

ALLOCATION MECHANISM FOR LICENSE No: PPL.SF.F3/18/2006

THE ALLOCATION MECHANISM AND REQUIREMENTS FOR ACCESS FOR THE NATCOS CRUDE OIL STORAGE TANKS AND THE NATCOS WHITE PRODUCT STORAGE TANKS.

16 August 2011

PREAMBLE

Sasol Oil (Pty) Ltd (Registration number: 1981/007622/07, herein referred to as Sasol Oil) and Total South Africa (Pty) Ltd (Registration number: 1954/03325/07, herein referred to as TSA) jointly own the Natcos Airport (Old Durban International) crude oil storage facility and jointly lease land from Transnet National Ports Authority (TNPA) for additional crude oil storage facilities and white product (petrol and diesel) storage at Fynnlands.

The facilities are being managed, for and on behalf of Sasol Oil and TSA, by Natcos, an unincorporated joint venture between the two companies. Natcos is managed by the incorporated joint venture, National Petroleum Refiners (Pty) Ltd (herein called Natref), the shareholders of which are Sasol Oil and TSA (the shareholders). Natcos (and Natref) has operating responsibility for the site, but no management responsibility and both shareholders retain control of the assets and products that move through the site. The shareholders plan their own transfers into and out of the storage facilities. However, in order to ensure that the total facility stays within available ullage constraints, the shareholders and Natref meet at a set frequency to coordinate the movement of product into and out of the facility.

Natcos operates the facility as two virtual entities.

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1. BACKGROUND

On 14 July 2008, the National Energy Regulator of South Africa (Nersa) granted license PPL.sf.F3/18/2006 to Sasol Oil and TSA, operating as Natcos. The license was granted for the transportation, storage and loading of the following petroleum products: crude oil, diesel and petrol.

Although the facility is operated under a single license, Natcos operates the facility as two virtual facilities, with each of the shareholders (Sasol Oil and TSA) granted ullage in the facility in relation to their interest in Natcos. Currently this interest is: Sasol Oil: 63.64% and TSA: 36.36%.

The license covers the following equipment:

- 1) Fynnlands site 1
 - a) Diesel: F41108 (32,568.6 m³) and F41110 (32,568.6 m³)
 - b) Unleaded petrol: F41111 (32,568.6 m³) and F41112 (31,081.9 m³)
- 2) Fynnlands site 2
 - a) Crude oil: F41101 → Sasol Oil and TSA have applied for an amendment of license as the tank is in the process of being alienated to TNPA.
 - b) Crude oil: F41102 (32,581.8 m³), F41103 (32,558.2 m³) and F41104 (32,593.6 m³)
- 3) Natcos Airport site (next to the old Durban International, herein only referred to as the Airport site).
 - a) This site only stores crude oil and contains the following tanks:
 - b) F40101 (32,514.3 m³), F40102 (32,502.9 m³), F40103 (32,596.7 m³), F40104 (32,436.6 m³), F40105 (32,528.6 m³), F40106 (32,589.9 m³), F40107 (32,494.0 m³), F40108 (32,698.7 m³), F40109 (32,547.6 m³), F40110 (32,535.0 m³), F40111 (32,569.8 m³), F40112 (32,567.4 m³), F40113 (32,521.6 m³), F40114 (32,440.3 m³) and F40115 (32,570.3 m³).
- 4) The loading facility at Berth 9, with loading arms, rated at 2000 m³/hr at 5 bar.
- 5) The following pipelines are included:
 - a) A 24", 2 km bidirectional pipeline from Fynnlands (F41101 – F41104) to Berth 9 (crude manifold). The line has a capacity of 4000 m³/hr.
 - b) A 16", 250 m unidirectional pipeline from Fynnlands site 2 (crude) to the Petronet pump station. The line has a capacity of 845 m³/hr.
 - c) A 12", 250 m unidirectional pipeline from Fynnlands site 1 (petrol and diesel) to the Petronet pump station. The line has a capacity of 650 m³/hr.
 - d) A 48", 4 km unidirectional pipeline from the SBM to the Natcos Airport site. The line has a capacity of 10 000 m³/hr.
 - e) A 20", 6 km bidirectional pipeline from Natcos Airport site to Sapref. The line has a capacity of 800 m³/hr.

- f) A 16", 15 km bidirectional pipeline from Natcos Airport site to the Fynnlands site 1. The line has a capacity of 1100 m³/hr.
- g) A 12", 1.4 km unidirectional pipeline from Berth 9 to Fynnlands site 1 tank farm. The line has a capacity of 1200 m³/hr.

2. CRUDE OIL TANKS

2.1. Tanks background and layout

There are currently 19 tanks at Natcos in crude oil service. These tanks consist of 15 tanks at Natcos Airport site and 4 tanks at Fynnlands site 2. One of the tanks at Fynnlands site 2 (tank F41101) has been alienated to Transnet and removed from the current Nersa license.

The tanks can only receive crude oil from the SBM (Single Buoy Mooring) and Sapref and can only dispatch crude oil to Natref via the Crude Oil Pipeline (COP) or back to Sapref through the same pipeline used for supply from Sapref. From Sapref, the crude can also be transferred to Enref. There is currently a crude oil pipeline that connects Berth 9 with the crude oil tanks, but the use of this line has been discontinued due to the risk of product contamination for the white products.

2.2. Tariff for 2011

The (unapproved) tariff for storage in the Crude Oil tanks at Natcos for 2011 was calculated as: 9.08 c/l (cents per litre).

All tariffs are EXCLUSIVE of VAT.

Insurance cover is in place provided that the relevant legislative and policy requirements have been met. Terms will be specified on a case by case basis.

3. WHITE PRODUCT TANKS

3.1. Tanks background and layout

There are four tanks at Natcos that are dedicated to white products. Of the four tanks, two are dedicated for diesel and two for petrol. Currently diesel 500 is stored in the diesel tanks, while ULP (unleaded petrol) 95 is stored in the petrol tanks.

The tanks can receive product from Berth 9, as well as Total IVT (Island View Terminal), IVS (Island View Storage) and Vopak, and can transfer product to the COP, the Durban Johannesburg Pipeline (DJP), Total IVT, IVS and Vopak.

The facility does not have the capability to transfer product to the NMPP (New Multi-Product Pipeline).

The tanks are used for the bulk import and transfer of white products (ULP and diesel) and therefore there are no gantry facilities available at the tanks. This means that no white products can be loaded or off-loaded from or into road or rail tankers at Natcos.

3.2. Tariff for 2011

The (unapproved) tariff for storage in the White Product tanks at Natcos for 2011 was calculated as: 9.91 c/l (cents per litre).

All tariffs are EXCLUSIVE of VAT.

Insurance cover is in place provided that the relevant legislative and policy requirements have been met. Terms will be specified on a case by case basis.

4. ALLOCATION MECHANISM: WHITE PRODUCT TANKS

4.1. Fronting shareholder

Due to commercial and competition related issues, the shareholders cannot jointly host third parties at Natcos. To ensure a fair process, the decision was taken that one of the shareholders will front the third party and use their commercial processes for all transactions with the third party.

4.2. Allocation of uncommitted capacity

Both licensees use the Natcos facilities as an import terminal, where a large ship (brought in by either licensee) is discharged into the facilities and then moved to different facilities within South Africa from Natcos. An example of how the available ullage looks at Natcos is shown in Figure 1 where the available ullage in the two ULP 95 tanks (F41111 and F41112) during the 2009 calendar year is shown. This profile is typical for all products imported by the licensees and also typical per product and per year.

