

Courtesy English Translation (not binding – only the Italian version is binding)

**REGASIFICATION CODE**

**for the**

**Offshore Regasification Terminal “FSRU Toscana”**

**of**

**OLT Offshore LNG Toscana S.p.A.**

**CONTENTS**

<b>Clause</b>	<b>Page</b>
<b>CONTENTS</b>	
<b>Clause</b>	<b>Page</b>
<b>SECTION 1: INFORMATION</b>	<b>1</b>
<b>Chapter 1.1 - DEFINITIONS AND INTERPRETATION</b>	<b>1</b>
1.1.1 Definitions	1
1.1.2 Interpretation	9
1.1.3 List of Annexes	10
<b>Chapter 1.2 - LEGAL FRAMEWORK</b>	<b>11</b>
1.2.1 European Regulation of the Gas Market	11
1.2.2 Italian Regulation of the Gas Market	11
1.2.3 AEEGSI Resolutions in connection with the Regasification Code	11
<b>Chapter 1.3 - DESCRIPTION OF THE TERMINAL</b>	<b>14</b>
1.3.1 General Description	14
1.3.2 Terminal Capacity	16
1.3.3 Terminal Manuals	16
<b>Chapter 1.4 - DESCRIPTION OF SERVICES</b>	<b>18</b>
1.4.1 Services	18
1.4.2 No Discrimination	19
1.4.3 Assignment to Terminal Lenders	19
1.4.4 Sub-contracting	19
1.4.5 Mooring and pilot services	19
<b>Chapter 1.5 - INFORMATION MANAGEMENT</b>	<b>20</b>
1.5.1 Website and Electronic Communications System	20
<b>SECTION 2: ACCESS TO SERVICES</b>	<b>21</b>
<b>Chapter 2.1 - SERVICE ACCESS REQUIREMENTS</b>	<b>21</b>
2.1.1 Compliance with Service Conditions	21
2.1.2 Notification of compliance and non-compliance	21
2.1.3 Consequences of failure to meet the Service Conditions	22
2.1.4 User's obligation to act as Reasonable and Prudent User	22
2.1.5 Capacity allocation at the beginning of Gas Year	22
2.1.6 Methods of determining the capacity that is made available to the Operating Company for allocation pursuant to article 14, paragraph 3, TIRG.	26
2.1.7 The Capacity Agreement for the allocation of Continuous Capacity	27
2.1.8 Allocation of capacity during the Gas Year	27
2.1.9 Allocation of spot capacity	28
2.1.10 Capacity Agreement for the allocation of Interim Capacity	30
2.1.11 Requests for transport capacity	30
<b>Chapter 2.2 - PRINCIPLES AND PROCEDURES FOR QUALIFYING LNG CARRIERS</b>	<b>31</b>
2.2.1 LNG Carriers' compatibility	31
<b>SECTION 3: REQUIREMENTS FOR PROVIDING THE SERVICE - SCHEDULING AND PROVISION OF THE REGASIFICATION SERVICE</b>	<b>34</b>
<b>Chapter 3.1 - CREDIT AND INSURANCE REQUIREMENTS</b>	<b>34</b>
3.1.1 Credit Requirements for the Continuous Regasification Service	34
3.1.2 Scope of the financial guarantees	35
3.1.3 Variation of the Credit Requirements	35

3.1.4	Peak Shaving Guarantee	36
3.1.5	Replacement and enforcement of the bank guarantees	36
3.1.6	Reduction of the amount of the Bank Guarantee	37
3.1.7	Guarantee against non-compliance with the Ninety Day Unloading Schedule	37
3.1.8	Insurance Requirements	38
<b>Chapter 3.2 - CAPACITY TRANSACTIONS</b>		<b>39</b>
3.2.1	No assignment	39
3.2.2	Transfer of regasification capacity	39
3.2.3	Release of regasification capacity	40
<b>Chapter 3.3 - SCHEDULING THE DELIVERY SLOTS</b>		<b>43</b>
3.3.1	Annual Unloading Schedule	43
3.3.2	Ninety Day Unloading Schedule	43
3.3.3	User's Changes to Ninety Day Unloading Schedule	45
3.3.4	Operating Company Changes to Annual Unloading Schedule	45
3.3.5	Charge variance for Continuous Capacity Users	45
3.3.6	Charge variance for Users other than Continuous Capacity Users	46
3.3.7	Rules for Allocating volumes of LNG scheduled for Unloading	46
<b>Chapter 3.4 - SCHEDULING OF REGASIFICATION</b>		<b>49</b>
3.4.1	Gas Redelivery	49
3.4.2	Consumption and Losses of the Terminal	55
<b>Chapter 3.5 - RECEIPT, STORAGE AND REGASIFICATION OF LNG</b>		<b>55</b>
3.5.1	Shared Storage	55
3.5.2	User's Inventory	55
3.5.3	Minimum Inventory	56
<b>Chapter 3.6 - OWNERSHIP OF LNG AND GAS AND MEASUREMENT OF DELIVERED LNG AND REDELIVERED GAS</b>		<b>57</b>
3.6.1	Ownership of LNG and Gas	57
3.6.2	Measurement of LNG	57
3.6.3	Measurement of Gas	57
3.6.4	LNG Quality	58
3.6.5	Gas Quality	59
<b>Chapter 3.7 - LNG DELIVERY OPERATIONS</b>		<b>60</b>
3.7.1	Notices	60
3.7.2	Mooring	61
3.7.3	Unloading	62
<b>Chapter 3.8 - VARIATIONS OF THE REGASIFICATION SERVICE</b>		<b>66</b>
3.8.1	Permitted Regasification Service Variations	66
3.8.2	Variation of the Regasification Service	66
3.8.3	Notification of Regasification Service Variations	67
<b>SECTION 4: SCHEDULING AND QUALITY OF THE REGASIFICATION SERVICE</b>		<b>68</b>
<b>Chapter 4.1 - MAINTENANCE SCHEDULING AND MANAGEMENT</b>		<b>68</b>
4.1.1	General aspects	68
4.1.2	Maintenance Schedule	68
4.1.3	Scheduling maintenance work	68
4.1.4	Amendments to the Maintenance Schedule	68
4.1.5	Unplanned Service Reduction	68
<b>Chapter 4.2 - OPERATIONAL COORDINATION</b>		<b>70</b>
<b>Chapter 4.3 - QUALITY OF THE REGASIFICATION SERVICE</b>		<b>70</b>
4.3.1	Introduction	70
4.3.2	Fundamental principles	71
4.3.3	Areas of intervention	72
4.3.4	Commercial quality standards	72
4.3.5	Technical quality standards	72

