

**PERMIAN WEST TEXAS INTERMEDIATE AND LIGHT  
CRUDE OIL DOCK CAPACITY  
AUCTION PROCEDURES ANNEX**

**1. SCOPE**

- 1.1 These auction procedures (the "**Dock Auction Procedures**") set forth the terms and conditions under which ICE U.S. OTC Commodity Markets, LLC ("**ICE**") will administer an auction ("**Dock Auction**") on its electronic trading platform for services provided by Magellan Crude Oil Pipeline, L.P. ("**Magellan**") in a specified calendar month to load onto a vessel at the docks of either Magellan's Galena Park Terminal ("**Galena Park Terminal**") or Seabrook Logistics, LLC's Terminal in Seabrook, Texas ("**Seabrook Terminal**"), a specified quantity of one grade of Product (as defined below) (such services, a "**Vessel Loading**") subject to the terms of the CAC (as defined below). The volume of each Vessel Loading initially will be 650,000 Barrels (as defined below) of Product at Seabrook Terminal (currently limited to only WTI) or 400,000 Barrels of Product at Galena Park Terminal. ICE will announce any modifications to Vessel Loading volumes in advance of the applicable Dock Auction.
- 1.2 For purposes of these Dock Auction Procedures, "**Product**" means "WTI" or "WTL" as defined in Magellan's Texas Local Pipeline Tariff R.C.T. No. 5.3.0, as amended, replaced or supplemented from time to time and "**Barrel**" means forty-two (42) United States gallons at 231 cubic inches per gallon at 60 degrees Fahrenheit.
- 1.3 Provision of Dock Auctions shall constitute a "Platform Service" as defined in, and subject to the terms of, the ICE OTC Participant Agreement (the "**Participant Agreement**"), and these Auction Procedures shall constitute an Annex to the Participant Agreement. By participating in a Dock Auction, Participants (as defined below) agree to be bound by and operate in accordance with the procedures set herein in respect of the Dock Auctions.
- 1.4 Winning bidders ("**Buyers**") will be subject to the terms of a Dock Capacity Allocation Contract with Magellan in the form provided by Magellan ("**CAC**"), which provides the terms and conditions for the Vessel Loading.
- 1.5 The rights underlying the Vessel Loadings may be offered in a Dock Auction either from Magellan's marine customers who have authorized Magellan to sell such rights at the Dock Auction ("**Sellers**") or directly from Magellan.

**2. PARTICIPANT REQUIREMENTS**

- 2.1 A participant of ICE (a "**Participant**") must be registered as a Vessel Loading auction participant (a "**Dock Auction Participant**") to bid in a Dock Auction. To be registered as a Dock Auction Participant, a Participant must satisfy the following requirements:
- (a) The Participant must be authorized by Magellan to participate in a Dock Auction and at all times satisfy any requirements or criteria specified by Magellan from time to time relating to its registration as a Dock Auction Participant. Such requirements

and criteria may include, without limitation, having and maintaining, at its own cost, such licenses or approvals as are needed to operate at the Galena Park Terminal or Seabrook Terminal, as appropriate, and executing and delivering any documentation required by Magellan. Magellan may also require Dock Auction Participants to provide prepayments, letters of credit or other credit support in accordance with Magellan's terms and conditions.

(b) The Participant and any person for which it is acting must have the operational and commercial ability to use the Vessel Loading and perform its obligations under the Capacity Allocation Contract.

2.2 ICE may restrict or limit a Dock Auction Participant's participation in relation to any particular Dock Auction or Dock Auctions.

2.3 Without express written approval from Magellan, Magellan's customers with contractual access to Galena Park Terminal may not participate in an Auction for a Vessel Loading at Galena Park Terminal, and Magellan's customers with contractual access to Seabrook Terminal may not participate in an Auction for a Vessel Loading at Seabrook Terminal.

### 3. AUCTION PROCEDURES

3.1 Sellers and Magellan will have until 5:00 PM Chicago Time on the first Thursday of each month to notify ICE by email at [Vincent.martin@theice.com](mailto:Vincent.martin@theice.com) that such party will make available one or more Vessel Loadings in a Dock Auction. Such notice must set out the month of the Dock Auction, the terminal at which the Vessel Loading will occur and the Reserve Price (as hereinafter defined) for such Vessel Loading.

3.2 On the Thursday prior to each Dock Auction, ICE will post the quantity of Vessel Loadings at each of Galena Park Terminal and Seabrook Terminal to be auctioned, and the session times on the ICE website. This information will also be posted on WebICE.

3.3 Each Dock Auction will offer Vessel Loadings in the month following such Dock Auction. Separate Dock Auctions for each terminal will be held on the dates and at the times announced by ICE. Dock Auctions will be held on the second Tuesday of each month (unless the second Tuesday falls on a public holiday in the US, in which case the auction will be held the following business day), commencing (i) at 9:30 AM Chicago Time for Seabrook Terminal Vessel Loadings and (ii) at 09:45 AM Chicago Time for Galena Park Terminal Vessel Loadings. Any change in the timing of a Dock Auction will be notified by ICE to Participants in advance of the Dock Auction.