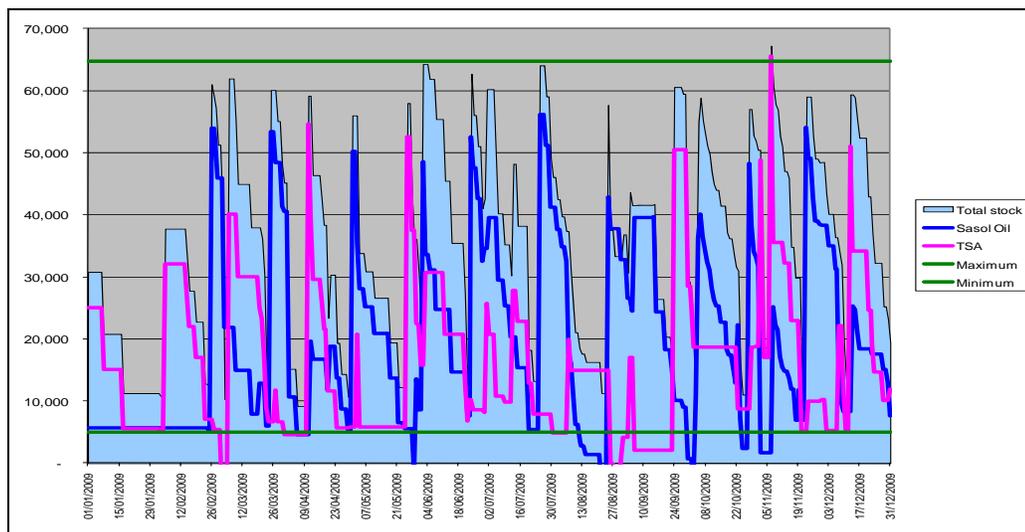


Figure 1: Example of available ullage: ULP 95 tank level during 2009.

The available ullage will be determined by both the volume ullage available and the period for which the ullage will be available. The period (in days) and the typical volume available for that period (on average) can be calculated by doing a histogram for the period under review (Figure 2).

From Figure 2 it can be seen that if a third party requires 14 days storage, then only $\pm 5000 \text{ m}^3$ can be accommodated without impacting the operations of the licensees.

The period for which the ullage will be available is important as the licensees continuously fills up their available ullage and then transfers it out of Natcos. The specific volume and time required by third parties will be negotiated on a case by case basis.

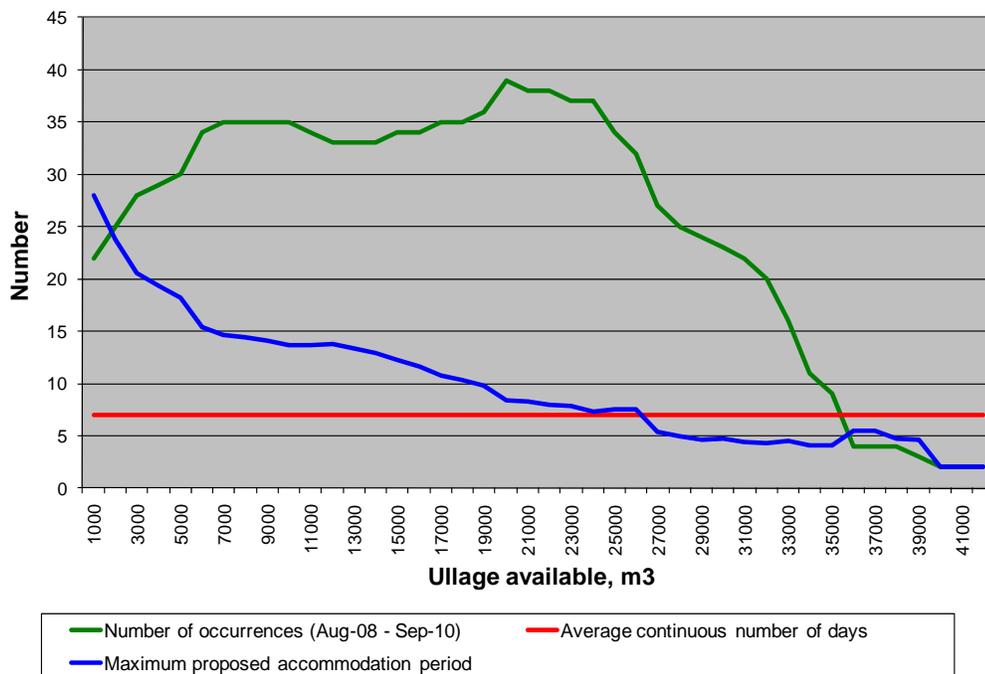


Figure 2: The average volume and time availability for ullage in Natcos.

The product will only be accepted if there is available ullage. The availability of ullage is determined during the planning process. Sasol Oil and TSA share the available ullage at Natcos and as such, there is a coordinated six month rolling plan to ensure that the total available ullage is never exceeded. In addition, maintenance at Natcos will impact the availability of ullage and as such is build into the six month plan.

4.2.1. Timelines for Application

Any third party will need to form part of this six month rolling plan and therefore will need to present its requirements well in advance. The notice period should at least be four months, but preferably six months. The following planning process will be required:

M+6¹: Indication of ullage requirements and import plan.
M+3: Indicative receipt and dispatch plans (including indicative eta's (expected time of arrival) for ships, etc.).
M+1: Firm receipt and dispatch plans.

The third party must supply this information to the Natcos Facilities Management before the 20th of month M, so that the latter may collate these into a daily stock rights progression and feasibility report for the licensees.

If the third party does not meet the planning requirements (e.g. due to unplanned transfers, etc.), the Natcos Facilities Management is not obliged to accept such Product.

4.2.2. "Use it or lose it" principle and "first come, first served" principle

Due to the nature of the operation of Natcos (Figure 1), ullage is not a constant and may or may not be available at any one time. It is therefore important to note that if a third party request ullage and it is available, then this ullage will only be available for the volume and period as planned for. If the third party cannot utilise the ullage as and when agreed, this opportunity will lapse and the third party will need to go through the whole process again (use it or lose it principle).

The licensees do not discriminate between third party applicants and due to the fleeting nature of available capacity, third parties need to approach Natcos or the licensees as soon as possible. Access to the facilities will be granted on a "first come, first served" basis, except where such allocation will be in contravention of applicable laws or in contravention of national security.

4.2.3. Breakdowns and unintended ullage constraints

From time to time events may occur (e.g. breakdowns or emergency maintenance) that limits or removes available ullage on short notice. During such an event, the licensees will communicate this to the third party as soon as it becomes known.

An emergency planning meeting between all affected parties will be convened to try and address the situation. The licensees will endeavour to the best of their abilities to accommodate third party requirements during such a period. However, the licensees cannot guarantee that they will be able to find alternate capacity or that they will be able to accommodate white products under such conditions.

Although the licensees will endeavour to rectify the situation as quickly as possible, it may become necessary to find alternative accommodation for the white products of any third party during such a situation. The licensees will

¹ M + n indicates the number of months in advance that specific information is required, e.g. M + 6 (n=6) will mean six months in advance, and M + 1 will be next month.

attempt to help third parties that have received ullage at Natcos to acquire such alternative accommodation, but the accountability and responsibility for acquiring alternative accommodation will continue to rest with the third party to whom the product belongs.