4.3.6	Standards of quality of the Regasification Service	73
4.3.7	Guaranteed standards of commercial quality of the service contained in the Regasification Code:	73
4.3.8	VII.4.2 Guaranteed standards of technical quality of the service contained in the Regasification Code:	73
<b>SECTION 5: ADMINISTRATION</b>		<b>74</b>
<b>Chapter 5.1 - TAX AND CUSTOMS REGULATIONS</b>		<b>74</b>
5.1.1	Tax	74
5.1.2	General provisions	74
<b>Chapter 5.2 - INVOICING AND PAYMENT</b>		<b>76</b>
5.2.1	Charges for the services	76
5.2.2	Invoicing	78
<b>Chapter 5.3 - LIABILITY OF THE PARTIES</b>		<b>81</b>
5.3.1	Liability	81
5.3.2	Events of Default	83
5.3.3	Right of Withdrawal and Termination	84
5.3.4	Force Majeure	85
<b>Chapter 5.4 - GENERAL PROVISIONS</b>		<b>89</b>
5.4.1	Applicable Law	89
5.4.2	Dispute Resolution	89
5.4.3	Compliance with Laws, Authorisations and the Transportation Agreement	93
5.4.4	Confidentiality	93
5.4.5	Notices	94
5.4.6	Third Party Rights	95
5.4.7	Severability	95
5.4.8	Management of service emergencies	95
5.4.9	Administrative liability	97
<b>SECTION 6: WORKS REQUIRED AT THE TERMINAL AND AMENDMENT OF THE REGASIFICATION CODE</b>		<b>98</b>
<b>Chapter 6.1 – REQUIRED WORKS OF THE TERMINAL</b>		<b>98</b>
6.1.1	Required works of the Terminal following a Change in Law	98
<b>Chapter 6.2 – AMENDMENT OF THE REGASIFICATION CODE</b>		<b>99</b>
6.2.1	General principles	99
6.2.2	Requests for amendments to the Regasification Code	99
<b>SECTION 7: ANNEXES</b>		<b>102</b>

## SECTION 1: INFORMATION

### Chapter 1.1 - DEFINITIONS AND INTERPRETATION

#### 1.1.1 Definitions

Except where the context requires otherwise, the following capitalised terms used in the Regasification Code shall have the meaning ascribed to them below:

**Acceptable Classification Society** means RINA S.p.A. or another classification society (being a member of the International Association of Classification Societies (IACS) or, if such association no longer exists, any similar association) approved by the Parties;

**ACQ** means the annual contract quantity of LNG (expressed in m<sup>3</sup><sub>liq</sub>), as specified for each Continuous Capacity User in its Capacity Agreement for a particular Gas Year, subject to adjustment in accordance with the terms of the Regasification Code. Therefore, the ACQ indicates the quantity of LNG that a User is entitled to Unload at the Terminal in such Gas Year;

**Actual Laytime** means, for a particular LNG Carrier, the period of time from the commencement of Allowed LNG Carrier Laytime or Allowed Terminal Laytime, as appropriate, until:

(a) in relation to the User when determining if Actual Laytime has exceeded Allowed LNG Carrier Laytime, all LNG discharge and vapour return lines have been disconnected, the Spool Pieces have been transferred to the Terminal or escort tug and such LNG Carrier has unmoored and has transited two (2) nautical miles from the Terminal; and

(b) in relation to the Operating Company when determining if Actual Laytime has exceeded Allowed Terminal Laytime, all LNG discharge and vapour return lines have been disconnected;

**Adjustments** mean the charges invoiced under the Capacity Agreement which may be in addition to the Regasification Service Charges and the Transportation Service Charges as defined in Clause 5.2.1.4b);

**Adverse Weather Conditions** means the weather and sea conditions forecasted or recorded by the measurement systems installed at the Terminal with regard to the area surrounding the Terminal or between the Terminal and the Pilot Boarding Station over the limits stated in the Technical Manuals and the Maritime Regulations for the operation of the Terminal and/or that are imminent and severe or prevailing and severe so as to prevent or delay an LNG Carrier from proceeding to moor, Unloading, remaining moored, or departing from the mooring, in accordance with one or more of the following: (i) Applicable Laws, (ii) advice of a pilot, (iii) a determination by the Operating Company, the Terminal Manager or the O&M Contractor in line with the weather limitations set out in the Technical Manuals or (iv) any decision by any Competent Authority;

