

**Q4 DEPOT (PTY) LTD**  
(Company Registration No: 2013/176582/07)

**ALLOCATION MECHANISM FOR THIRD PARTY  
ACCESS TO PETROLEUM STORAGE  
FACILITIES**

95 Kiepersol Street, Delmas, Mpumalanga Province  
Licence Number: PPL.sf.F3/333/2019

Date: 11 January 2021

TABLE OF CONTENTS

PAGE

1.	Tariff Schedule	3
2.	Contractual terms and conditions for use	
	i) Storage capacity scheduling and planning	3
	ii) Volume to be stored	4
	iii) Petroleum type and quality control	5
	iv) Custody of petroleum	5
	v) Amendments to documentation	6
3.	Contractual Terms and Conditions for payment	6
4.	Technical requirements for access to the storage facility	7
5.	Process to be followed by third parties when requesting access	8

## 1. Tariff schedule

NERSA approved a tariff of 15.88 cents on 29 July 2020.

Tariffs charged will be exclusive of Value Added Tax (VAT).

## 2. Contractual terms and conditions for use

### i) Storage capacity scheduling and planning

a) Three months advance notice is required for indicative order planning purposes.

Storage capacity will only be made available to third parties if it is not taken up by our own storage requirements.

b) Firm order planning

1. Seven working days' notice is required before confirmation of order.
2. Petroleum product will only be received at our depot during the time periods stated in section d) below. No exceptions will be made. We require 24 hours' notice of the exact date and time on which product will arrive at the depot.
3. Product can only be accepted via road transport at our depot.
4. Product can only be shipped via road transport from our depot.
5. Product that arrive earlier or later than planned/agreed upon will stay on the delivery vehicle until such time that it can be accommodated into storage during normal operating hours as stated in section D below.
6. Petroleum can be delivered and received in the following quantum's:  
**Delmas depot: Receive = 800 lt/min - Deliver = 800 lt/min**
7. All documentation must be done in both paper and electronic format, e.g. orders to be e-mailed and hard copies send with the truck.
8. Delivery and dispatch schedules must be strictly adhered to, to ensure the smooth running of the daily activities of our storage facility.
9. Petroleum can only be stored at our facility from the 7<sup>th</sup> of each month until the 21<sup>st</sup> of each month. Petroleum must be stored at the facility at the exact quantity and period applied for in the application. No deviations or non-compliance with the time period will be allowed and transgressors will be liable to penalties up to double the daily tariff as approved by NERSA. Furthermore, Q4 Depot (Pty) Ltd reserves the right to hire in tankers to remove the product from storage and charge the lessee with the cost thereof.
10. Delays in anticipated petroleum receipt will be managed according to section b) 5. above. Overnight parking is available for the delivery vehicle should it arrive outside of normal operating hours. Delays in anticipated petroleum dispatch will be managed according to the relevant contingency at the time, e.g. hiring of a generator if there is a power outage during loading of product. Section b) 5. above also applies.

- c) 24 Hours' notice is required before product is picked up from the facility. All the product must be picked up as per the daily pick-up schedules agreed upon between Q4 Depot (Pty) Ltd and the lessee of the storage capacity.
- d) Product will only be accepted at our facilities during normal operating hours and no exceptions will be made. The Depot Supervisor at the depot must be present during loading and off-loading of product into and out of storage to ensure compliance with all the relevant procedures.
  - Delmas depot: 08H00 to 16H30 - Monday to Friday
- e) The allocation mechanism applies the first come, first served and use- it-or-lose- it principles. (Regulations 3(9) (c) and (d)).

**ii) Volume to be stored**

Delmas depot - 76 000 It capacity per day in equivalents of 38 000 It. Notice must be taken of the conditions in section 2(i)(b) above.

Metering Process:

- a) A Weight bridge system is used for the offloading of fuel into storage.
- b) Delmas depot – Certification certificate for the weight bridge available on request.
- c) Delmas depot - Volumes are manually recorded onto delivery notes for quantity control purposes. Copy of weight bridge certificates supplied for each load.

Third Party liability with respect to:

- Unpumpables or dead stock is the property of Q4 Depot (Pty) Ltd. The 3<sup>rd</sup> party will be able to load the exact quantity that they have pumped into storage.
- Any losses or gains in depot operations are the liability of Q4 Depot (Pty) Ltd. A 3<sup>rd</sup> party will not have the right to any gains due to depot operations.

Litres of Petroleum will be calculated and reported at a temperature of 20 degrees Celsius density will be determined with the use of a Anton Paar Viscosity meter. The relevant SANS Standards will apply to all temperature and density measurements.