The licensees will not be liable for any consequential losses due to such an event or due to any other cause possible. Consequential losses shall include, but not be limited to: demurrage, holding costs, other third party hosting site costs, etc.

4.3. Process for Application to utilise uncommitted capacity

4.3.1. Contact details

The full document specifying the allocation of uncommitted capacity will be available at the Natcos offices:

1 Natcos Road
Prospecton
4115

Or can be obtained by writing to:

The Manager: Natcos
PO Box 26200
Isipingo Beach
4115

Natcos management will refer the applicant to the most suitable license holder, Sasol Oil or TSA, to handle the request for uncommitted capacity.

It is important that the applicant provide the following information with the application:

- Full name, registration number and contact details of the company.
- Depot(s) and capacity per product required.
- Documentary evidence as required in §4.3.2 (Vetting of Applicants).

4.3.2. Vetting of Applicants

4.3.2.1 *Requirements for Applications*

Applicants must prove the capacity to procure, handle and distribute petroleum products and must comply with, but not limited to, the following criteria:

- 🚧 Applicants must be registered as Wholesalers of Petroleum Product as set out in the Petroleum Products Act 120 of 1977 (as amended).
- 🚧 Applicants must be in a position to prove financial stability and the licensees reserves the right to verify the details provided.
- 🚧 Applicants must prove their BEE status as per the Liquid Fuels Charter.

- ✚ Applicants must be willing and able to submit the information to the licensees as stipulated under the Licence Conditions as imposed by NERSA.

Preference will be given to historically disadvantaged South Africans, who meet the criteria.

4.3.2.2 *Pre conditions required*

The third party should have the necessary licenses, permits, etc. required to import the product (i.e. meet all regulatory requirements).

Third party access will only be allowed if the third party has all the contracts in place for the import and transfer of the product to a different facility within the available ullage window. Applicant must prove the capacity, as well as the contractual capacity, to remove the petroleum products being stored, to ensure stock rotation.

Applicant must prove the reliability of supply of petroleum products from source or produce the required documents to verify that the product will be arriving as and when stated.

4.4. Quality and technical specifications

4.4.1. Quality specifications

Only petrol and diesel (herein referred to collectively or separately as Product) that meet the quality specifications as specified from time to time by the licensees for all Product at Natcos will be allowed in the tanks. The initial specifications as agreed by the licensees are shown in APPENDIX 1. In addition, the Product is used from time to time for line flushes, etc. on the Crude Oil Pipeline (COP). To meet quality specifications for these line flushes, the total olefins in the ULP must meet the following specifications:

Total C ₄ and smaller Olefin content	< 0.1 vol%
Total Olefin content in the ULP	< 18 vol%

Applicant must provide petroleum product that complies with the OIPES quality standard, submitting full documentation from the source of supply in reference to the quality of product, must be willing to provide samples for Natcos internal testing before pumping to the storage tanks and provided product must be fungible with the product currently being stored and handled in the facility's being applied for.

The Natcos Facilities Management is not obliged to receive into or store in the Natcos White Products Facilities any product, unless an independent quality certificate can be produced to prove that the Product meets the agreed minimum specifications.

Should any party transfer Product to the tanks, and the tanks are analysed to be off-specification subsequent to the transfer, the third party will be responsible to return the Product in the tanks to the quality it was before the transfer, either by replacing the contents, or by blending additional components that return the tank to being within specification.

4.4.2. Technical specifications

Natcos only serves as a import terminal and as such does not have any loading/offloading gantries for either road or rail. Any product that the third party needs to store at Natcos needs to be imported via ship or transferred from another storage facility. In addition, product transferred from Natcos can only be transferred via pipeline.

4.4.3. Vetting of ships (guideline)

The fronting shareholders, Total South Africa (TSA) or Sasol Oil (SO), shall each subject the vessels to their own vetting procedures.

The following criteria are offered as guidance only to acceptability of vessels by TSA and SO.

- 🚩 Age of vessel: The Age of vessels not to exceed 20 years.
- 🚩 Flag of vessel: The following Flag States are unacceptable: Korea DPR, Albania, Tonga, Honduras, Comoros, Georgia, Slovakia, Bolivia, Syrian Arab Republic, Cambodia, Algeria, Lebanon
- 🚩 Crew Matrix: Unacceptable if the Captain & C/O or C/E & 1/E have:
 - Joined at the same time.
 - Aggregated time with company < 2 years
 - Aggregated time in rank < 5 years
 - Aggregated tanker experience < 10 years

In exceptional circumstances TOTAL and Sasol may accept a vessel that does not meet the crew matrix criteria or is on its maiden voyage, but only when proof can be given that the vessel was approved by ExxonMobil, Shell, Chevron or BP in the last 6 month.

If the vessel has been inspected and found unacceptable by TOTAL, Sasol, ExxonMobil, Shell, Chevron, BP, PetroSA or any other charter party operating in South Africa or the vessel has had a fatality, then it will not be acceptable.

4.5. **Accounting and reporting**

In order to minimise storage costs, products of similar specification are co-mingled in Natcos regardless of ownership. No applicant or license holder may claim entitlement to a dedicated tank.

Ownership of the Product shall at all times continue to vest with the physical owner of the Product and Product ownership will be determined and recorded by specification and volume; and not necessarily by reference to a storage tank.

4.6. Return of Product

Third parties will receive product back of a similar nature and meeting the same specifications to that transferred into the tank. However, the licensees cannot guarantee that it will be the same molecules.

The product that will be supplied back to the third party will be on a volume for volume dry basis, based on an assay.

The volume supplied back to the third party will be reconciled and any over or under supply will be billed at the applicable rate. An over or under supply situation will not be rectified by supplying or receiving additional volumes.

Product will only be returned to a third party at Natcos, not at Natref or any other facility operated and/or owned by the licensees.

4.7. Gains and Losses

During every month-end, the Natcos Facilities Management will report on Product levels so that the reports indicate Product levels per storage tank. The Product levels may or may not be the same as the virtual Product recorded on the Management Information System. The variance between physical and virtual stock may result in Gains or Losses per Product.

Gains and Losses in respect of a Product pool will be apportioned between all owners on a *pro-rata* basis; and determined by each party's total usage for the relevant accounting period. The total usage per period is determined from the total volume transferred (or moved) through the storage tanks in the period.

Product ownership rights of Product that cannot be practically recovered within the facility (i.e. dead stock in tanks and Product in dedicated pipelines) will be allocated to the licensees.

Product in non-dedicated pipelines will be negotiated with third parties on a case by case basis and will depend on whether a transfer through such a pipeline is specifically for the third party or is part of "normal" operations.

4.8. Access to other parties

Third parties may appoint independent surveyors but such appointments must be done in consultation with the Natcos Facilities Management in order to ensure compliance with SHERQ requirements.

The costs of all such appointments shall be for the third party.

4.9. Non Adherence

Should the third party not adhere to this allocation mechanism, the following remedies will apply:

- ✚ common law remedies will apply where appropriate;
- ✚ if the third party exceeds their portion of the allocated ullage for a period exceeding that agreed, such third party must:
 - rectify the situation as soon as possible; and
 - in addition, accept accountability for all holding costs (e.g. tank rental, etc.) on a *pro-rata basis*, calculated based on the magnitude by which the by which the Participation Ratio has been exceeded.
 - accept all direct costs associated with the impact on licensee ullage constraints, e.g. *demurrage* costs.
- ✚ Consequential losses, e.g. loss of market, etc. are excluded.