**Affected Party** has the meaning given in Clause 5.3.4.1(b);

**Affiliate:** any company which controls or is controlled by a Party or is controlled by the same parent company as the Party pursuant to article 2359, paragraph 1, nos. 1) and 2), Italian Civil Code;

**All Fast** means the LNG Carrier is securely moored and in position alongside the berth of the Terminal and the Spool Pieces have been installed on board and the LNG Carrier is ready to connect the loading arms;

**Annual Unloading Schedule** means the annual schedule of Delivery Slots and Monthly Slots for a specific Gas Year;

**Applicable Law** means a law, directive, regulation, *decreto legge*, legislative decree, ministerial or interministerial decree or order, resolution, consolidated law, local legislation, treaty, judgment, ordinance, decision or, in general, administrative or judicial measure, notice or order, approved or issued by any Competent Authority, including the Decree and the Maritime Regulations, applicable to this Regasification Code and/or the Capacity Agreement;

**Applicable Tax** means any tax, duty, levy, royalty or impost in the nature of tax payable now or in the future by the Operating Company, or for which the Operating Company is required by Applicable Law to account (without right of recovery, indemnity or reimbursement), in respect of the ownership or operation of the Terminal, the provision of the Regasification Service or otherwise in connection with the performance of the Capacity Agreement, but excluding: (i) generally applicable corporation tax (or any similar tax on profits or gains which replaces corporation tax); (ii) VAT; (iii) any other taxes,

duties, levies, royalties or imposts against which the User is required to indemnify the Operating Company; and (iv) any tax, duty, levy, royalty or impost which is immaterial and non-recurrent;

**Applicant** means any User or interested party which intends to apply to the Operating Company for the Regasification Service provided by the latter;

**Approved Financial Institution** means a reputable international bank which has an unsecured long-term debt rating equal to or higher than at least one of the following ratings given by the following rating agencies: (a) BBB+ if provided by Standard & Poor's Rating Service; (b) Baa1 if provided by Moody's Investment Service Inc.; or (c) BBB+ if provided by Fitch Ratings Ltd.;

**Authorisation** means any authorisation, consent, approval, resolution, licence, permit, filing, and registration required by any Applicable Law for the exercise or performance by the relevant Party of its rights and/or obligations under or in connection with the Capacity Agreement, Technical Manuals and/or Network Code or in connection with the construction, operation or maintenance of the Terminal;

**Available Delivery Slots** means, depending on the circumstances, the regasification capacity of the Terminal associated with the Delivery Slot or Monthly Slot which has not been allocated by the Operating Company in the various allocation processes;

**Bank Guarantee** bank guarantee payable on first demand issued by an Approved Credit Institution pursuant to the provisions of Chapter 3.1;

**Berthing Slot** means the right allocated to a User to moor an LNG Carrier in accordance with its Capacity Agreement at the Terminal;

**Business Day** means a Day on which commercial banks are open to the public for business in Livorno and in Rome;

**Capacity Agreement** means a regasification Capacity Agreement entered into by the Operating Company and the User to allocate Continuous Capacity or Interim Capacity, the relevant template is contained in Annex 4. .

**Capacity Auction Portal:** means the Platform for the management of the auctions for the allocation of regasification capacity (PAR) organised and operated by Gestore dei Mercati Energetici S.p.A. (GME), pursuant to the TIRG, through which the regasification capacity allocation procedures are implemented, the rules of which are contained in the relevant operational regulation determined by GME itself and approved by the AEEGSI;

**Capacity Percentage Share** has the meaning given in Clause 3.3.7.3

**Cargo** means a quantity of LNG (expressed in m<sup>3</sup><sub>liq</sub> and MWh) Unloaded or to be Unloaded from an LNG Carrier at the Terminal;

**Change in Law** means any of the following, occurring after the effective date of a Capacity Agreement: (i) the enactment, commencement, adoption, promulgation, making or imposition of any Applicable Law or (irrespective of whether having legal force) any International Standards applicable to the Terminal, any LNG Carrier or any Services; or (ii) the amendment, modification, re-enactment or repeal, or change in interpretation or in application, of any Applicable Law or (irrespective of whether having legal force) any International Standards applicable to the Terminal, any LNG Carrier or the Regasification Service; but excludes: (a) a Change in Tax and; (b) any amendment or termination of a contract between the Operating Company and a Competent Authority over which the Operating Company has discretion and which amendment or termination does not result from another event or circumstance that would in itself be a Change in Law;

**Change in Tax** means any change after the effective date of a Capacity Agreement in the rate, incidence, basis of charge or other provisions applicable to any Applicable Tax as a result of: (i) the introduction or (as the case may be) cessation of the imposition or other charging of an Applicable Tax, or a change in the rate at which any Applicable Tax is imposed or otherwise charged; (ii) any change in the legislation or published practice of any taxation authority relating to any Applicable Tax; or (iii) any other change in the basis on which any Applicable Tax is charged, and as a result of which the Operating Company: (a) becomes required to pay or account for any Applicable Tax which it was not required to pay or account for on the effective date of a Capacity Agreement; or (b) is no longer required to pay or account for any Applicable Tax which it was required to pay or account for on the effective date of such Capacity Agreement;

**Charges:** collectively refers to the Regasification Service Charges, the Transportation Service Charges and the Adjustments envisaged by Clause 5.2.1;

**Competent Authority** means any Italian or European Union Member States legislative, judicial, administrative or executive body, including for instance (i) any court of competent jurisdiction; (ii) any local, national or supra national agency, authority, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, Italy or of the European Union; (iii) the European Commission; (iv) the Italian Antitrust Authority (*Autorità Garantor della concorrenza e del mercato*); (v) **AEEGSI**; (vi) the MSE; (vii) the Italian Ministry of Industry, Trade and Crafts (MICA); and (viii) the Maritime Authorities;

