. This formally initiates the FOB DIP & Pay procedure. |
| 5. Full Verification | The Buyer submits all mandatory Full Verification documents including Company Registration, POF/BCL, Authorized Signatory Passport, Attorney Attestation Letter, and TSR or Q88 documentation. |

The FOB Dip & Pay Transaction Process

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| <p>STEP</p> <p style="font-size: 2em; font-weight: bold; margin: 0;">01</p> <p>Purchase Order</p> | <p>Buyer Issues ICPO with Banking Details & Passport</p> <p>The Buyer issues an Irrevocable Corporate Purchase Order (ICPO) containing the Seller's confirmed working procedures as provided by Petrolodex, the Buyer's complete banking details, and a scanned copy of the Buyer's valid government-issued passport. The ICPO formally initiates the FOB Dip & Pay transaction on the Petrolodex platform and constitutes the Buyer's irrevocable and binding commitment to purchase under the stated terms.</p> |
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ICPO MUST INCLUDE

- Seller's working procedures as provided and confirmed by Petrolodex
- Buyer's complete banking details: bank name, full address, account number, and SWIFT code
- Scanned copy of Buyer's valid, non-expired government-issued passport
- Company authorization letter signed and stamped by the authorized signatory

STEP

02

Commercial Invoice

Seller Issues Commercial Invoice – Buyer Signs & Returns

The Seller issues a Commercial Invoice (CI) for the product currently confirmed in tanks at the port of origin. The invoice contains complete product specifications, quantity, unit pricing, and applicable FOB delivery terms. The Buyer reviews the Commercial Invoice in full, executes it with authorized signature and company stamp, and returns the signed copy to the Seller through the Petrolodex platform within the stipulated timeframe.

COMMERCIAL INVOICE CONTAINS

- Complete product specifications: fuel type, grade, quality standard, and confirmed quantity in MT or BBL
- FOB unit pricing and total transaction value in agreed currency (USD)
- Tank location, port of origin, confirmed product readiness date, and estimated loading window
- Delivery terms, applicable payment conditions, and banking instructions

STEP

03

Partial Proof of Product

Seller Issues PPOP Package – Six Required Documents

Upon receipt of the executed Commercial Invoice, the Seller issues the Partial Proof of Product (PPOP) package to the Buyer. The PPOP is a comprehensive set of six mandatory documents that collectively confirm the physical existence, quality, quantity, and the Seller's legal authority over the product. All six documents must be complete, verified, and accepted by Petrolodex's compliance team before the transaction advances to Step 4.

PPOP PACKAGE

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| A | GPS Coordinates & Tank Storage Receipt (TSR) | Confirms the precise physical GPS location of the product, the tank ID number, quantity in metric tons or barrels, and the name and details of the storage facility operator. The TSR is the primary document confirming the product physically exists at the stated location and in the stated quantity. |
| B | Injection Report | Confirms that the contracted fuel product has been physically loaded and injected into the designated storage tank. Issued by the terminal or tank operator, dated and countersigned by the facility's authorized representative. |
| C | Unconditional Dip Test Authorization (UDTA) | A legally binding document issued by the Seller granting the Buyer unconditional and irrevocable permission to conduct a physical Dip Test of the product in the Seller's tanks. Cannot be revoked after issuance. Required before any inspection team may be granted site access. |

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| D | Authorization to Sell and Collect (ATSC) | Confirms the Seller holds full and unencumbered legal authority to sell the product and collect payment. A mandatory anti-fraud safeguard confirming no competing claims, liens, or encumbrances exist against the fuel inventory being traded. |
| E | Authorization to Verify Physically (ATV) | Grants the Buyer's designated inspection team physical access to the Seller's tank storage facility to conduct the Dip Test. Specifies the authorized inspection window, permitted personnel, and applicable on-site safety and access requirements. |
| F | Fresh SGS Report from Seller's Tank | An independent inspection report issued by SGS or Intertek directly from the Seller's tank, dated within 30 days of PPOP submission. Confirms product quality, full specification compliance, and baseline quantity prior to the Buyer's independent physical inspection. |

All Six PPOP documents must be completed, independently verified, and formally accepted by Petrolodex's compliance team before the transaction advances to NCNDA execution and physical inspection. Incomplete PPOP packages will not be advanced under any circumstances.

STEP
O4
Partial Proof of Product

Seller Issues NCNDA / IMFPA to All Parties for Execution

Upon acceptance of the PPOP package, the Seller issues the Non-Circumvention, Non-Disclosure and Confidentiality Agreement and International Master Fee Protection Agreement (NCNDA/IMFPA) to all intermediaries involved in the transaction and to the Buyer for review and execution. This legally binding agreement protects all parties against circumvention of established trading relationships and formally establishes and guarantees commission obligations for all authorized intermediaries involved in the transaction chain.

NCNDA / IMFPA COVERS

- Non-circumvention clause — no party may bypass another to close the transaction independently or directly
- Non-disclosure of pricing, supplier identity, product sourcing details, and all transaction terms
- Full commission schedule and guaranteed payment terms for all authorized intermediaries
- Duration of five (5) years from date of execution, renewal terms, and jurisdiction for dispute resolution
- All intermediaries must execute the NCNDA/IMFPA before the transaction advances to physical inspection
- Intermediaries who have not executed the NCNDA/IMFPA are not eligible for commission distribution in Step 7

STEP
O5
Physical Inspection

Buyer Conducts SGS Dip Test at Buyer's Expense — Issues TSR

The Buyer conducts a physical Dip Test inspection of the product in the Seller's tanks using SGS or an approved equivalent inspection agency, entirely at the Buyer's expense. The inspection verifies product quality, quantity, and full specification compliance against the Commercial Invoice and PPOP documentation. Upon successful completion of the Dip Test, the Buyer issues a Tank Storage Receipt (TSR) confirming product acceptance, confirmed quantity, and readiness to proceed to injection and payment.