4.10. Commercial terms

All commercial terms for hosting will be agreed between the fronting licensee and the third party and all commercial terms given in this document, including the Hosting Agreement (APPENDIX 3) are for *example* only. As the two licensees are competitors in the marketplace, Competition Legislation prohibits the sharing of exact commercial terms between the two licensees. The specific commercial terms agreed between the fronting licensee and the third party will depend on the governance procedures within each licensee and may or may not take cognisance of the risk profile of the third party, the current relationship with the third party and any other factors that may impact the exact commercial terms agreed.

By way of example, the following would reflect how commercial terms can be drafted between the parties:

4.10.1. Payment terms

The tariff payable to the fronting licensee by the guest in terms of this agreement shall be deemed to be earned by the fronting licensee, and the third party's corresponding liability to pay shall arise, as and when the petroleum product moves through the loading equipment at the depot.

The tariff fee shall be paid in monthly in arrears, within thirty (30) days of the date of an invoice rendered by the fronting licensee.

The third party shall under no circumstances be entitled to set-off or deduct any amounts that is to be paid by the third party to the fronting licensee in terms of this agreement against any amount that the fronting licensee may be obliged to pay to the third party whether in terms of this agreement or otherwise.

The date of the receipt of the petroleum product, the amount of litres of petroleum products received for and on behalf of the third party in terms of this agreement, shall at any time be determined and proved by the receipt

documentation signed by the fronting licensee relative to such petroleum product, which receipt documentation shall upon the mere production thereof be binding on the quest and be prima facie proof of the contents of such receipt documentation.

The date of issue of the petroleum product, the amount of the litres of petroleum products issued for and on behalf of the in terms of this agreement, shall at any time be determined and proved by the issuing note signed by the third party to such petroleum product, which issuing note shall upon the mere production thereof be binding on the third party and be prima facie proof of the contents of such issuing note.

The third party will pay the fronting licensee by way of an electronic bank transfer into a bank account in the name of the fronting licensee or in such other manner as the parties may agree in writing

4.10.2. Insurance

The fronting licensee shall insure the petroleum products of the third party while in the tanks at the depot for purpose of this agreement to the full value thereof, as reasonably agreed with the third party from time to time –

- (a) against risk of loss and damage by fire, riot, flood, civil disturbance, earthquake and such other causes (whether or not similar to the foregoing) against which property of such nature is ordinary insured; and
- (b) against risk of loss or damage by political riot, malicious damage and similar causes to the extent commercially available in the Republic of South Africa

4.10.3. Taxes

In terms of current legislation, the third party will be liable to pay to the relevant authorities the DAS in respect if the petroleum products as the petroleum products leaves the refinery concerned.

The tariff payable by the third party in terms of this agreement shall exclude duty at source liability as contemplated by the Customs and Excise Act as amended from time to time.

The agreed tariff, as the case may be, in terms of this agreement shall be exclusive of VAT, if applicable.

The fronting licensee shall be released from and shall not be liable for any payment of DAS and/or levies which should have been paid by the third party.

In the event that SARS and or any other collecting agency holding the fronting licensee liable because of the third party failure to comply with relevant regulations, the third party shall be liable to the fronting licensee for the full

payment inclusive of any penalties and interests so charged by SARS or any other collecting agency.

The parties record that should any other taxes or levies be levied by any competent authority that increases the cost at which the fronting licensee provides the services to the third party in terms of this agreement then the fronting licensee shall be entitled to increase the fees payable by the third party to the fronting licensee in terms of this agreement to place the fronting licensee in the same financial position it would have been in had it not been for such increase in taxes or levies.

4.11. Safety Health and Environment

The licensee accepts responsibility for the product from where it enters the valve closest to the applicable tank in Natcos. The licensee does not accept responsibility for any incident, including, but not limited to, incidents that impact the environment (e.g. spillages at ship or during off loading) or the safety and health of any people during the off loading or transfer from source of the products

The licensee also only accepts responsibility to the exit valve of the transfer pump at Natcos that transfers the product to its final destinations.

The third party is responsible for all incidents outside of these boundaries, including, but not limited to, clean up of any spilled product and rehabilitation of contaminated earth.

4.12. Confidentiality

During the planning process and operation of the Natcos facility, information will be shared that may be deemed confidential. Accordingly, no Party may disclose confidential information pertaining to another Party, without written consent of the owner of the confidential information. Confidential information shall include, but not be limited to the details of Agreements between the third party and licensees, the information handed over during the course of negotiations, as well as the details of planning volumes, operating procedures, etc.

4.13. Adherence to Applicable Laws and Rules

The third party warrants that it is and will always be in compliance with all laws and policies applicable to the import and distribution of petroleum products, including, but not limited to, all South African Revenue Service (SARS), Department of Energy (DoE), Nersa (National Energy Regulator of South Africa) and Department of Trade and Industry (DTI) requirements.

In addition, the third party indemnifies and holds harmless the licensee to any claims, etc. arising out of such non-compliance.

The third party must at all times adhere to Natcos's HSEQ (Safety, Health, Environmental and Quality) rules.

5. ALLOCATION MECHANISM: CRUDE OIL TANKS

The Natcos Crude Oil tanks form part of the operations of the Natref refinery in Sasolburg. The different crude oils are taken into Natcos and then pumped into the Crude Oil Pipeline (COP) in the correct ratio for Natref operations.

Due to the integral nature of the crude oil tanks the various grades of crude oil available and fungibility issues (the incompatibility of certain crudes), it is unlikely that capacity in the Natcos crude oil tanks can be allocated to third parties in a technically feasible and operationally reasonable manner.

APPENDIX 1: Common quality specification for one Diesel grade and one ULP Petrol product