Any differences in temperature and density will be the responsibility of Q4 Depot (Pty) Ltd. The 3<sup>rd</sup> party will have access to the exact volume as calculated via the weight bridge used. A 3<sup>rd</sup> party will not have any claim to gains or losses due to fluctuations in temperature or density.

### iii) **Petroleum type and quality control**

Only product from reputable sources will be allowed to be delivered. Proof of specifications and quality has to be available.

The following standards are applicable to the petroleum quality that all 3<sup>rd</sup> parties must adhere to:

- a) All the applicable South African National Standards (SANS) including SANS 342 and SANS 1598.
- b) All the Oil Industry Petroleum Exchange Standards (OIPES).
- c) Any other Industry or National Standards that might apply to Q4 Depot (Pty) Ltd's operational requirements for storage facilities.

Samples will be obtained from each compartment of the 3<sup>rd</sup> party vehicle for quality testing. Analysis of all samples will be done according to product specific SANS specifications. Random testing will be done by Wearcheck Conditioning Monitoring Specialists or any other SANAS approved laboratory preferred by Q4 Depot (Pty) Ltd. Samples will be kept for 30 days after the 3<sup>rd</sup> party's petroleum has left our storage facility.

Product contained in slops during the off-loading process of a 3<sup>rd</sup> party vehicle will be the responsibility and property of the 3<sup>rd</sup> party. The 3<sup>rd</sup> party will be responsible for the clean-up and removal of spilled product and clean-up materials for any spillages resulting from malfunction of the 3<sup>rd</sup> party vehicle equipment or leakages there from. The 3<sup>rd</sup> party will also be responsible for the cost of the clean-up and must use an accredited environmental clean-up agent.

### iv) **Custody of petroleum**

Petroleum from a 3<sup>rd</sup> party will have passed into the custody of Q4 Depot (Pty) Ltd once the total volume has been pumped into storage. Petroleum will pass out of the custody of Q4 Depot (Pty) Ltd once the total volume has been loaded onto the 3<sup>rd</sup> party vehicle. All of the above will be done through our metering system to ensure quantity compliance.

All orders must be e-mailed and confirmed by telephone. The transporter must present the original order document when delivering or collecting the product from the depot. Q4 Depot (Pty) Ltd must be provided with a list of transporters, vehicles and drivers from the 3<sup>rd</sup> party. We will require certified copies of the identity documents from the drivers of the 3<sup>rd</sup> party vehicles as well as certified copies of the registration documents of the vehicles of the transporters. Q4 Depot (Pty) Ltd reserves the right to refuse to load or off load a 3<sup>rd</sup> party vehicle if we cannot establish the authenticity of any order or transporter.

The following remedial actions will be taken if there is a loss of or deterioration in petroleum quality during the storage licensee's period of custody:

- a) Q4 Depot (Pty) Ltd will be responsible to replace the quantity of 3<sup>rd</sup> party product lost due to incorrect operation of equipment; or

- b) Due to leakage, faulty equipment or faulty maintenance of any equipment that is owned by Q4 Depot (Pty) Ltd at the time of loss or deterioration; or
- c) Q4 Depot (Pty) Ltd will be responsible to replace 3<sup>rd</sup> party product lost due to theft or fire only if Q4 Depot (Pty) Ltd was negligent in providing the necessary fire safety and security measures. The 3<sup>rd</sup> party is responsible for their own theft and fire insurance to cover the full amount of product stored.

v) **Amendments to documentation**

Once an order for storage or dispatch has been received by Q4 Depot (Pty) Ltd, no amendments will be allowed to any documentation. Absolutely no changes will be allowed to documentation after a delivery has been discharged into our storage facility.

Due to the fact that no changes to documentation will be allowed, there will be no impact on tariffs. If there is a technical problem with the vehicle or illness of the driver specified on the order, and changes must be made due to safety reasons, Q4 Depot (Pty) Ltd may charge an administration fee to affect any changes to the documentation.

**3. Contractual Terms and conditions for payment**

- a) The invoice format will state the 3<sup>rd</sup> party address and details, product name, quantity, tariff, number or days of storage and total amount owing to Q4 Depot (Pty) Ltd. The details of Q4 Depot (Pty) Ltd will also be displayed on the invoice. The invoice will be a valid tax invoice in compliance with SARS requirements.
- b) The invoice will be issued once the order from the 3<sup>rd</sup> party is received and the quantity and number of storage days have been confirmed.
- c) Payment must be made upfront on the same day of receipt of the invoice. Q4 Depot (Pty) Ltd will only accept receipt of product into storage when the payment has been confirmed by our Bank.
- d) Payment must be made by electronic transfer only. No cash, cheques or any other method of payment will be accepted.
- e) Payment for storage will be upfront with no exceptions made.