**Confirmed Cargo** means each scheduled Cargo in month M once the Ninety Day Unloading Schedule has been determined pursuant to the provisions of Clause 3.3.2.2f);

**Consultation Committee** means the committee set up by the Operating Company in accordance with Article 5 of the Resolution no. ARG/Gas 55/09 of **AEEGSI**;

**Consumption and Losses:** means the quantities of LNG and/or Gas used on each Gas Day by the Operating Company as fuel to operate the Terminal and for the Regasification Service pursuant to the provisions of Clause 3.4.2.1a);

**Continuous Capacity User** means any User which has been awarded Continuous Capacity according to the provisions of a Capacity Agreement for periods of one or more Gas Years;

**Continuous Capacity:** regasification capacity allocation at the start of the Gas Year, pursuant to Clause 2.1.5;

**Continuous Redelivery Service:** means the maximum quantity that each User is entitled to nominate on a continuous basis pursuant to Clause 3.4.1.7a);

**Continuous Regasification Service:** means the Regasification Service that envisages the participation of the User in the determination of the Ninety Day Unloading Schedule in accordance with the provisions of Clause 3.3.2;

**Continuous User:** User which has been allocated continuous regasification capacity;

**Creditor User:** is each User with a Confirmed Cargo scheduled for Unloading and other Users have a Percentage Share other than zero of such specific Confirmed Cargo;

**Day** means a period of twenty-four (24) consecutive hours starting from 00:00 hours, and **Daily** shall be construed accordingly;

**Debtor User:** with reference to a Confirmed Cargo scheduled for Unloading by another User, it is each User with a Percentage Share other than zero in that specific Confirmed Cargo;

**Default Redelivery Profile** has the meaning given in Clause 3.4.1;

**Delivery Point** means the Terminal flange located at the connection point between the Terminal's loading arms (including the Spool Pieces in the event that they are used by the LNG Carrier) LNG Carrier's manifold;

**Delivery Slot** means the Scheduled Arrival Window and the associated Allowed LNG Carrier Laytime allotted or to be allotted to each User following the determination of an Annual Unloading Schedule as being the time during which the User's LNG Carrier is scheduled to arrive at the Pilot Boarding Station, transit to the Terminal, receive and install the Spool Pieces, moor, Unload, depart from the Terminal and transit two (2) nautical miles from the Terminal itself;

**Demurrage** has the meaning given in Clause 3.8.3.e);

**ECS Manual** means the written procedures to manage access to and use of the Electronic Communications System of the Terminal, developed, maintained and amended by the Operating Company;

**Electronic Communications System** or **ECS** means the portal through which the Operating Company provides the User with the information required to ensure commercial operations as defined by Clause 1.5.1.1b);

**ETA** means the estimated time and date of arrival of an LNG Carrier at the Pilot Boarding Station;

**EURIBOR** means the percentage rate per annum which is determined by (i) the Banking Federation of the European Union for deposits in Euro for a period of six (6) months which appears on the Reuters page EURIBOR01 (or such other page that may replace it) at or about 11.00 hours (Brussels time) on the Day following the relevant payment due date and adjusted every Month to the rate as in effect at or about 11.00 hours (Brussels time) on the first Day of every Month thereafter; or (ii) if no rate is available pursuant to paragraph (i) above, such other alternative basis which shall be determined by the Operating Company (acting in good faith) and notified to all Users, and which shall be binding on all Parties;

**Exclusion Zone** means the area within two (2) nautical miles of the Terminal in which the navigation of all vessels shall be prohibited except for LNG Carriers transiting to or from the Terminal and other vessels that have been authorised to enter and comply with all Applicable Laws;

**Expert:** is an independent person, i.e. not an employee, consultant, manager, officer, representative or agent of any of the parties involved in the Dispute (or its Affiliate), who may not have any interest (financial or otherwise) that may affect his/her impartiality towards any party involved in the Dispute. Before being appointed, the Expert shall declare any circumstances that may raise legitimate doubts as to his/her impartiality and the independence of his/her actions;

**Final Acceptance Visit** means the visit as described in the Technical Manuals (in particular, in LNG Carrier Approval & Vetting Procedures 3.3 – Step 3), confirming the acceptance of the LNG Carrier to berth at the Terminal;

**Force Majeure** or **Force Majeure Event** has the meaning given in Clause 5.3.4.1;

**Gas Day** means a period of 24 consecutive hours which starts at 06.00 on each calendar day and ends at 06.00 on the subsequent calendar day;

**Gas** means any hydrocarbon or mixture of hydrocarbons and other gases consisting primarily of methane, which at standard reference conditions (15 degrees Celsius and 1.01325 bar) is, or is predominantly, in a gaseous state resulting from the regasification or boil-off of LNG;

**Gas Month** means a period commencing at 06:00 hours on the first Gas Day of a calendar month and ending at 06:00 hours on the first Gas Day of the following calendar month;

**Gas Quality Specifications** means the quality specifications for the Gas redelivered by the Operating Company at the Redelivery Point as defined in Annex 9;

**Gas Year** means that period commencing at 06:00 hours on the 1st October and ending on the subsequent 1st October at 06:00 hours;