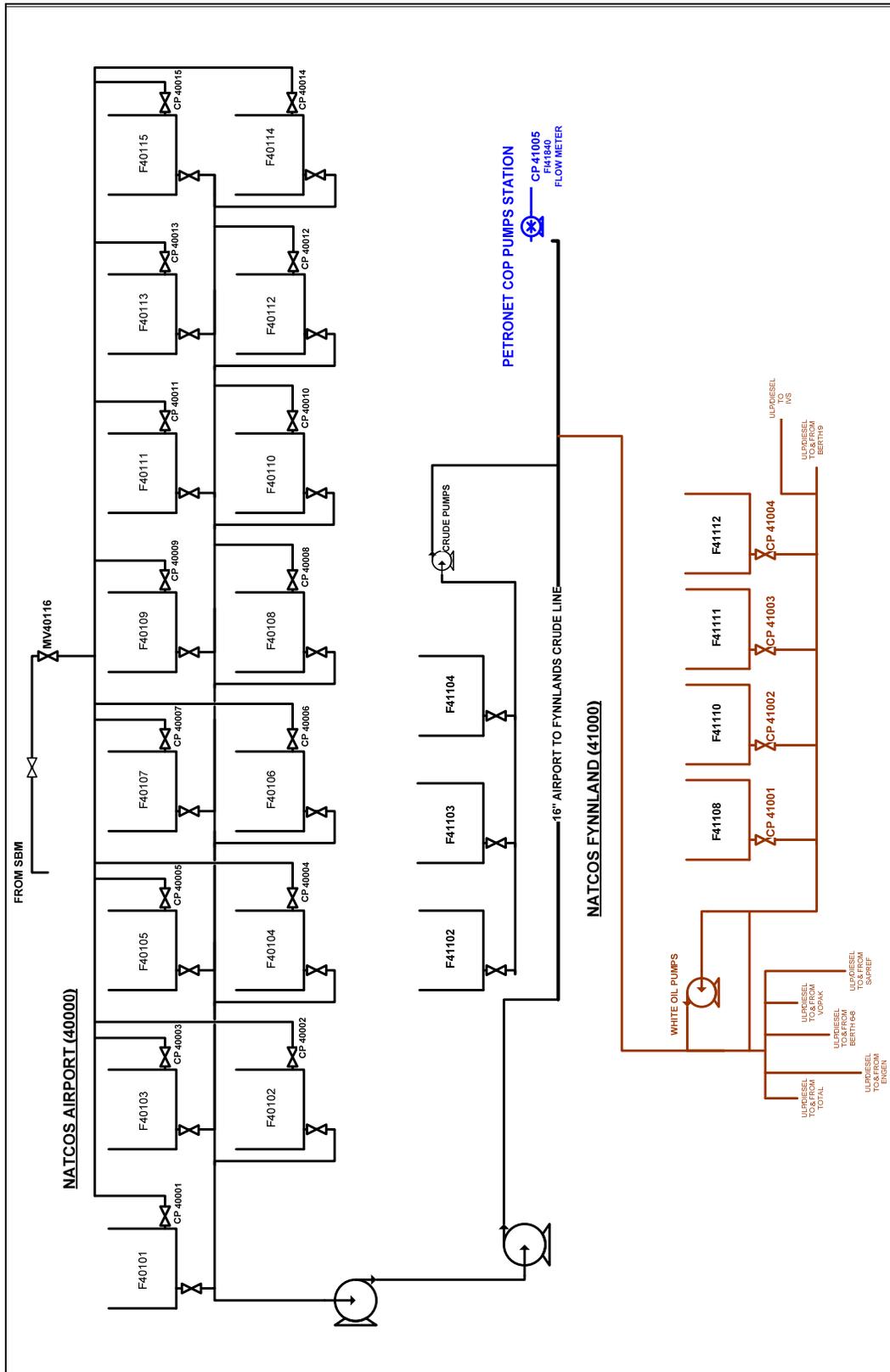
Figure 3: Specification for Diesel grade product

Property	Units	Limit	Test Method	Import requirement	Notes
Appearance		max	ASTM D4176 or Caltex Haze at 16-23	2	
Colour		max	ASTM D1500	3	
Density @ 20°C	kg/l	min	D4052/D1298	0,816	
Ash Content	% m/m	max	D482	0,01	
Cetane Number		min	D613/IP41	45	
Carbon Residue, Ramsbottom (on 10% residue)	% m/m	max	D524	0,2	
CFPP - Winter, 15 Mar - 30 Sept	Deg C	max	IP309	-4	
- Summer, 1 Oct - 14 Mar	Deg C	max		3	
Cloud point- Winter, 15 Mar - 30 Sept	Deg C	max		+4	
Conductivity @ 20 Deg C	pS/m	min	D2624	100	
	pS/m	max		600	
Corrosion, Copper Strip, 3 hrs @ 100°C		max	D130	1	
Distillation			D86		
90 % vol. Recovery	Deg C	max		362	
Sulphur Content	mg/kg	max	D5453	480	
Flash point, PMCC	Deg C	min	D93	62	
Strong Acid Number	mg KOH/g	max	D974/D664	nil	
Acid Number	mg KOH/g	max	D974/D664	0,25	
Kinematic Viscosity @ 40 Deg C	cSt (3)	min	D445	2,2	
		max		5,3	
Water Content, Karl Fischer	ppm (v/v)	max	D4377/D6304	200	
			IP356		
Lubricity (HFRR) (Lubricity improver must have latest British Standard multi product pipeline approval)	um	max	CEC F06-A-96	400	
Oxidation Stability	mg/100ml	max	D2274	2,0	
Total Contamination	mg/kg	max	IP440	12	

Figure 4: Specification for ULP 95 grade product

Property	Units	Limit	Method	Import Requirement	Note
Appearance			SABS 1598 Requirements 4.1.3	Clear and free from visible water, sediment and suspended matter	
Colour			Visual	Un-dyed	
Density @ 20°C	kg/l	min	D4052/D1298	0,710	1
		max		0,785	
Octane Number, Research		min	D2699/IP237	95,5/93.3	
Octane Number, Motor		min	D2700/IP236	85,5/83.3	
Lead Content	g Pb/l	max	D5059/D352	0,001	2
Gum, Existent	mg/100ml	max	D381/IP131	4	
Gum, Potential (2.5 hrs @ 100 Deg C)	mg/100ml	max	IP138/D873	4	
Induction Period @ 100 Deg/C	mins	min	D525/IP40	360	
Distillation			D86/IP123		
IBP	Deg C			Report	
10 % vol	Deg C	max		65	
50% vol	Deg C	min		77	
50% vol	Deg C	max		115	
90 % vol	Deg C	max		185	
FBP	Deg C	max		210	
Residue	% v/v	max		2,0	
Evaporated to 70 Deg/C	% v/v				
Reid vapour pressure/DVPE **	kPa	min	D323/D5191	45	
		max		75	
FVI, Spring, 1 Sept - 30 Sept		max	RVP + 0,7*E70	89	
Summer, 1 Oct to 28 Feb		max		87	
Autumn, 1 March to 31 March		max		89	
Winter, 1 April to 31 Aug		max		94	
Total Acidity	mg KOH/g	max	D3242/IP354	0.025	
Sulphur Content	% m/m	max	D4294/IP336 D5453/D3120	0.050	
Doctor test Or Mercaptans	%m/m	max max	IP30 D32270	Negative 0.0015	3
Cu Corrosion (3hr @ 50 Deg/C)	rating	max	D130/IP154	1	
Ag Corrosion (4 hr @ 50Deg/C)	rating	max	IP 227	1	
Aromatics content	% v/v		D5880/D5443 D1319	42	
Benzene content	% v/v	max	D5880/D5443		
	% v/v		D4815/D3606	3.0	
Oxygen content	% m/m	max	D4815	2.8	4
Butane content	% m/m	max	GC	4.0	
Metallic additives	mg/l	max	D3831	1	

APPENDIX 2: Custody Transfer from the Natcos facilities.



APPENDIX 3: Example of a Hosting Agreement for Natcos

**MEMORANDUM OF AGREEMENT
BETWEEN**

**SASOL OIL (PTY) LTD
REGISTRATION No. 1898/007622/07
(Herein referred to as the “Host”)**

AND

**.....
(Herein referred to as “the Guest”)**

IN RESPECT OF NATCOS TANKS CAPACITY



1. INTERPRETATION

1.1 In this agreement and in the annexures to this agreement:

- a) clause headings are provided for convenience only and shall not be used in its interpretation;
- b) an expression, which denotes:
 - (i) any gender includes the two genders;
 - (ii) a natural person includes a juristic person and vice versa;
 - (iii) the singular includes the plural and vice versa.