It is the responsibility of the 3<sup>rd</sup> party to arrange their own cover for insurance, liability and other costs.

A 3<sup>rd</sup> party seeking to utilize the storage facilities of Q4 Depot (Pty) Ltd must provide written proof that it is registered as a Wholesaler of Petroleum Products as required by the Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended or possess a valid license issued by the Department of Energy (DOE).

A contract will be set up between a 3<sup>rd</sup> party seeking storage and Q4 Depot (Pty) Ltd. A template of the contract will be available at the offices of Q4 Depot (Pty) Ltd.

#### 4. Technical requirements for access to the storage facility

The following technical requirements must be complied with:

- a) The vehicle delivering or collecting product to or from the storage facility must comply with - SANS 10231:2010; SANS 10187-8:2006; SANS 1518:2008; National Road Traffic Act No. 93 of 1996; National Road Traffic Act Regulations; Q4 Logistics (Pty) Ltd fleet vetting protocols to obtain a safe loading pass; Any other local or National standards required by law not stated above.
- b) The driver delivering or collecting product to or from the storage facility must comply with - National Road Traffic Act No. 93 of 1996; National Road Traffic Act Regulations; SANS 10231:2010; Hazardous Substances Act, 1973; Be trained in the handling of Dangerous Goods; Have a valid Hazchem certificate; Be in possession of a valid and correct license code and PDP for the class of vehicle he is driving. Have a valid medical certificate. Be trained at a Department of Transport approved training body. Received Q4 Depot (Pty) Ltd's Depots Procedure training in the loading and off-loading of a bulk vehicle at a storage depot; Any other local or National standards required by law not stated above.
- c) Other requirements - SANS 10232-1:2007; SANS 10232-3:2007; SANS 10232-4:2004; SANS 10228:2010; Hazardous Substances Act, 1973; Occupational Health and Safety Act 85 of 1993; National Road Traffic Act No 93 of 1996; Q4 Depot (Pty) Ltd's Depots Procedures; Any other local or National standards required by law not stated above.

Drivers must provide proof of training done in accordance with the law on the transportation of dangerous goods. Training must be done by a training body approved by the Department of Transport. This training is a requirement by law.

Driver training required by Q4 Depot (Pty) Ltd:

- Valid medical certificate
- Valid code EC license with PDP
- Dangerous Goods training on Unit Standard 123259: Comply with Legal Documentation; Apply Safety Standards; Fire Fighting and Protective Equipment.
- The driver must be in possession of the National Certificate in Professional Driving: Convey Dangerous Goods: in terms of chapter VIII - Regulation 280 of the National Road Traffic Act 93 of 1996.
- Task Procedure - Vehicle filling at a bulk depot
- Task Procedure - Bulk depot delivery
- Fatigue Management
- Hijack Awareness training
- Defensive Driving - Theory and Practical
- Spill Reduction Intervention

The driver must sign an indemnity and agreement to abide by the rules and regulations of the relevant depot before entering the storage facility.

## 5. Process to be followed by third parties when requesting access

- a) Applications must be done in writing on a letter head of the 3<sup>rd</sup> party applying for storage and by completing the application form.
- b) The application must include the volume, period of storage and the grade of fuel to be stored.
- c) Q4 Depot (Pty) Ltd require certified copies of the following documents for their records:
  - Wholesale License
  - Certificate of Registration
  - Close Corporation - CK1
  - Company - Certificate of Incorporation
  - Trust - Trust Master's Certificate
  - Sole Trader - Copy of identity document
  - Identity Document
  - Vat Registration Document
- d) Documents required for vetting and screening purposes - Certified copies of:
  - Wholesale License
  - Certificate of Registration
  - Close Corporation - CK1
  - Company- Certificate of Incorporation
  - Trust - Trust Master's Certificate
  - Sole Trader - Copy of identity document
  - Identity Document
  - Vat Registration Document
- e) The Owner  
Q4 Depot (Pty) Ltd  
PO Box 90549  
Garsfontein  
Pretoria  
**0042**  
Tel: 012 361 5151  
E-mail: allan@q4.co.za
- f) Correspondence can be done via e-mail, registered mail or telephone.
- g) Applications will be answered within 21 days of receipt thereof.

Q4 Depot (Pty) Ltd reserves the right to make changes to this document from time to time as procedures and circumstances change.