**Gross Calorific Value** means the amount of heat, expressed in KWh, liberated during the complete combustion of 1 Sm<sup>3</sup> at a temperature of 25°C and at an absolute pressure of 1.01325 bar, with excess air at the same temperature and pressure of the Gas, when the combustion products are returned to the initial temperature of the Gas and the water which has formed, in a vaporous state, in the combustion is returned to its liquid state at the same initial temperature of the *Gross Calorific Value*;

**Guarantor** means a legal person that is required to provide a Bank Guarantee or a User's Group Guarantee in accordance with Chapter 3.1;

**International Standards** means the standards and practices from time to time in force applicable to the ownership, design, equipment, operation or maintenance of LNG carriers or floating LNG regasification terminals established by the rules of RINA S.p.A. or other Acceptable Classification Company, the conventions, rules, guidelines and regulations laid down by the International Maritime Organisation (**IMO**), the Oil Companies International Marine Forum (**OCIMF**), International Group of Liquefied Natural Gas Importers (**GIILNG**), Society of International Gas Carriers and Terminal Operators (**SIGTTO**) (or any successor body of the same) and any other internationally recognised agency or organisation with whose standards and practices it is customary for international operators of such LNG carriers or floating terminals to comply, including the holding of a valid operational OCIMF Ship Inspection Reporting system (SIRE) certificate, It being agreed that in the event of a conflict between a mandatory Applicable Law and a standard or practice referred to in this definition the Applicable Law shall prevail and that in the event of any other conflicts Operating Company will exercise its judgement acting as a Reasonable and Prudent Operator;

**Interruptible Redelivery Service:** has the meaning given in Clause 1.4.1.2b);



**LLMC:** means the “London Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims of 19 November 1976” which came into force on 24 March 2006 and was ratified by Italy with Law no. 210 of 23 December 2009 as subsequently amended

**LNG** (abbreviation for liquefied natural gas) means Gas which has been converted to a liquid state at or below its boiling point and at a pressure of approximately 1 atmosphere;

**LNG Carrier** means any LNG carrier that is nominated or to be nominated by a User, and is accepted or to be accepted by the Operating Company, for the use by a User for Unloading at the Terminal according to the procedures set out in the Technical Manuals;

**LNG Quality Specifications** means the quality specifications for the LNG Unloaded by the User the Delivery Point as defined in Annex 8;

**Loss** means:

(a) any properly documented fees, costs and expenses (including VAT, unless it is recovered from the Indemnified Party) reasonably incurred by an Indemnified Party including any fees and expenses of its legal advisers and other expenses incurred in connection with investigating or defending any claim, action or other proceeding;

(b) any claim, liability, damages and/or loss including any penalties, fines or settlements or similar sums incurred by the Indemnified Party or any other relevant person; and

(c) interest on any overdue amount to be paid to the Indemnified Party from the due date for payment of such amounts to the date of actual payment by the indemnifying party at a percentage rate per annum equal to EURIBOR plus 2%,

it being understood that Loss shall not include any loss of revenue, howsoever arising;

**Maintenance Schedule:** schedule of the maintenance work which implies a total or partial reduction of the Regasification Service to be drawn up by the Operating Company for each Gas Year pursuant to Clause 4.1.2;

**Maritime Authorities** means the Ministry of Infrastructure and Transport (*Ministero delle Infrastrutture e dei Trasporti*) and the Harbour Master (*Capitaneria di Porto*) of Livorno;

**Maritime Regulations** means the regulations, administrative measures, acts and/or other provisions issued by the Maritime Authorities in so far as they are relevant to the operation of the Terminal and/or LNG Carriers, including the “*REGOLAMENTO DELLE ATTIVITA’ DEL TERMINAL RIGASSIFICATORE FSRU TOSCANA*” approved and made enforceable by Order no. 6 of 29 January 2014 issued by the Livorno Harbour Master *Safety*;;

**Master** means any person legally and duly certified and appointed as commanding officer responsible for the navigation and management of an LNG Carrier or in his absence his duly authorised deputy;

**Minimum Inventory** has the meaning given in Clause 3.5.3a);

**Month M** means a certain reference Gas Month; **Month M-1** means the Gas Month before Month M, and **Month M-2** means the Gas Month two (2) Gas Months before Month M; **Month M+1** means the Gas Month one (1) Gas Month after Month M, and **Month M+2** means the Gas Month two (2) Gas Months after Month M;

**Month** means a period commencing at 00:00 hours on the first Day of a calendar month and ending at 00:00 hours on the first Day of the following calendar month, and **Monthly** shall be construed accordingly;

**Monthly Market Price:** with reference to any Month, it is:

(i) in the case envisaged by Clause 5.2.2.1d), the average Imbalance Purchase Price as defined by 4.4.1(b) of chapter 9 of the Network Code minus the costs of transporting the Gas and injecting it into the National Transmission System at the Redelivery Point; or

(ii) the average System Average Price or SAP as defined by article 1, paragraph 1.2 letter (m) of the Consolidated Balancing Law on each Day of the Month in question, expressed in Euro/kWh rounded up to the sixth decimal;

**Monthly Slot:** means the regasification capacity predetermined by the Operating Company and subdivided into slots which is scheduled for each month subsequent to Month M+2 until the end of the Gas Year as well as for the Gas Year following the current one. The Monthly Slot will be linked to a Scheduled Arrival Window through the publication of the moment when the Monthly Slot will again fall within the Ninety Day Unloading Schedule;

**National Transmission System** means the Italian national transmission system for Gas as defined in the decree issued by the Italian Ministry of Industry, Trade and Crafts (MICA) of 22 December 2000, as such decree is published in the *Gazzetta Ufficiale, serie generale, 23-11-2001 n. 18* and as amended and updated from time to time,;