1.2 In this agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

- (a) **“acceptable losses”** means the losses in the that the oil industry accepts as normal losses in a depot operation, which in the case of is (tbc) of the volume;
- (b) **“asset ownership”** means the equipment recorded as owned by the guest and installed in the depot;
- (c) **“banking principle”** means the principle in terms of which the guest is required to maintain a positive balance of its petroleum products at the depot at all times. The guest will own the product and will be entitled to draw from such product as and when required. The principle applies at the depot where the replenishment was made and shall not be offset against entitlements at any other locations or netting off to base port (i.e. the port from which the product was first dispatched);
- (d) **“BFP”** means the basic fuel price as recommended by the Department of Minerals from time to time;
- (i) information known to either of the parties prior to its receipt from the other;
- (ii) information known to the public or generally available to the public prior to its disclosure by either of the parties to the other;
- (iii) information which become known to the public or becomes generally available to the public subsequent to its disclosure by either of the parties to the other, through no act or omission by the recipient of such information;
- (e) **“DAS”** depending on the context and for the purpose of this Agreement, means either the duty-at-source system, comprising of the Fuel Levy, Road Accident Fund Levy and Excise Duty as defined in the Customs Act, utilized by the South African Revenue

Service as a means of assessing duties payable in respect of locally manufactured petroleum products or the actual duties payable under the duty-at-source system

- (f) “**depot**” means the bulk storage and supply facility owned and operated by the host situated at **NATCOS** in the Republic of South Africa;
- (g) “**EDI**” means (notwithstanding anything contained in the interchange Agreement entered into between Industry members) electronic data interchange, which is the system used by the parties to record, monitor and process the movement of petroleum products between each other, (and for purpose of this agreement, excludes the transfer of ownership);
- (h) “**effective date**” means (tbc) notwithstanding the date of the signature of this agreement by the parties;
- (i) “**fixed fee**” means the rental payable by the guest to the host for the use of space or capacity allocated to the guest in terms of this agreement;
- (j) “**flushing**” means the process in terms of which certain petroleum products are used to flush or wash-out and clean a compartment of a bulk truck in order to avoid the contamination of petroleum products;
- (k) “**guaranteed**” minimum volume” means the minimum volume of petroleum products which the guest is obliged to store and uplift at the depot set out in this agreement. This amount may be reviewed by the host from time to time;
- (l) “**Levies**” means Slate levy, Pipeline levy, Incremental Inland Transport Recovery levy and all other levies as determined by DOE or any other government agency;
- (m) “**loading document**” means all the documentation generated by the software installed by the host at the depot, including EDI messages, which will serve as proof of the volume and nature of the issued by the host to the guest;
- (n) “**mandatory**” means the form to be signed by the guest in respect of the depot indemnifying the host, inter alia, against any injuries or damages suffered by any person due to any act or omission on the part of the guest, which form is attached to this agreement and marked Annexure “C”
- (o) “**MSDS**” means Material Safety Data Sheets as required by law;
- (p) “**parties**” means the host and the guest collectively and “party” means that one of the parties as the context in which it is used may indicate;
- (q) “**receipt document**” means all the documentation produced by the host, including EDI messages (i.e. Bill of lading, documents produced at the gantry) which serve as proof of volume and nature of the petroleum products received by the guest from the host from the depot;

- (r) “**relationship manager**” means that person nominated or delegated jointly by the host or guest to manage the relationship between them;
 - (s) “**replenish**” means the delivery of petroleum products by the guest to the depot, from time to time, in terms of this agreement;
 - (t) “**services**” means the storage and handling of the petroleum products by the host for and on behalf of the guest at the depot and matters ancillary thereto;
 - (u) “**tariff**” means the sum of the fixed and variable fees;
 - (v) “**variable fees**” means the fees payable by the guest to the host for the services, calculated on a cents per litre (cpl) basis;
 - (w) “VM” means Manufacturing Warehouse as defined in the Customs Act
- 1.3 Any substantive provision conferring rights or imposing obligations on any party in the interpretation clause shall be given effect to as if it were a substantive provision in the body of the agreement.
- 1.4 Words and expression defined in any clause shall, unless the application of any such word or expressions is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this agreement.
- 1.5 Any reference to a calendar month shall be construed as meaning one of the twelve months into which the year is divided according to the calendar (that is, January, February, etc).
- 1.6 Any reference to a calendar year shall mean a period of twelve consecutive calendar months commencing with January.
- 1.7 No provision herein shall be construed against or interpreted to the disadvantage of any party by reason of such party or being deemed to have structured, drafted or introduced such provision and the *contra proferentem* rule shall thus not apply.
- 1.8 The *eiusdem generis* rule shall not apply and whenever a term is followed by the word “including” which is then followed by specific examples, such examples shall not be construed so as to limit the meaning of that term.
- 1.9 Unless specifically otherwise provided, all amounts in this agreement are exclusive of VAT and the party liable to pay any amount shall also be liable to pay such value-added tax if payment thereof is required in terms of the value-added tax laws of the Republic of South Africa.
- 1.10 This agreement incorporates the annexures to this agreement which annexures have the same force and effect as if the set out in the body of this agreement. In the event of any conflict between this agreement and any annexure, the terms of this

agreement will prevail. In such event, the validity of the annexure shall not be affected. In this agreement the word "agreement" refers to this agreement and the words "clause" or "clauses" and "annexure" refer respectively to clauses, and annexures, of this agreement.

- 1.11 Any reference to a business day shall be construed as meaning a day other than a Saturday, Sunday or public holiday in the Republic of South Africa and for this purpose "public holiday", in relation to any obligation, shall mean a public holiday for the time being established or proclaimed as such in accordance with the provisions of the relevant legislation applicable at the place for performance of such obligation.
- 1.12 Any reference to a day shall be construed as a period of twenty-four months from midnight to midnight, and any reference to a period reckoned as a number of days, shall be calculated by excluding the first day, and including the last day: Provided that if the last day of such period would not be a business day then such period shall extend to, and shall include, the first business day thereafter.
- 1.13 Where the day upon or by which any act is required to be performed is not a business day, the parties shall be deemed to have intended such act to be performed on the following business day.

2. RECORDAL

- 2.1 The host is the owner and operator of the depot, which it uses to receive, store, handle and supply in bulk for its own requirements and those of third parties.
- 2.2 The guest is desirous of renting the tank capacity entitlement and of pouring the Services of the host to receive, store and handle its at the depot, for and on behalf of the guest.
- 2.3 The host hereby agrees and undertakes to let the guest the tank capacity entitlement and to receive, store, handle the for and on behalf of the guest at the depot and the guest undertakes to uplift and accept delivery thereof subject to the terms and conditions set out in this agreement.

3. COMMENCEMENT AND DURATION

- 3.1 This agreement shall commence on the effective date and will continue for (tbc) months until (tbc)

4. SERVICES

The host hereby agrees and undertakes to render to the guest services consisting receiving,

storing and handling the for and on behalf of the guest at the depot, for which services the guest will pay the host the tariff fee as set out in this agreement.

5. MINIMUM THROUGHPUT

At the commencement of this agreement, the guest monthly throughput of products through the depot shall not be less than.....which shall constitute the guaranteed minimum volume.

6. BREACH

6.1 Should a Party (“Defaulting Party”) commit a breach of any of the terms of this Agreement, and remain in default for a period of fourteen (14) business days after receipt by the Defaulting Party of written notice from the other Party (“Aggrieved Party”) calling for such breach to be remedied within fourteen (14) business days of the Aggrieved Party delivering such notice, such Aggrieved Party will be entitled, without prejudice to any other rights it may have hereunder or in law, to terminate this Agreement by written notice to that effect given to the Defaulting Party. In the event that any breach cannot be remedied within the aforesaid period or at all, the Aggrieved Party shall be entitled, without prejudice to any rights it may have in law or in this agreement, to summarily terminate the agreement.

7. TERMINATION

Each party shall be entitled to terminate this agreement by giving the other party written notice of termination of this agreement by giving the other a thirty (30) days written notice.