INSPECTION REQUIREMENTS

- SGS or approved equivalent inspection agency must be pre-authorized by the Seller prior to site access
- Dip Test must be conducted strictly within the inspection window specified in the ATV document
- All inspection costs at the Seller's loading tank facility are borne entirely by the Buyer
- Buyer must issue written TSR upon successful inspection confirming product quantity and quality acceptance
- Any quality or quantity discrepancies identified during the Dip Test must be formally documented and reported to Petrolodex within 24 hours of inspection completion

STEP

06

Injection &
Payment

Product Injected into Buyer's Tanks — MT103 Payment & Title Transfer

Upon successful Dip Test confirmation and issuance of the Buyer's TSR, the product is immediately injected into the Buyer's designated tanks or loaded aboard the Buyer's nominated vessel in accordance with the agreed FOB delivery mode. The Buyer then makes full payment for the product via MT103 SWIFT wire transfer to the Seller's designated bank account. Upon confirmed receipt of the MT103 payment by the Seller's bank, the Seller formally transfers Title Ownership of the fuel to the Buyer.

INJECTION & PAYMENT TERMS

- Product injection or loading commences immediately upon successful Dip Test confirmation and TSR issuance
- Buyer must issue MT103 SWIFT wire transfer upon confirmed product injection or loading
- MT103 payment is irrevocable once dispatched — no cancellation or reversal is permitted after issuance
- Seller transfers Title Ownership documentation to Buyer upon confirmed receipt of MT103 by Seller's bank
- All title transfer documentation to be issued within 24 hours of confirmed MT103 receipt

STEP

07

Commission
Distribution

Seller Distributes All Intermediary Commissions Within 72 Hours

Upon confirmed receipt of the Buyer's MT103 payment by the Seller's bank, the Seller distributes all intermediary commissions strictly in accordance with the commission schedule set out in the executed NCNDA/IMFPA, within 72 hours of confirmed fund receipt. All commission payments are documented, traceable, and reported through the Petrolodex platform for full transaction transparency and audit compliance.

COMMISSION DISTRIBUTION TERMS

- Commission distribution must occur within 72 hours of confirmed MT103 receipt by Seller's bank — no exceptions
- All payments made strictly according to the commission schedule confirmed in the executed NCNDA/IMFPA
- Payment confirmation receipts to be issued to all intermediaries through the Petrolodex platform
- Commission delays beyond 72 hours must be immediately reported to Petrolodex — late payment constitutes a material breach of the NCNDA/IMFPA
- Disputes regarding commission amounts are resolved per the arbitration provisions of the NCNDA/IMFPA

Complete FOB Documentation Package

Every Petrolohex FOB transaction requires a complete and verified documentation package before processing begins. Incomplete submissions will not be advanced under any circumstances.

| CORPORATE & LEGAL DOCUMENTS | PPOP PACKAGE DOCUMENTS A TO F | LOGISTICS & DELIVERY DOCUMENTS | FINANCIAL & COMPLIANCE DOCUMENTS |
|--|---|--|--|
| <p>ICPO – Irrevocable Corporate Purchase Order with full banking details</p> | <p>(A)- GPS Coordinate & Tank Storage Receipt (TSR)</p> | <p>Commercial Invoice (CI) – Fully executed and signed</p> | <p>MT103 SWIFT Payment Instruction – Irrevocable bank wire transfer</p> |
| <p>Valid Passport Copy – Authorized Buyer signatory (government-issued, non-expired)</p> | <p>(B)- Injection Report – Signed by terminal or tank operator</p> | <p>Notice of Readiness (NOR)</p> | <p>SBLC MT760 – Required for Tanker Take Over (TTO) mode only</p> |
| <p>Company Authorization Letter – Signed and stamped by authorized signatory</p> | <p>(C)- Unconditional Dip Test Authorization (UDTA)</p> | <p>Q88 Vessel Documentation (required for Tank-to-Vessel / TTV modes)</p> | <p>Title Ownership Transfer Document – Issued by Seller upon MT103 confirmation</p> |
| <p>Executed NCNDA / IMFPA – Signed by all parties and intermediaries</p> | <p>(D)- Authorization to Sell and Collect (ATSC)</p> | <p>Charter Party Agreement (required for TTV / TTO delivery mode)</p> | <p>Certificate of Origin – Confirming non-sanctioned product origin</p> |
| <p>Authorization to Sell & Collect (ATSC)</p> | <p>(E)- Authorization to Verify Physically (ATV)</p> | <p>Vessel ETA Confirmation – Provided by Buyer’s nominated shipping agent</p> | <p>Customs Declaration Certificate – For applicable destination jurisdictions</p> |
| <p>Attorney Attestation Letter – Confirming Buyer’s legal standing and procurement intent</p> | <p>(F)- Fresh SGS or Intertek Report from Seller’s Tank (dated within 30 days)</p> | <p>Ullage Report – Confirming available tank capacity at receiving facility</p> | |



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