**Network Code** means the document published by Snam Rete Gas S.p.A on its website (and any amendments, updates and/or supplements) and approved by AEEGSI Resolution no. 75/03 which determines and regulates all the parties' rights and obligations in relation to the provision of the Transportation Service on the National Pipeline Network;

**Ninety Day Unloading Schedule** means the ninety-day schedule for the Delivery Slots in accordance with the provisions of Clause 3.3.2;

**Notice of Expert Determination** has the meaning given in Clause 5.4.2.3a);

**O&M Contractor** has the meaning given in Clause 1.4.4,;

**Off-Spec Gas** means Gas that does not comply with the Gas Quality Specifications as set forth in Annex 9;

**Off-Spec LNG** means LNG that does not comply with the LNG Quality Specifications as set forth in Annex 8;

**Operating Company** means OLT Offshore LNG Toscana S.p.A (or its successor);

**Operating Company's Default** means a default by the Operating Company, as specified by way of example and without limitation in Clause 5.3.2.2;

**Operating Company's Group** means the Operating Company, any Affiliate of the Operating Company (acting in its capacity as such and excluding where acting in its capacity as a member of User's Group), the O&M-Contractor, the other sub-contractors;

**Operational Balancing Agreement or OBA:** interconnection agreement executed by the Operating Company and SRG in accordance with the provisions of AEEGSI Resolution 312/2016/R/GAS, which establishes the terms and conditions for the application, within certain limits, of the "allocated = nominated" principle at the Redelivery Point;

**Party or Parties** means the Operating Company and/or the User, as applicable;

**Peak Shaving Guarantee:** the guarantee issued in conjunction with the Peak Shaving Service pursuant to the provisions of Clause 3.1.4;

**Peak Shaving Service Supplier:** means any party obliged to provide LNG volumes for Peak Shaving Service that has been identified following a tender procedure in accordance with MSE Decree 18/10/2013.

**Peak Shaving Service:** measure to be activated under climatic emergency conditions pursuant to ministerial decrees dated 19/04/2013 and 18/10/2013 and to AEEGSI Resolutions 471/2013/R/gas and no. 739/2017/R/gas, as well as the subsequent AEEGSI resolutions which set forth rules for the identification of any third party available to provide one or more cargoes to be delivered and stored in the tanks of Terminal and afterwards redelivered;

**Percentage Share** has the meaning given in Clause 3.3.7.2 ;

**Pilot Boarding Station** means the area near the Terminal to be used for the boarding of pilot(s) on LNG Carriers inbound to the Terminal the co-ordinates of which have been established by the Operating Company in accordance with instructions given by the Maritime Authorities;

**Planned Service Reduction** means any of the planned works, inspections, maintenance, repair, and modifications that causes or may cause a reduction or suspension of the Regasification Service being and/or to be carried out at the Terminal pursuant to Clauses 4.1.1 and 4.1.3;

**Reasonable and Prudent Operator** means a person operating an off-shore LNG floating storage and regasification unit and exercising such degree of skill, diligence, prudence and foresight and adhering to such standards, practices, procedures and guidelines as would reasonably and ordinarily be exercised by a skilled and experienced person engaged in undertakings of a similar nature and who complies with all Applicable Laws and International Standards;

**Reasonable and Prudent User** means a person consigning LNG to be transported by sea, using the Services provided under the Capacity Agreement, receiving the Regasification Service envisaged by the Capacity Agreement and/or consigning Gas to be transported by pipeline, in each case exercising such degree of skill, diligence, prudence and foresight and adhering to such standards, practices, procedures and guidelines as would reasonably and ordinarily be exercised by a skilled and experienced person engaged in undertakings of a similar nature to those contemplated by the Regasification Code and who complies with all Applicable Laws and International Standards;

**Redelivery Nomination** means the quantity of Gas envisaged for redelivery to a User on a certain Gas Day pursuant to the provisions of Clause 3.4.1.3;

**Redelivery Period** subject to the provisions of Clause 3.4.1.12, it is the period that starts at 06:00 on the Gas Day of a certain Month in which the User's Inventory has a value other than zero until the start of the first Scheduled Arrival Window in the next Month as set forth in the Annual Unloading Schedule and during which it is envisaged that the Operating Company will redeliver in full the LNG Unloaded by the User at the Terminal;

**Redelivery Point** means the Gas pipeline flange located on the seabed after the SSIV (sub-sea isolation valve) station (riser base) and after the expansion spool connecting the Terminal to the National Transmission System, corresponding to the entry point to the National Transmission System called LNG OLT Livorno;

**Redelivery Renomination** has the meaning given in Clause 3.4.1.5

**Regasification Code** means this document (including the Annexes hereto) adopted by the Operating Company in accordance with Applicable Law;

**Regasification Service Charges:** means the charges payable by the User for the Regasification Service pursuant to the provisions of Clause 5.2.1.3;

**Regasification Service:** means the Regasification Service envisaged by Clause 1.4.1.2;

**Regulatory Authority for Electricity Gas and Water or AEEGSI** means the Electricity Gas and Water Italian Authority (*Autorità per l'energia elettrica il gas e il sistema idrico*) established by law no. 481 of 14 November 1995 with, inter alia, the responsibility of regulating and controlling the gas, electric power and water sectors;

**Reserve Price:** price determined from time to time in accordance with article 7.1. of the TIRG for the allocation of regasification capacity.