8. DISPUTE RESOLUTION

8.1 Volume Disputes

(a) In the event of a dispute regarding the volume of the uplifted by the guest and the delivery note and/or the invoice received from the host the parties shall in good faith endeavour to resolve the dispute before the due date for the payment of that invoice has expired.

(b) Should the parties be unable to resolve the dispute during the abovementioned period then the guest shall immediately pay the host the amount which it does not dispute and endeavour to resolve the remaining disputed amount within the next thirty (30) days.

- (c) Should the parties still be unable to resolve the dispute within the period mentioned in clause 8.1(b) then either of the parties may refer the dispute to an independent inspector who shall be nominated on the application of either party by the President of the OIPES (Oil Industry Product Exchange Specification) for the time being. The inspector will act as an expert and not an arbitrator, and shall after having received submission by both parties submit a report containing his findings. Such findings shall, if acceptable to both parties from the basis of a settlement agreement to be entered between the parties. If either Party does not accept the findings of the inspector, a dispute shall be raised, and the provisions of clause 26 shall apply. It is agreed that the costs of the inspector shall be shared between the parties.
- (d) The provisions of this clause 8.1 shall remain in force notwithstanding the termination, cancellation, invalidity, unlawfulness or unenforceability of this agreement or of any of the provisions thereof.

8.2 Other Disputes

- (a) Any dispute, other than a dispute referred to in clause 8.1, which arises shall be referred to the relationship managers who will use their best efforts to resolve the dispute within fifteen (15) days of the dispute having been referred to them.
- (b) Should the respective managers be unable to resolve the dispute in accordance with the foregoing, such dispute shall be referred to General Manager: Logistics of the host and Procurement and Supply Manager of the guest (or his nominee) of the respective parties who will use their best efforts to resolve the dispute within fifteen (15) days of the dispute having been referred to them.
- (c) Should the General Manager and Procurement and Supply Manager be unable to resolve a dispute in accordance with the foregoing, then either of the parties may refer the dispute to arbitration as contemplated in clause 20.
- (d) The provisions of this clause 8.2 shall remain in force notwithstanding the termination, cancellation, invalidity, unlawfulness or unenforceability of this agreement or of any of the provisions thereof.

9. FORCE MAJEURE

- 9.1 Neither party shall be liable to the other for the loss or damage of any nature whatsoever incurred or suffered by a party because of delays or defaults in performance under this agreement caused by circumstances beyond its control, and without its fault or negligence, including but not restricted to acts of God, perils of navigation, floods, fire, war (declared or undeclared), hostilities, executive or

administrative orders or acts of either general or particular application of any government or of any officer or agent purporting to act under the authority of such government, blockade, labour disturbance, strikes, riot, quarantine restrictions, earthquakes, loadshedding, accident, breakdown or injury to or expropriation, confiscation or requisitioning of processing, producing, sales, transportation, delivery or storage facilities.

- 9.2 If a party is by reason of force majeure prevented from fulfilling its obligations under this agreement the one so prevented shall without delay notify the other in writing to that effect. The parties shall then promptly meet with a view to reducing or mitigating the effects of the force majeure.
- 9.3 A party who alleges the existence of force majeure shall have the burden of providing the existence of such force majeure.
- 9.4 A party who, because of force majeure, fails to perform in whole or in part its obligations under this agreement, shall make every effort, but without having to incur any cost it would not otherwise would have to incur, to mitigate the effect of its failure or omission to perform in full and shall continue to perform its obligations as far as possible and practical and, upon the cessation of force majeure, without delay in writing inform the other party thereof.
- 9.5 If for reasons of force majeure, a party is unable, notwithstanding that party's efforts to remove the causes of the force majeure, to perform its obligations hereunder and such non-performance continues for more than sixty (60) consecutive days after force majeure has been notified in terms of clause 9.2, then either of the parties shall be entitled to terminate this agreement and neither party will have any claim against the other arising out of such termination.
- 9.6 During any period when force majeure exists and has been given notice of in terms of clause 9.2, each party shall bear its own costs and expenses.

10. DOMICILIA AND NOTICES

10.1 The following addresses shall constitute the *domicilium citandi et executandi* of each of the parties:

(a) In the case of the Host, 32 Hill Street Ferndale Randburg, Attention:
Procurement and Supply Manager;

(b) In case of the Guest:

11. ASSIGNMENT

Neither party shall be entitled to transfer or assign, partially or entirely, any of its rights or obligations under this agreement to anyone else without the prior written consent of the other party, which consent shall not be unreasonably withheld.

12. RELATIONSHIP BETWEEN THE PARTIES

It is expressly understood that the parties are contractors independent of one another, and that neither has the authority to bind the other to anyone else, or to otherwise act in any way as the representative of the other, unless otherwise agreed upon, in writing, between the parties.

13. WHOLE AGREEMENT

13.1 This agreement constitutes the entire agreement between the parties in respect of the subject matter hereof and neither party shall be bound by any undertakings, representations, warranties or promises not recorded in this agreement.

13.2 No alteration, variation or consensual termination of this agreement and no addition to this agreement shall be of any force or effect unless reduced to writing and signed by the parties or their duly authorized representatives

14. WAIVER

No waiver of any of the terms and conditions of this agreement will be binding or effectual for any purpose unless expressed in writing and signed by the party giving the same, and any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the part of either of the parties in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any right, power or privilege.

15. SEVERABILITY

Should any of the terms or conditions of this agreement be held to be invalid, unlawful or unenforceable, such terms and conditions will be severable from the remaining terms and conditions that will continue to be valid and enforceable. If any term or condition held to be invalid, unlawful or unenforceable is capable of amendment to render it valid, lawful or enforceable the parties agree to negotiate an amendment to remove the invalidity, unlawfulness and unenforceability.

16. INSURANCE

- 16.1 The parties shall respectively and as each deems fit, obtain and maintain adequate insurance cover for all their respective assets and liabilities and/or responsibilities in terms of this agreement.
- 16.2 The nature and ambit of a party's insurance shall not limit their liabilities and/or responsibilities in terms of this agreement.
- 16.3 The host shall insure the petroleum products of the guest while in the tanks at the depot for purpose of this agreement to the full value thereof, as reasonably agreed with the guest from time to time –
- (a) against risk of loss and damage by fire, riot, flood, civil disturbance, earthquake and such other causes (whether or not similar to the foregoing) against which property of such nature is ordinary insured; and
 - (b) against risk of loss or damage by political riot, malicious damage and similar causes to the extent commercially available in the Republic of South Africa

17. LIABILITY AND INDEMNITY

- 17.1 The parties hereby indemnify each other against all claims or liabilities arising from whatsoever cause and under whatsoever circumstances, which relates to:-
- (a) any representations or warranties made by either of the parties to anyone in respect of the product or its derivatives sold by either of the parties to anyone;
 - (b) claims by anyone for damage, death or injury arising from either of the parties' failure to provide them with information in respect of the inherent dangers, correct use and storage of the product or its derivatives.
- 17.2 Save as otherwise expressly provided for in this agreement, neither party shall be liable to the other for any indirect or consequential damages in respect of a claim arising in terms of this agreement such as, but not limited to loss of profits, loss of business, loss of market, or the like.

18. WARRANTIES

- 18.1 The host gives no warranties in respect of any matter contemplated in this agreement and the guest acknowledges that the host has given no warranties or representations of any nature whatsoever in regard to any matter arising from this agreement.