3.4 Each Dock Auction will end at a specified time (the "**Closing Time**"). The Dock Auction for Vessel Loadings at the Seabrook Terminal will commence at 9:30 AM Chicago Time and have a Closing Time of 9:45 AM Chicago Time; and the Dock Auction for Vessel Loadings at the Galena Park Terminal will commence at 09:45 AM Chicago Time and have a Closing Time of 10:00 AM Chicago Time, except in either case as specified by ICE for the relevant Dock Auction.

- 3.5 Bids for Vessel Loadings must be made in accordance with Section 5 below. Each Seller and Magellan may set a minimum accepted per Barrel bid price (“**Reserve Price**”) for such party’s Vessel Loading in a Dock Auction. Reserve Prices may be different for each Vessel Loading. Reserve Prices will not be announced by ICE.
- 3.6 ICE and Magellan shall treat all Dock Auction Participants equally with regard to the provision of information related to the Dock Auctions or Vessel Loadings.
- 3.7 Dock Auction Participants must submit all bids for a Dock Auction electronically through the auctioning platform.
- 3.8 Bids may only be submitted after the opening of the Dock Auction and until the Closing Time.
- 3.9 The time at which any bid is received will be the time that ICE records the bid as being received. Any bid received after the Closing Time will be treated as invalid and void. The clock system used by the ICE platform will determine all timing with respect to the Dock Auctions.
- 3.10 ICE may abandon or alter the procedure for any Dock Auction at any time prior to the entry into of CACs between Magellan and the Buyer, taking into account such considerations as it deems necessary or desirable.

#### 4. **RESTRICTIONS ON MAGELLAN/SELLERS**

- 4.1 Magellan's participation in the Dock Auctions shall be limited to the matters set out in these Dock Auction Procedures, including the sale of Vessel Loadings in accordance with these Dock Auction Procedures.
- 4.2 Neither Magellan nor any Seller for a Dock Auction shall be permitted to bid in that Dock Auction.

#### 5. **BIDS**

- 5.1 ICE is not obliged to solicit bids from any person. Only Dock Auction Participants may participate in a Dock Auction, subject to any restrictions imposed by ICE under paragraph 2.2.
- 5.2 A Dock Auction Participant may bid on multiple Vessel Loadings, for its own account or on behalf of its clients.
- 5.3 Bids will be quoted in United States dollars and cents per Barrel and bid increments shall be no less than one cent (\$0.01) per Barrel of the Vessel Loading volume, or as otherwise determined by ICE from time to time. ICE will announce any modifications to bid increments in advance of the applicable Dock Auction.
- 5.4 Bids are for the entire volume of a Vessel Loading and an individual Vessel Loading may not be divided or reduced.

- 5.5 Dock Auction Participants are not under any obligation to submit bids. Submitted bids may only be modified or withdrawn prior to the Closing Time. Bids submitted but not withdrawn or modified before the Closing Time are irrevocable. If ICE is satisfied, upon the request of a Dock Auction Participant, that a genuine mistake has been made in the submission of a bid, ICE may, at its own discretion, withdraw the bid, even after the Closing Time.
- 5.6 At the Closing Time, winning bids will be determined pursuant to Section 6. Once a winning bid is confirmed, a contract will automatically arise pursuant to Section 7.1.
- 5.7 No Dock Auction Participant may make a referential bid or a bid that is subject to conditions. Any such bid will be treated as invalid and void.
- 5.8 Any bid that does not comply with the requirements of these Dock Auction Procedures or any requirements specified by ICE pursuant to these Dock Auction Procedures will be treated as invalid and void.

## 6. **MATCHING**

- 6.1 With respect to any Vessel Loading to be sold in a Dock Auction, the highest bid not previously accepted for any previously sold Vessel Loading and satisfying any applicable Reserve Price will be a winning bid. A Buyer's bid price may be different from the winning bid price paid by other Buyers.
- 6.2 Following the determination of all winning bids for the Dock Auction pursuant to Section 6.1, the highest winning bid will be matched to the Vessel Loading with the lowest Reserve Price and thereafter the next highest winning bid will be matched to the Vessel Loading with the next lowest Reserve Price until all such winning bids have been matched to Vessel Loadings. If more than one Vessel Loading has the same Reserve Price, ties will be broken in favor of the Vessel Loading submitted to ICE under Section 3.1 at the earlier time.
- 6.3 The matching process will be conducted immediately following the Closing Time and Buyers will receive a buy confirmation in respect of the Dock Auction.
- 6.4 Bids that are not winning bids will be automatically withdrawn by the system.
- 6.5 Buyers will have until the 20<sup>th</sup> day of the month prior to the month in which the Vessel Loading will occur to notify Magellan by email if Buyer would like to load more than the volume of the Vessel Loading onto a single vessel at the same fixed dollar per Barrel fee that was determined by the Dock Auction. Subject to pipeline and dock capacity limitations, Magellan will honor such request on the same terms of the CAC.

