



AUCTION PROCEDURES FOR GASOIL STORAGE

Oiltanking Karimun Storage Facility

August 12, 2021

These auction procedures (the “**Auction Procedures**”) set forth the terms and conditions on which PT Oiltanking Karimun (**PTOTK**) will offer to sell gasoil storage capacity at its storage facility in Karimun, Indonesia (the “**Facility**”) thorough an electronic auction.

Overview

Gas oil storage capacity at the Facility may be offered for sale at any time by PTOTK through an electronic auction (an “**Auction**”). Notice of an Auction will be sent to eligible auction participants. The principal terms on which gasoil storage capacity is offered for sale pursuant to an Auction (the “**Offered Storage Capacity**”) will be set forth in a term sheet (a “**Term Sheet**”) that is made available to auction participants. The auction participant that has offered the highest price for the Offered Storage Capacity at the expiration of the Auction will be required to enter into a definitive agreement with PTOK for the Offered Storage Capacity at such price, as set forth below under “**General Terms and Conditions**”.

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

Eligible Auction Participants

To be eligible to participate in an Auction, a party must be authorized by PTOTK to participate in such Auction. Once a party has been authorized by PTOTK to participate in an Auction, information on how to access and participate in such Auction, together with access to documents related to such Auction, will be sent to such auction participant by Matrix. PTOTK may at any time 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 Offered Storage Capacity will be offered for sale through such Auction (an “**Auction Notice**”). An Auction Notice will also include the volume of gasoil storage capacity being offered for sale, the period of time during which such storage capacity may be used to store gasoil, and the minimum price for storage capacity. An Auction Notice may be sent by PTOTK or Matrix.

Term Sheets

A Term Sheet for Offered Storage Capacity will be sent or provided to auction participants in advance of the Auction for such storage capacity. Each Term Sheet will include the, minimum price for the Offered Storage Capacity, the volume of storage capacity being offered, the period of time during which such storage capacity may be used, throughput and ancillary rates, applicable terminal information and such other details as deemed relevant by PTOTK.

Auction Process

Unless otherwise provided in an Auction Notice for an Auction, an Auction will remain open for ten (10) minutes, *provided, however*, that if any bid is made during the last 30 seconds of an Auction, the Auction will be extended for additional 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 (higher) 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. However, if the Auction Notice for an auction requires auction participants to bid the minimum price in order to participate in such auction, the Auction Platform will not display a current or best bid until a participant has made a bid in excess of the minimum price.

The bidder offering the highest price for Offered Storage Capacity at the expiration of the Auction will promptly be sent a confirmation notice; *provided, however*, that if multiple auction participants are deemed to have bid the minimum price and no participant makes a higher bid, then the Offered Storage Capacity will be awarded to a participant by lot as determined by Matrix in its sole discretion.

Bids

Bids will be expressed as price per cubic metric (“**cbm**”) per month of the Offered Storage Capacity.

All bids will be made in US Dollars (USD). Bids for Offered Storage Capacity can be made in increments of 0.005 USD per cbm. PTOTK will establish a minimum price for any Offered Storage Capacity, which shall be included in the Auction Notice for such storage capacity.

If there is a minimum price for any Offered Storage Capacity, the initial bid for such storage capacity 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. However, if the Auction Notice for an auction requires auction participants to bid the minimum price in order to participate in such auction, then all of the participants will be deemed to have made an initial bid equal to the minimum price and they may only enter bids in excess of the minimum price.

Each bid for Offered Storage Capacity is irrevocable and cannot be withdrawn or reduced. PTOTK reserves the right to cancel any bid that it believes was erroneously entered into the Auction Platform.

Definitive Agreement

By making a bid to purchase any Offered Storage Capacity, an auction participant agrees that, if it is the highest bidder for such storage capacity:

- (i) Such auction participant's purchase of gasoil storage will be governed by the section below entitled "Terms and Conditions";
- (ii) the price for such storage capacity shall be the highest price offered by such auction participant in such Auction; and
- (iii) the other terms of the definitive agreement for such storage capacity will be consistent with the Term Sheet for such storage capacity.

Governing Terms and Conditions

The Terms and Conditions of the auction will be determined by a participant's relationship with PTOTK

1. Current and former customers of PTOTK will be able to utilize their current or prior agreed upon Terms and Conditions.
2. Current or former customers of Oiltanking at any facility shall have an exclusive right for seven (7) days to negotiate and enter into a definitive agreement to purchase and use such storage capacity; *provided, however,* that notwithstanding anything to the contrary in these Auction Procedures, PTOTK may elect to terminate such seven (7) day negotiation period if PTOTK determines that such bidder is unwilling or unable to perform any of its agreements under the preceding Section entitled "Definitive Agreement".
3. International companies of a particular size, as determined by PTOTK in its sole discretion, shall have an exclusive right for seven (7) days to negotiate and enter into a definitive agreement to purchase and use such storage capacity; *provided, however,* that notwithstanding anything to the contrary in these Auction Procedures, PTOTK may elect to terminate such seven (7) day negotiation period if PTOTK determines in its sole discretion that such bidder is unwilling or unable to perform any of its agreements under the preceding section entitled "Definitive Agreement".
4. New Customers that have no prior relationship will be required to both:
 - (i) sign and accept the Terms and Conditions that are posted on the Matrix Global website; and
 - (ii) complete the PTOTK's know-your-customer form before they will be allowed to access the auction platform. If a new customer is the highest bidder for the gasoil capacity offered for sale during the auction, they will have deemed to have purchased the capacity.

Use of Auction Platform

By making a bid in any Auction, an auction participant accepts the terms of the Auction Procedures and agrees that neither PTOTK nor Matrix (or any other person or entity) will have any liability or obligation for any failure of:

- (i) The auction technology;
- (ii) 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 PTOTK of the situation. However, under no circumstances will PTOTK be obligated to sell or award any gasoil storage capacity to any auction participant except in accordance with these Auction Procedures.

Modification of Auction Procedures

The Auction Procedures may be modified by PTOTK at any time upon notice to auction participants. In addition, the procedures for any auction can be modified by the Auction Notice for such auction.

For Further Information:

Matrix:

Richard Redoglia
Email: Richard.redoglia@matrix.global
Telephone: US +858-204-5122
IceChat: Richard Redoglia

Christopher del Vecchio
Email: Christopher.delvecchio@matrix.global
Telephone: US +203-218-9089
IceChat: Chris Del Vecchio

Oiltanking:

Maurits Thijssen
Email: maurits.thijssen@oiltanking.com
1 Seraya Avenue - Singapore 628208
Mobile +65 9012 9601

Kelvin Ling
Email: kelvin.ling@oiltanking.com
1 Seraya Avenue - Singapore 628208
Mobile +65 9671 9788