

Auction Procedures

Matrix OiltankingMOGS Storage Auction

Effective Date: May 7, 2020

Terms and Conditions subject to Change:

Current Version Posted at <https://matrix.global/>

OiltankingMOGS Crude Oil Storage Auction

These procedures set forth the terms and conditions under which OiltankingMOGS and MatrixGlobal Holdings LLC (“Matrix”) will facilitate the auction of blending, storage and handling services in a defined number of dedicated tanks at the OiltankingMOGS storage facility in Saldana Bay, South Africa (the “Facility”) on a monthly basis

General Framework

Blending, storage and handling services will be sold by *OiltankingMOGS* to market participants (“Participants”) through an auction hosted by Matrix (an “Auction”), which will involve the provision of blending, storage and handling services at the Facility for a defined number of tanks and a defined number of months at the Facility (the “Blending, Storage and Handling Services”). The Auction will be hosted on an electronic auction platform hosted by Matrix (the “Auction Platform”).

Winners in the Auction will acquire Blending, Storage and Handling Services, which *OiltankingMOGS* will make available in the specified delivery months in accordance with the Crude Oil Blending, Storage and Handling Services Agreement.

Blending, Storage and Handling Services

The shell capacity is 1.121 million barrels of crude oil per tank. The Blending, Storage and Handling Services won at auction will be a physical agreement that allows the winning bidder to store crude oil in specified tanks for the specified number of months as defined in the Auction.

Eligible Auction Participant

To be eligible to participate in the Auction the Participant must complete all Matrix documentation, *OiltankingMOGS* KYC documentation as well as agree to the Terms and Conditions of the Auction. The Participant will also have to agree to the Crude Oil Blending, Storage and Handling Services Agreement for the Facility. *OiltankingMOGS* and/or Matrix have the right to refuse access to any Participant.

Auctions will be held on the dates and at the times announced by Matrix as instructed by *OiltankingMOGS*. Matrix will post the Blending, Storage and Handling Services to be auctioned on the Matrix website as well as in an email to all registered Participants.

Secondary Transactions

Parties to the Crude Oil Blending, Storage and Handling Services Agreement (other than *OiltankingMOGS* itself) may not sell the Blending, Storage and Handling Services in any auction. However, a participant may trade the Blending, Storage and Handling Services in the secondary market if (a) the Participant first receives the express written consent of *OiltankingMOGS*, whose consent shall not be unreasonably withheld, and (b) the transfer meets all requirements of the laws, rules and regulations of the Republic of South Africa. After the completion of a secondary transaction, both parties must notify Matrix of the transaction's volume, delivery month and counterparty through the Matrix.Global online portal.

Oiltanking MOGS

OiltankingMOGS's participation in the Auctions shall be limited to offering the Blending, Storage and Handling Services at the Facility. *OiltankingMOGS* shall not trade the Blending, Storage and Handling Services for the defined tanks during the time specified for the particular Auctions.

Bids

All bids posted in the Auction for *OiltankingMOGS* Blending, Storage and Handling Services **ARE BINDING** upon the close of the Auction and subsequent award and require no further action by the bidder in order to be accepted.

Each bid for *OiltankingMOGS* Blending, Storage and Handling Services must be expressed as price per barrel per month of Blending and Storage Services.

Participants may submit bids through the Auction Platform.

Price Characteristics of Bids

From time to time, *OiltankingMOGS* may announce a minimum accepted bid price for the Blending, Storage and Handling Services. The minimum accepted bid price shall be announced in advance of the auction. As of the date of these procedures, the minimum accepted bid price is 25 U.S. cents (USD 0.25) per barrel of storage. Bid increments shall be no less than one U.S. cent per barrel of storage (USD 0.01). The volume bid for will be the number of tanks times the number of months as set out in the Auction notification.

Any subsequent modifications to bidding prices and volumes shall be announced in advance of the Auction.

Auction Process

Auctions will be set to run for ten (10) minutes. Any bid that is placed is binding to the bidder and cannot be removed. Bids will be ranked by price and time priority. The best bid in the auction (the “Best Bid”) will be notified as such on the auction screen of the individual company who has posted the best bid. In the last minute before Auction expiry, any new best bid will extend the expiry by thirty (30) seconds. Any Best Bid after that will continue to extend the auction in thirty (30) second increments until no new Best Bids are placed

Example Bid Set and Auction Results

The following bids would be considered:

	<i>Price</i>	<i>2 Tanks Volume</i>	<i>Auction Expiry 10:10</i>	<i>Expiry Adjust</i>	<i>Expiry</i>
<i>Bidder I</i>	\$0.31	2.242 mmbbl	Winning Bid		10:12.00
<i>Bidder I</i>	\$0.31	2.242 mmbbl	10:11.27	Add 30 seconds	10:12.00
<i>Bidder F</i>	\$0.30	2.242 mmbbl	10:10.56	Add 30 seconds	10:11.30
<i>Bidder G</i>	\$0.28	2.242 mmbbl	10:10.23	Add 30 seconds	10:11.00
<i>Bidder H</i>	\$0.26	2.242 mmbbl	10:09.17	Add 30 seconds	10:10.30
<i>Bidder I</i>	\$0.25	2.242 mmbbl	10:05.45		
<i>Bidder J</i>	\$0.25	2.242 mmbbl	10:05.24		

Post-Auction Processes

Matrix will promptly inform *OiltankingMOGS* of the Auction results, subject to applicable laws and regulations, via electronic communication.

Matrix will, on agreement from *OiltankingMOGS*, post that the Auction has been concluded, including the awarded volumes, on the Matrix website or such other communication venue as *OiltankingMOGS* and Matrix deem appropriate.

Payment and Transfer Mechanics for *OiltankingMOGS* and Auction Platform Transaction Fee for Matrix

OiltankingMOGS shall specify the payment terms for the Blending, Storage and Handling Services awarded in the Auction. Payments must be made by wire into an account that is designated by *OiltankingMOGS*. Included in this payment will be the Matrix execution fee (currently one U.S. cent (USD 0.01) per barrel per month), which will be collected by *OiltankingMOGS* and made payable to Matrix.

Failure to deliver settlement funds by 10:00 AM U. S. Central Time of the Payment Date will be handled as follows:

- *OiltankingMOGS* will provide Matrix with information on the delinquent Participant.
- Matrix will contact the Participant and initiate a three (3)-business day curative period to allow for resolution and tender of settlement funds.

- If settlement funds are not delivered by the end of the period or the delinquent Participant acknowledges that it is not going to deliver settlement funds by the end of the period, Matrix reserves the right to cancel the transaction and prohibit the delinquent Participant from participating in the next three (3) Auctions.
- Any Blending, Storage and Handling Services volume that is cancelled pursuant to this section may be marketed to other bidders by Matrix following the auction.