## 7. **POST-BID PROCEDURE AND REPORTING**

- 7.1 ICE will use reasonable endeavors to promptly inform Magellan and successful Dock Auction Participants of the Dock Auction results, subject to applicable laws and regulations, via electronic communication.

- 7.2 Upon such notification, Magellan and the successful Buyer will be deemed to have entered into an agreement in the form of the CAC. Each Buyer will confirm such agreement by executing and delivering the CAC to Magellan within one (1) business day after notice from Magellan by email.
- 7.3 ICE will make available on WebICE the prices determined by the Dock Auction and the total volume of Vessel Loadings that was sold in the dock Auction, once the Dock Auction is completed.
- 7.4 It is the responsibility of each Buyer to make any transaction or other reports or notifications to any regulatory authority or governmental authority (including, without limitation, any transaction reports) that it is required to make pursuant to applicable laws.
- 7.5 In the case of Vessel Loading originating from a Seller, the identity of the matched Seller and Buyer will not be disclosed to the Buyer or the Seller. The rights and obligations of the Buyer in respect of the Vessel Loading (whether or not originating from a Seller) will be solely as set out in the relevant CAC between Magellan and the Buyer.

## 8. **OTHER TERMS**

- 8.1 ICE makes no warranty, whether express or implied, as to quality, appropriateness, or in respect of the merits of any investment or trading decision relating to any Vessel Loading. ICE does not provide, and is not responsible or liable for, any investment or trading advice in relation to any Dock Auction.
- 8.2 Although the information provided by ICE is believed to be accurate subject to the qualifications in paragraph 8.1 above, neither ICE nor any of its affiliates, nor any of their respective agents, officers, directors, committee members, employees, or advisers makes any representation or warranty, express or implied, as to the accuracy or completeness of such information, including but not limited to the value, validity or marketability of any Vessel Loading. Each Dock Auction Participant is responsible for making its own determination as to whether to proceed with or without further investigation as to its bidding on any Vessel Loading.
- 8.3 ICE shall have no liability whatsoever regarding to condition of the Vessel Loading, for its availability or for the right to use the Vessel Loading or for the performance or non-performance by Magellan of any responsibilities it may assume towards Dock Auction Participants or other persons or are expressed to have pursuant to these Dock Auction Procedures except for liability for fraud or bad faith on the part of ICE or any liability on the part of ICE which cannot lawfully be excluded. ICE has no obligation to any person to ensure the accuracy or availability of any information recorded on Magellan's records in relation to dock rights arising from CACs in relation to Vessel Loading, or to safeguard rights of any person entitled to a CAC, or as to the legal consequences of these Dock Auction Procedures in any jurisdiction. Persons obtaining or selling the right to use a Vessel Loading shall accordingly have no claim against the Exchange for any loss or damage thereby incurred or suffered, however such loss or damage may be caused.

- 8.4 ICE is under no obligation to enforce the terms set out in these Dock Auction Procedures against a bidder at the request of any other bidder.
- 8.5 All Dock Auction Participants are hereby on notice that ICE is not a member of any professional or other association, society, institution or organization of auctioneers or agents and is not therefore bound by the rules or practices of any such association, society, institution or organization. Any standard rules, customs, good practice guidelines or guidance or other industry practices relating to auctions or agency sales are hereby disapplied and disclaimed. All and any rights of any person bound by these Dock Auction Procedures which may arise as a result of a liability of ICE pursuant to common law or statutory duties applicable to auctioneers or selling agents are hereby expressly waived by all Dock Auction Participants to the fullest extent permitted by law. ICE expressly disclaims any duty of care or skill in respect of the conduct of any Dock Auction by ICE arising other than expressly pursuant to these Dock Auction Terms. ICE will not provide and has not provided any valuation services in connection with any Dock Auction.
- 8.6 The Closing Time and the time and date at which CACs are deemed to arise may be delayed beyond the times and dates set forth in these Dock Auction Procedures or specified by ICE pursuant to these Dock Auction Procedures. Notwithstanding anything to the contrary in these Dock Auction Terms, to the fullest extent lawfully permissible, ICE or Magellan may postpone, cancel, adjourn or terminate a Dock Auction at any time, and may withdraw all or any portion of the Vessel Loadings from any Dock Auction.
- 8.7 In respect of any Dock Auction, each Dock Auction Participant: (i) acknowledges and agrees that it has received any notices required to be provided to it under applicable law; (ii) agrees and acknowledges that it has received sufficient information concerning the identity of the persons conducting the Dock Auction on behalf of ICE; (iii) waives any right to make any claim that it has not received any information or documentation of a nature referred to in this paragraph; and (iv) agrees in favor of ICE not to make any statement to the contrary to any third party.
- 8.8 Without limiting any other provision of the Participant Agreement, all Dock Auction Participants shall comply with applicable law (including, without limitation, complying with their obligation not to commit any act of fraud or to engage in any behavior which amounts to market abuse, insider dealing, market manipulation or money laundering).