19. CONFLICT OF INTEREST

- 19.1 It is a material term of this agreement that neither of the host nor the guest shall make any payment or give anything of any value or provide any other benefit to any official of any government or public organization (including any officer or employee of any government or instrumentality) to influence his or its decision, or to gain any other advantage for either of the parties in connection with this agreement.
- 19.2 The parties shall immediately notify each other on becoming aware of any breach of clause 19.1
- 19.3 Each of the parties indemnifies and hold the other party harmless for all losses and expenses arising out of a breach of clause 19.1

20. ARBITRATION

- 20.1 Subject to the provisions of clause 8, each party consents to the referral to arbitration of any dispute arising out of this agreement. For purposes of this clause 20, the term "dispute" shall be interpreted in its widest sense and shall include any dispute or difference in connection with or in respect of the conclusion or existence of this Agreement, the carrying into effect of this Agreement, the interpretation or application of the provisions of this Agreement, the Parties' respective rights and obligations in terms of and arising out of this Agreement, or the validity, enforceability, rectification, termination or cancellation, whether in whole or in part, of this Agreement. Such arbitration shall be held subject to the provisions of this clause:-
- (a) at Johannesburg;
 - (b) informally
 - (c) otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, as amended, and the Arbitration Foundation of South Africa (AFSA) rules, provided that either party shall be entitled to approach the High Court to obtain appropriate urgent relief as may be necessary under the circumstances; and
 - (d) it being the intention that, if possible, it shall be held and concluded within twenty one (21) Business Days after it has been demanded.
- 20.2 The arbitrator shall be if the question in issue is:
- (a) primarily an accounting matter, an independent accountant agreed upon between the Parties;
 - (b) primarily a legal matter, a practicing senior counsel with no less than ten (10) years standing agreed upon between the Parties; or
 - (c) any other matter, an independent person agreed upon between the Parties

- 20.3. If the Parties cannot agree upon a particular arbitrator in terms of 20.2 above within seven (7) days after the arbitration has been demanded, the nomination in terms of 20.2(a), 20.2(b) or 20.2(c) as the case may be, shall be made by the President of the Law Society of the Northern Provinces (or its successor), within seven (7) days after the Parties have so failed to agree.
- 20.4. The Parties irrevocably agree that the decision in these arbitration proceedings:
(a) shall be final and binding on the Parties; and
(b) may be made an order of any Court of competent jurisdiction.
- 20.5. Any arbitration proceedings pursuant to the provisions of this clause 26 shall be treated as confidential by the parties to this agreement.
- 20.6. This clause 20.6 shall be severable from the remainder of this agreement, and shall survive its termination for whatever reason.

21. COMMERCIAL REQUIREMENTS

21.1. Rates/Considerable Payable by the guest to the host – Tariff Fee

- (a) As consideration for the storing and handling of the for and on behalf of the guest by the host at the depot, and the tank capacity allocation, the shall, subject to the provisions of the clause 21.5, pay the host (tbc) per m3 per day of received, stored handled and issued at the depot.
- (b) The tariff payable by the guest to the host shall include any necessary Capital investment, operating costs, rehabilitation costs on closure or any other costs which the host will be liable for in respect of the storage and handling of from the time of receipt into the tanks by the host and the issue thereof from the gantry to the guest

21.2. Rates/Consideration Payable by the guest to the host – Take or pay

If the guest fails, neglects or refuses to meet the guaranteed minimum volume of petroleum products, as set out in this agreement at the depot, then the guest shall pay the host an amount of per m3 per day for any such shortfall in the guaranteed minimum volume, and shall be invoiced and payable annually in arrears.

21.3. Escalation and Variation of Fees

- (a) The tariff may be reviewed at any time but at least once a year but no later than 30 November each year, by the parties and shall escalate, annually, at a rate equal to the increase in the CPIX (for all items, all areas) as determined and published by Statistics South Africa for the preceding 12 months, or in accordance with the host's recalculation of its

costs referred to in clause 21.1(b), whichever is the higher, and will become effective 1 January of the following year.

- (b) To the extent that the host hires the depot, the host specifically records that the tariff and escalation rate were calculated base on the amount of the rent and other fees that the host currently pays to the owner of the depot.

21.4. Taxes

- (a) In terms of current legislation, the guest will be liable to pay to the relevant authorities the DAS in respect if the petroleum products as the petroleum products leaves the refinery concerned.
- (b) The tariff payable by the guest in terms of this agreement shall exclude duty at source liability as contemplated by the Customs and Excise Act as amended from time to time.
- (c) The agreed tariff, as the case may be, in terms of this agreement shall be exclusive of VAT, if applicable.
- (d) The host shall be released from and shall not be liable for any payment of DAS and/or levies which should have been paid by the guest.
- (e) In the event that SARS and or any other collecting agency holding the host liable because of the guest failure to comply with relevant regulations, the guest shall be liable to the host for the full payment inclusive of any penalties and interests so charged by SARS or any other collecting agency.
- (f) The parties record that should any other taxes or levies be levied by any competent authority that increases the cost at which the host provides the services to the guest in terms of this agreement then the host shall be entitled to increase the fees payable by the guest to the host in terms of this agreement to place the host in the same financial position it would have been in had it not been for such increase in taxes or levies.

21.5. Manner of Payment

- (a) Subject to the provisions of this clause, the tariff payable to the host by the guest in terms of this agreement shall be deemed to be earned by the host, and the guest's corresponding liability to pay shall arise, as and when the petroleum product moves through the loading equipment at the depot.
- (b) The tariff fee shall be paid in monthly in arrears, within thirty (30) days of the date of an invoice rendered by the host.

- (c) The guest shall under no circumstances be entitled to set-off or deduct any amounts that is to be paid by the guest to the host in terms of this agreement against any amount that the host may be obliged to pay to the guest whether in terms of this agreement or otherwise.
- (d) The date of the receipt of the petroleum product, the amount of litres of petroleum products received for and on behalf of the guest in terms of this agreement, shall at any time be determined and proved by the receipt documentation signed by the host relative to such petroleum product, which receipt documentation shall upon the mere production thereof be binding on the quest and be prima facie proof of the contents of such receipt documentation.
- (e) The date of issue of the petroleum product, the amount of the litres of petroleum products issued for and on behalf of the in terms of this agreement, shall at any time be determined and proved by the issuing note signed by the guest to such petroleum product, which issuing note shall upon the mere production thereof be binding on the guest and be prima facie proof of the contents of such issuing note.
- (f) The guest will pay the host by way of an electronic bank transfer into a bank account in the name of the host or in such other manner as the parties may agree in writing.

21.6. Capital Investment and Installation of Equipment

- (a) The host records that in order to be able to accommodate the guest in terms of this agreement a capital investment may be required by the host.
- (b) The host shall be entitled to recover the costs of its capital investment through the tariff fee, to the extent the guest has agreed thereto in writing: Provided that, should the guest not agree to such recovery by the host, the host shall be entitled to terminate this agreement on one calendar months notice to the guest within sixty (60) days after the host shall have advised the guest of such capital investment cost and the intended recovery thereof from the guest.
- (c) The parties accept that for purposes of calculating the depreciation value of the assets that they will use the period of this agreement and the tariff fee will be review after the assets have been fully depreciated.

SIGNED at Johannesburg this day of
2009.

AS WITNESSES:

For and on behalf of
the host

1. _____

2. _____

SIGNED at Johannesburg
2009.

this

day of

AS WITNESSES:

For and on behalf of
the guest

1. _____

2. _____