**Scheduled Arrival Window** means, for a particular Delivery Slot, a period of twenty-four (24) hours commencing at 06:00 hours on a Gas Day specified in the Annual Unloading Schedule for the arrival of the LNG Carrier carrying such Cargo at the Pilot Boarding Station;

**Service Conditions** mean the conditions that the Applicant must meet and declare that it meets when it applies for regasification capacity pursuant to the provisions of Clause 2.1.1;

**Ship Owner** means any person (including any Applicant or User) who operates and/or is deemed to operate and/or owns an LNG Carrier pursuant to Applicable Law and/or any other applicable law or regulation;

**Slushing:** means the violent movement of the free surface of a liquid cargo inside a moving container, such as, for example, stationary waves in partially-filled tanks on board an LNG Carrier which may cause damage to the structure of the container and reduce the stability of the LNG Carrier;

**Sm<sup>3</sup>** means, in relation to Gas, a standard cubic meter, namely the quantity of Gas which under normal reference conditions (298.15 degrees K, 15 degrees Celsius and an absolute pressure of 101.325kPa, 1.01325 bar) occupies a volume of one cubic meter;

**Snam Rete Gas** or **SRG** means Snam Rete Gas S.p.A.;

**Spool Pieces** special adaptors, supplied by the Operating Company to the LNG Carrier, to be installed by the LNG Carrier's crew on its left side cargo manifold in order to allow the safe and reliable connection and disconnection of the Terminal loading arms as envisaged in the Technical Manuals and described in greater detail in the compatibility procedure envisaged by Clause 2.2.1.2;

**Spot Regasification Service:** means the Regasification Service provided in relation to an individual Unloading to be carried out on a date pre-established and identified by the Operating Company following the determination of the Ninety Day Unloading Schedule;

**Spot User:** User which has been allocated a spot regasification capacity;

**Statement of Release:** notice, drafted i) using the form contained in Annex 2A/1, given by the User to the Operating Company for the release of Continuous Capacity in accordance with the provisions of Clause 3.2.3.1 and/or ii) using the form contained in Annex 2A/2, given by the User to the Operating Company for the release of Delivery Slots or Monthly Slots in accordance with the provisions of Clause 3.2.3.2a);

**Statement of Withdrawal:** notice, drafted using the form contained in 2A/3, given by the User to the Operating Company in accordance with the provisions of Clause 3.2.3.2f), intended to recover Delivery Slot already released by the User itself;

**System** means the electronic platform for the scheduling of the Gas quantities to be redelivered at the Redelivery Point in accordance with Network Code;

**Technical Manuals** mean the written procedures to govern the marine and technical operations at the Terminal developed, maintained and amended by the Operating Company;

**Terminal Manager** means such individual with day-to-day primary responsibility for managing the Terminal;

**Terminal Manuals** means the written procedures to govern the operations of the Terminal exclusively developed, maintained and amended by the Operating Company, including the ECS Manual and the Technical Manuals;

**Terminal** means the floating LNG storage and regasification unit called "FSRU TOSCANA" IMO no. 9253284, registered in Italy under no. LI10153 and all the additional equipment installed therein by the Operating Company such as, for example, chains, anchors, the riser and flexible flow lines to the Redelivery Point, located at a water depth of approximately one hundred twenty (120) metres;

**TIRG:** Consolidated Law on the use of guarantees of free access to the LNG Regasification Service, approved by the AEEGSI as Annex "A" to resolution no. 660/2017/R/Gas as subsequently amended;

**Transportation Agreement** means any contract entered into by the Operating Company, on behalf of the Users, and SRG to enable the redelivery of Gas in accordance with the terms and conditions of the Capacity Agreements;

**Transportation Service Charges:** means the charges payable by the User for the Transportation pursuant to the provisions of Clause 5.2.1.5;

**Transportation Service User:** any user of transportation service of SRG, included the user(s) specified by User to Operating Company for the allocation of quantities of Gas pursuant to art. 13.6 of TIRG which declares that it has adhered or agrees to adhere to the Network Code

**Transportation Service:** means making the Gas available to the User at the Redelivery Point in the context of the Transportation Service envisaged by the Snam Rete Gas Network Code as defined by Clause 1.4.1.2a)vii);

**Trial Unloading:** first unloading carried out by an LNG Carrier according to the procedure described in the Technical Manuals (in particular, by the LNG Carrier Approval & Vetting Procedures 3.4 – Step 4), to determine whether the Master and crew of such LNG Carrier are aware of and properly apply all the procedures relating to the activities envisaged between the LNG Carrier and the Terminal;

**Ullage** means the free space above the LNG in the Terminal storage tanks, which is used to store the LNG to be Unloaded at the Terminal itself;

**Unitary Bid Price:** price expressed in Euro per MWh (€/MWh) bid by the party applying for regasification capacity;

**Unloading** means the technical operations (following the mooring of an LNG Carrier at the Terminal and the safe setting of the receiving equipment) used to transfer (in the case of any User) or receive (in the case of the Operating Company) an LNG Carrier's LNG in the Terminal's storage tanks, in accordance with the procedures provided in the Technical Manuals, and **Unload** and **Unloaded** and similar expressions shall be construed accordingly;

**Unplanned Service Reduction** means a total or partial reduction or suspension of the Regasification Service not included in the Maintenance Schedule;

**User** means any Applicant which has been awarded or to which has been transferred regasification capacity and to which the Operating Company provides the Regasification Service pursuant to a Capacity Agreement;

**User's Default:** means a default by the User, as specified by way of example and without limitation in Clause 5.3.2.1;

**User's Gas** means the Gas which results from the regasification of User's LNG or boil off or otherwise in connection with User's LNG in the Terminal other than Gas which is owned by the Operating Company pursuant to Clause 3.4.2.1c);

