

FULL CORPORATE OFFER (FCO)

Date:

XXXXXXX
XXXXXXX
XXXXXXX

Dear **SELLER'S REPRESENTATIVE NAME**

In an effort to reach a successful resolution, we, **MANDATE** representing **BUYER**, have the pleasure of submitting, for **SELLER**, our **Full Corporate Offer** for supply of **PRODUCT AMOUNT** per month of **PRODUCT** for a period of **XX** months based on the following terms and conditions:

Product: DESCRIPTION
Origin: COUNTRY
Quantity: QUANTITY/PER (MONTH,YR ETC)
Specification: As per Specification Sheet annexed herewith
Delivery Terms: CIF(OR FOB) ASWP

PRICE:

Price in US Dollar per barrel to be invoiced against three-day average, the day before, the day on, the day after (pricing days) of the **COUNTRY** Platt published by Platt's Crude Oil Market.

PROCEDURE (Non-Negotiable):

1. Seller/Seller's mandate forward **Full Corporate Offer (F.C.O)** along with formats of bank capability and format of payment Guarantee for the payment of commission to the royalty and to the Buyer Mandate.

2. Buyer returns the FCO and formats duly signed and accepted along with an **ICPO** having full bank details (TOP 20) and major AAA Bank, which acceptable from the Seller. ICPO to be addressed to **XYZ, C.C.S.Z. ANYONE (aka AW), W.SMITH, XXX** and must confirm financial capability as well as include details of the refinery, refinery codes processing and storage capacity.

3. Seller Mandate response with draft of **Sale/Purchase Copy of Contract** for the Buyer to sign.

4. Seller Mandate arranges for exchange document as below:

a. Buyer's bank capability as per specified format, duly issued by TOP20 major AAA Bank, which is acceptable from the Seller.

b. Buyer's bank letter informing Seller Mandate that it will issue the bank guarantee as per specified format on a specified date in their bank after checking and verifying the codes with **SELLER**.

Against the above, same day and same time:

i) Seller Mandate will provide "Authority to Sell" document duly endorsed by the Chamber of Commerce, Saudi Arabia in original.

ii) Seller Mandate will provide "Mandatory Letter" in original issued by the Allocation Holder authorizing to sign the copy of contract on their behalf.

5. After successful completion of (4) above, Seller Mandate and Buyer sign the copy of Contract, agreeing in principal of all the articles.

6. After the Soft Copy of Contract has been signed and completed, Seller Mandate shall send the Soft Copy of Contract to the Allocation Holder, who in turn, shall have the contract registered in the name of Buyer with **SELLER**, within the maximum period of 15 banking days.

7. After the Hard Copy is registered in the name of the Buyer, the Seller/Seller's Mandate shall provide to the Buyer's/End User's Bank with genuine codes for verification from **SELLER**, the Buyer's bank shall be permitted a maximum of 24 hours from receipt to confirm and verify from **SELLER**.

8. Allocation Holder after registration of the Contract in the name of the Buyer with **SELLER** shall have the original contract having Seller Code, Contract Number, Allocation Number, Seller Bank Details, send to the Seller mandate through courier.

9. Immediately after receipt of the Contract in Original, Seller Mandate coordinate with Buyer/End User for Verification with **SELLER** and to be followed by signing of the hard copy by the Buyer.

10. After signing the hard copies in Buyer's Bank, simultaneously the Buyer's/End User's bank officer shall hand over to the Seller Mandate the Pay Order Guarantee as attached for the payment of commission to the royalty and to the Seller Mandate.

Splitting of discount is as follows:

Gross: US \$XXX.00 per (barrel OR gallon OR metric ton)

Net: UD \$YYY.00 per (same as above) (Maximum Market Rate)

Buyer Mandate & Intermediaries: US \$ZZZ.00 per (same as above)

Royalty: US \$MMM.00 per (same as above) (Closed)

Seller Mandate: US \$NNN.00 (same as above) (Closed)

The above discount could change on every Monday (London Time) based on the global crude market price fluctuation.

ONCE the Contract is signed then the Gross/Net Discount figures REMAIN CONSTANT during Contracts Term for XX DURATION PERIODS

11. Sellers bank sends to Buyer's bank a 2% non-operative performance bond that guarantees revolving six shipments in favor of Buyer L/C opener.

12. Immediately upon receipt of Non-Operative Performance Bond, the Buyer shall open a IRREVOCABLE, CONFIRMED, REVOLVING AND ONCE TRANSFERABLE (to **SELLER**) OPERATIVE DOCUMENTARY LETTER OF CREDIT TO BE OPENED TO SHOW AMOUNT FOR THE XX MONTHS QUANTITIES OF THE CONTRACT. THIS LETTER OF CREDIT WILL HAVE VALUE EQUIVALENT TO ONE MONTH'S QUANTITIES BUT REVOLVING FOR THE ENTRY XX MONTHS PERIOD OF THE CONTRACT, FROM A TOP 20 PRIME BANK, PAYABLE BENEFICIARY'S BANK AS SPECIFIED UNDER APPENDIX.

13. The 2% non-operative performance bond submitted by the Seller will be operative immediately after the letter of credit as mentioned in clause 12 above has reached and attached and accepted at Seller's Bank

14. The bellow mentioned document will be sent by the Seller immediately after receipt of Letter of Credit from the Buyer:

- a. Certificate of Authority to Sell
- b. Certificate of Availability of products
- c. Delivery Schedule.

15. At the time of each lifting of delivery, the Buyer / End User (Letter of Credit Opener) must provide the port authority at port of loading, the following documents:

- a. A copy of nominated vessels charter party under the name of LC opener (the Buyer must be end user).
- b. Proof of Refinery or processing Agreement under the name of Opener (the Buyer must be end user).

16. The Parties to the contract enter into this cycle and shall proceed with the execution of mutually agreed schedule to its full implementation.

17. The validity of this document is only for FIVE (5) days from today (XXX Time).

Note: Only the Original copy with original signatures and seal shall be considered as acceptable document.

Sincerely,
XXXXXXXX

TITLE
XXXXXXXX

Example