

COUNTERPARTY DUE DILIGENCE

EXACT SCOPE OF REVIEW

Our Counterparty Due Diligence is a structured, evidence-based review of the identity, corporate standing, commercial representation and relevant risk indicators associated with a prospective supplier, seller, trading entity or authorized representative.

The scope is designed to answer five fundamental questions:

01

WHO IS THE
COUNTERPARTY?

02

WHO OWNS AND
CONTROLS THE
ENTITY?

03

WHAT IS THE
COUNTERPARTY
REPRESENTING?

04

WHAT CAN BE
INDEPENDENTLY
VERIFIED?

05

WHAT MATERIAL
RED FLAGS OR
INFORMATION
GAPS EXIST?

01 — CORPORATE IDENTITY & EXISTENCE

Verification and review of the legal identity of the proposed counterparty.

Scope includes:

- Full legal entity name
- Trading name / commercial name
- Registration number
- Date of incorporation
- Registered jurisdiction
- Registered office
- Current corporate status
- Nature of business
- Available corporate filings
- Official corporate registry information
- Identification of relevant subsidiaries or affiliated entities, where identifiable

Objective

To establish that the entity **exists, is identifiable and corresponds to the entity presented in the commercial proposition.**

02 — OWNERSHIP & CONTROL

Assessment of the available information concerning ownership and control.

Scope includes:

- Shareholding structure
- Ultimate Beneficial Owner (UBO), where publicly identifiable or appropriately documented
- Directors
- Officers
- Authorized representatives
- Parent companies
- Affiliates
- Related entities
- Changes in ownership or management, where relevant and available

Objective

To establish **who ultimately owns, controls or represents the entity**, and whether the individuals presented to the buyer appear to have the authority they claim.

03 — REPRESENTATION & MANDATE VERIFICATION

Where a party claims to act on behalf of a producer, refinery, trading company, supplier or other principal, the representation itself becomes a critical part of the review.

Scope includes:

- Identity of the claimed principal
- Identity of the representative
- Claimed relationship with the principal
- Nature and scope of the mandate
- Validity period, where available
- Consistency between the representative's claims and available corporate information
- Supporting authorization or mandate documentation, where provided
- Verification of the relationship through independent channels where reasonably possible

Objective

To distinguish between:

Direct Principal → Authorized Representative → Independent Intermediary → Unverified Claim of Representation

No mandate is treated as verified solely because a document has been presented.

04 — MANAGEMENT & KEY PERSONNEL

Review of individuals materially involved in the proposed transaction.

Scope includes:

- Directors
- Senior management
- Authorized signatories
- Commercial representatives
- Beneficial owners, where identifiable
- Relevant professional / corporate affiliations
- Publicly available professional information

Review focus:

- Identity consistency
 - Corporate association
 - Role and authority
 - Relevant public information
 - Potential adverse indicators
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05 — COMMERCIAL PROFILE

Assessment of whether the counterparty's stated business profile is broadly consistent with the proposed transaction.

Scope includes:

- Stated business activities
- Trading profile
- Product categories
- Geographic footprint
- Claimed market position
- Historical activity, where independently available
- Relevant counterparties or commercial relationships, where publicly verifiable
- Stated supply capability
- Proposed transaction structure

Objective

To identify material discrepancies between:

What the entity claims to do and **What available evidence indicates it actually does.**

06 — PRODUCT & SUPPLY CLAIMS

Review of the information supporting the proposed supply opportunity.

Scope may include:

- Product name
- Product specification
- Origin
- Indicative quantity
- Availability period
- Loading point
- Terminal / refinery information, where applicable
- Delivery structure
- Proposed Incoterms
- Pricing structure
- Allocation / availability claims
- Supporting commercial documentation

Objective

To determine whether the commercial proposition is **internally consistent and sufficiently documented to justify further investigation**.

This review does not constitute physical inspection, title verification, inventory certification or confirmation of actual product availability unless separately mandated and independently performed by the appropriate parties.

07 — DOCUMENT AUTHENTICITY & CONSISTENCY REVIEW

Review of documents supplied during the engagement.

Documents may include:

- Certificates of incorporation
- Corporate extracts
- Licenses
- Certificates
- Company profiles
- Mandates
- Letters of authorization
- Commercial offers

- Product specifications
- Invoices
- Contracts / draft contracts
- Logistics documentation
- Other transaction-related materials

Review focuses on:

- Internal consistency
- Entity names
- Dates
- Registration information
- Signatories
- Corporate details
- Contact information
- Formatting and structural inconsistencies
- Cross-reference against independently available information

Where technically appropriate, available public or independent sources are used to cross-check material information.

08 — SANCTIONS & RESTRICTED-PARTY SCREENING

Screening of the relevant entities and individuals against applicable publicly available sanctions and restricted-party information.

Screening may cover:

- Legal entity
- Parent / affiliated entities
- Directors
- Beneficial owners, where identifiable
- Key representatives
- Relevant transaction parties

Potential areas include:

- Sanctions lists
- Restricted-party lists
- Government enforcement information
- Regulatory actions
- Export-control related restrictions

The applicable screening scope depends on the jurisdictions, entities, individuals and transaction structure involved.

09 — ADVERSE MEDIA & REPUTATIONAL SCREENING

Review of credible publicly available information for material adverse indicators.

