



## **Auction Procedures For Crude Oil Blending, Storage and Handling Services**

### **Oiltanking MOGS Saldanha Terminal**

July 10, 2020

These auction procedures (the “**Auction Procedures**”) set forth the terms and conditions under which Oiltanking MOGS Saldanha (“**OTMS**”) will offer to sell crude oil blending, storage and handling services at its terminal in Saldana Bay, South Africa (the “**Terminal**”) through an electronic auction.

#### **Overview**

Crude oil blending, storage and handling services may be offered for sale at any time by OTMS (the “**Offered Services**”) through an electronic auction (an “**Auction**”). Notice of an Auction will be sent to eligible auction participants (an “**Auction Notice**”).

The services being offered for sale in an Auction, and the periods during which such services are available for use, will be included in the Auction Notice. The auction participant that has offered the highest price for the Offered Services at the expiration of an Auction will have irrevocably purchased such services.

The use of Offered Services at the Terminal is subject to the terms and conditions of the Crude Oil Blending, Storage and Handling Service Agreement for the Terminal (the “**Services Agreement**”).

All Auctions will be conducted on an electronic auction platform (the “**Auction Platform**”) that is hosted and operated by Matrix Global Holdings LLC and/or its affiliates (“**Matrix**”).

#### **Eligible Auction Participants**

To be eligible to participate in any Auction, a party must be authorized by OTMS to participate in such Auction. Once a party has been authorized by OTMS to participate in an Auction, information on how to access and participate in such Auction, together with access to documents related to such Auction (including a copy of the Services Agreement), will be sent to such auction participant by Matrix. Prior to participating in an Auction, eligible auction participants will be required to confirm that they accept and agree to the terms of the Auction Procedures and the Services Agreement, and return the signed documents to OTMS. OTMS may at any time limit, suspend or terminate the right of any party to participate in any Auction.

#### **Auction Notice**

In advance of any Auction, eligible auction participants will be notified by email of the date and time on which services will be offered for sale through such Auction (an “**Auction Notice**”). An Auction Notice will include a description of the Offered Services, the period of time during which such services may be used (the “**Offered Period**”), and any minimum price for such services. An Auction Notice may be sent by OTMS or Matrix.

### **Auction Process**

Unless otherwise provided in an Auction Notice for an Auction, an Auction will remain open for fifteen (15) minutes, *provided* that if any bid is made during the last 30 seconds of an Auction, the Auction will be extended to 30 seconds, and such extensions will continue until no further bids are made during the last 30 seconds of the Auction.

An auction participant may make a valid bid at any time during an Auction. Each auction participant will at all times be able to see their most recent valid bid and the highest bid at such time from all of the auction participants.

The auction participant offering the highest price for Offered Services at the expiration of the Auction will have purchased the right to use such services during the Offered Period in accordance with the terms of the Services Agreement. The winning bidder for any Offered Services will promptly be sent a notice confirming its purchase of such services (the “**Confirmation Notice**”).

### **Bids**

Bids will be expressed as price per barrel per month of the Offered Services.

All bids will be made in US Dollars (“\$”). Bids for Offered Services can be made in increments of \$0.01 per barrel. OTMS may establish a minimum price for any Offered Services, which shall be included in the Auction Notice for such services.

If there is a minimum price for any Offered Services, the initial bid for such services will only be valid if it equals or exceeds the minimum price, and each subsequent bid will only be valid if it is the highest bid when made.

Each bid for Offered Services made by an auction participant is irrevocable and binding on such auction participant, and a bid cannot be withdrawn or reduced. OTMS reserves the right to cancel any bid that it believes was erroneously entered into the Auction Platform.

### **Binding Offer**

By making a bid in any Auction, an auction participant agrees that (i) each bid by such participant is irrevocable and binding, and bids may not be withdrawn or reduced, (ii) if such auction participant offers the highest price for any Offered Services, then such auction participant will have purchased such services at such price, and payment will be made in accordance with the terms of the Services Agreement, and (iii) the use of Offered Services is subject to, and may only be used in accordance with, the terms of the Services Agreement.

**Use of Auction Platform**

By making a bid in any Auction, an auction participant accepts and agrees to the terms of the Auction Procedures and further agrees that neither OTMS nor Matrix (or any other person or entity) will have any liability or obligation for any failure of the auction technology, or any network, system or other technology, to perform as intended.

If an auction participant believes that an error has occurred, such auction participant should promptly notify OTMS of the error. However, under no circumstances will OTMS be obligated to sell or award any crude oil storage capacity to any auction participant except in accordance with the Auction Procedures.

In addition to the purchase price payable for the Offered Services, the purchaser of such services shall be obligated to pay a once off auction execution fee of \$0.01 per barrel for the applicable service volume sold. Consequently, the total execution fee will equal to the total monthly volume of storage (in barrels) included in the Offered Services *multiplied by* the number of months in the Offered Period *multiplied by* \$0.01). The execution fee payable for an Auction shall be payable to OTMS for the benefit of Matrix within seven (7) days after receipt of the Confirmation Notice for such auction.

**Modification of Auction Procedures**

The Auction Procedures may be modified by OTMS at any time upon notice to eligible auction participants.

**EXECUTED BY THE PARTIES AS FOLLOWS IN TWO COPIES:**

<b>Oiltanking MOGS Saldanha (RF) (Pty) Ltd</b>	<b>[insert full names]</b>
duly authorised hereto	duly authorised hereto
<b>Name:</b>	<b>Name:</b>
<b>Title:</b>	<b>Title:</b>
<b>Date:</b>	<b>Date:</b>