Search areas may include:

- Fraud allegations
- Financial crime allegations
- Corruption-related matters
- Sanctions / regulatory issues
- Litigation of material relevance
- Enforcement actions
- Misrepresentation allegations
- Corporate misconduct
- Significant commercial disputes

Findings are distinguished between:

Verified Facts | Official Proceedings | Reported Allegations | Unsubstantiated Claims

No adverse-media finding is treated as established fact solely because it has been reported publicly.

10 — LITIGATION & REGULATORY REVIEW

Where reliable public information is available, review may include:

- Material litigation
- Regulatory proceedings
- Government enforcement actions
- Insolvency / bankruptcy indicators
- Corporate disputes
- Relevant judgments or official decisions

The availability and completeness of such information varies significantly by jurisdiction.

11 — DIGITAL & CONTACT VERIFICATION

Assessment of the consistency of publicly presented contact and digital information.

May include:

- Corporate website
- Corporate domain
- Official email domain
- Published telephone information
- Physical address
- Public corporate profiles
- Digital presence
- Consistency between online and corporate information

Particular attention is given to discrepancies between:

Corporate Identity → Domain → Email → Address → Personnel → Commercial Documentation

12 — RED-FLAG ANALYSIS

All material findings are evaluated for potential indicators requiring further investigation.

Examples include:

- Inconsistent corporate information
- Unclear ownership
- Unverifiable representation
- Conflicting company addresses
- Inconsistent domains or email addresses
- Unsupported supply claims
- Unusual documentation
- Material gaps in corporate information
- Sanctions-related indicators
- Significant adverse regulatory information
- Unexplained changes in corporate identity
- Pressure to bypass normal verification procedures

A red flag is an **indicator requiring investigation**, not automatically proof of misconduct.

13 — INFORMATION GAP ANALYSIS

A professional due diligence process should identify not only what is known, but also what **cannot be established**.

The review therefore identifies:

VERIFIED

Information supported by reliable evidence.

CORROBORATED

Information supported by more than one relevant source.

UNVERIFIED

Information for which adequate independent evidence has not been identified.

INCONSISTENT

Information that conflicts with available evidence.

OUTSTANDING

Information or documentation required for further assessment.

This distinction is fundamental to the final assessment.

14 — DUE DILIGENCE DELIVERABLE

Subject to the agreed engagement scope, the client receives a structured **Counterparty Due Diligence Report** containing:

A. Executive Summary

Concise overview of the counterparty and principal findings.

B. Corporate Profile

Legal identity, jurisdiction, registration and corporate structure.

C. Ownership & Management

Available ownership, UBO and management information.

D. Representation

Assessment of the claimed mandate or commercial representation.

E. Commercial Profile

Business activity and transaction-related information.

F. Documentation Review

Summary of documents reviewed and material inconsistencies identified.

G. Sanctions / Restricted-Party Screening

Screening results and relevant observations.

H. Adverse Media

Material publicly available findings and source attribution.

I. Litigation / Regulatory

Relevant publicly available proceedings or enforcement information.

J. Red-Flag & Information-Gap Analysis

Outstanding issues requiring clarification or additional evidence.

K. Verification Matrix

Category	Status
Corporate Identity	Verified / Partially Verified / Unverified
Ownership	Verified / Partially Verified / Unverified
Management	Verified / Partially Verified / Unverified
Representation	Verified / Partially Verified / Unverified
Commercial Profile	Corroborated / Partially Corroborated / Unverified
Documentation	Consistent / Inconsistent / Incomplete
Sanctions Screening	No Relevant Match Identified / Potential Match / Requires Review
Adverse Media	No Material Finding Identified / Finding / Requires Review
Litigation / Regulatory	No Material Finding Identified / Finding / Requires Review
Key Red Flags	Identified / None Identified / Further Review Required
Outstanding Information	Listed in Report

15 — SCOPE LIMITATIONS

The due diligence service is a **commercial and counterparty risk-screening exercise**.

It does not, unless separately contracted and independently performed by appropriately qualified professionals, constitute:

- Legal due diligence
- Audit
- Financial statement verification
- Credit rating
- Banking verification
- Regulatory certification
- Sanctions clearance by a competent authority
- Physical inspection of petroleum products
- Verification of physical inventory
- Title certification

- Refinery confirmation
- Terminal confirmation
- Guarantee of product availability
- Guarantee of transaction performance
- Guarantee of counterparty solvency

Where a matter requires specialist confirmation, the relevant **legal, compliance, banking, inspection, logistics or other professional adviser** should be engaged.

THE PRINCIPLE

VERIFY WHAT CAN BE VERIFIED.

IDENTIFY WHAT CANNOT.

FLAG WHAT REQUIRES FURTHER INVESTIGATION.

The purpose of the process is not to provide a superficial **“approved / rejected”** label.

It is to give the client a structured understanding of:

WHO THE COUNTERPARTY IS

WHAT THEY REPRESENT

WHAT CAN BE SUBSTANTIATED

WHAT REMAINS UNVERIFIED

WHAT POTENTIAL RED FLAGS EXIST

WHAT SHOULD BE CLARIFIED BEFORE FURTHER COMMERCIAL COMMITMENT

This creates a more disciplined foundation for the next stage of the commercial relationship.