**User's Group Guarantee:** guarantee payable on first demand issued by an Affiliate of the User pursuant to the provisions of Chapter 3.1;

**User's Group** means the User, any Affiliate of the User (acting in its capacity as such and excluding where acting in its capacity as a member of the Operating Company's Group ), any LNG Carrier, any Ship owner, any ship manager and any charterer in relation to any LNG Carrier and any contractors (including pilots and boatmen);

**User's Inventory** means at the time of determination, the quantity of LNG (expressed in m<sup>3</sup> or MWh, as appropriate) and Gas (expressed in Sm<sup>3</sup> or MWh, as appropriate) in the Terminal which is held by the Operating Company on behalf of the User, including the User's LNG and the User's Gas;

**User's LNG** means, subject to any in-tank ownership transfers by the Users, (i) LNG which has been delivered to the Terminal by or on behalf of the User, including any LNG which is not legally and beneficially owned by the User, and Unloaded at the Delivery Point until any such LNG has been allocated to other Users pursuant to Clause 3.3.7 and (ii) LNG which has been allocated to the User pursuant to Clause 3.3.7;

**Virtual Exchange Point** means the Italian virtual exchange point (*Punto di Scambio Virtuale*) located between the entry points and the exit points of the national pipeline network (*rete nazionale dei gasdotti*), where the users of such network can exchange and transfer Gas injected therein pursuant to any resolution of AEEGSI no. 22 of 26 February 2004 and subsequent implementing resolutions;

**Wobbe Index** means ratio between the Gross Calorific Value on a volumetric basis and the square root of the density at the same specified metering reference conditions of Gas; and

**Year** means the period beginning at 00:00 hours on the 1st January of any calendar year and ending at 00:00 hours on the 1st January of the following calendar year

**Acceptable Classification Society** means RINA S.p.A. or another classification society (being a member of the International Association of Classification Societies (IACS) or, if such association no longer exists, any similar association) approved by the Parties;

### 1.1.2 Interpretation

In the Regasification Code:

- (a) references to "persons" include individuals, bodies corporate (wherever incorporated), unincorporated associations, partnerships, trusts or any other legal entities, including any governmental authorities;
- (b) "include" and "including" are to be construed without limitation;
- (c) "for example" is to be construed without limitation;
- (d) other than where reference is made to a rule of Italian law, the heading of each clause is included exclusively for reasons of convenience and does not affect the construction of such terms;
- (e) references to one gender includes all genders;
- (f) references to the singular include the plural and vice versa;
- (g) references to statutory provisions are references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions from time to time;

- (h) a reference to any Italian legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or matter shall in respect of any jurisdiction other than Italy be treated as a reference to any analogous term in that jurisdiction;
- (i) references in relation to computation of periods of time to:
  - (i) “from” means from and including; and
  - (ii) “until” or “to” means to and including;
- (j) references to any person include references to that person’s successors and permitted assignees;
- (k) all references to time are to Italian time, unless expressly provided otherwise. Should any specific date in the Regasification Code refers to a not Business Day, it is understood that such term will be anticipated to the first Business Day before that date;
- (l) references to the Capacity Agreement and the Regasification Code are references to the Capacity Agreement and the Regasification Code as amended in accordance with the Capacity Agreement;
- (m) references to agreements or documents are references to those agreements or documents as respectively amended in accordance with their terms from time to time;
- (n) the Regasification Code has been drafted, and each Capacity Agreement shall be drafted and executed, in the Italian language, which shall be regarded as the sole authoritative and official language and shall be the sole language to be referred to in construing or interpreting the Regasification Code and any Capacity Agreement. Without prejudice to the foregoing, the Parties shall have regard to the Italian text in interpreting any inconsistency between the Italian text and the English text of the Capacity Agreement; and

### **1.1.3 List of Annexes**

The following Annexes are included in, and form an integral part of, the Regasification Code:

- (a) Annex 1: form for Allocation Request
- (b) Annex 2: form for Statement of Release, Statement of Withdrawal
- (c) Annex 3: form for Transfer of regasification capacity
- (d) Annex 4: form for Capacity Agreement
- (e) Annex 5: form for notice of rule for allocating regasified quantities
- (f) Annex 6: form for transfer of LNG between Users
- (g) Annex 7: form for Bank and User’s Affiliate Guarantees
- (h) Annex 8: LNG quality specifications
- (i) Annex 9: GAS quality specifications
- (j) Annex 10: methods for measuring LNG and GAS

## Chapter 1.2 - LEGAL FRAMEWORK

### 1.2.1 European Regulation of the Gas Market

- (a) The regulations concerning LNG regasification at a European and Italian level were inaugurated with EU Directive 98/30/EC of the European Parliament and Council dated 22 June 1998 (**Gas Directive**), concerning common rules for the internal market in natural gas. This regulation started a process of progressive liberalisation of the sector with the aim of creating a single European market for natural gas, at the same time guaranteeing the same **terms and non-discriminatory** treatment for operators of the system.
- (b) In June 2003, the European Parliament and the Council adopted the EU Directive 2003/55/EC (**Second Gas Directive**) also concerning common rules for the internal market in natural gas and that repealed the EU Directive 98/30/EC.
- (c) On 13 July 2009 the European Parliament and the Council adopted the EU Directive 2009/73/EC (**Third Gas Directive**) on common rules for the internal market in natural gas. Italy enacted the Third Gas Directive through Legislative Decree No. 93 dated 1 June 2011 (**Decree 93**).
- (d) Regulation (EC) No. 1775/2005 of the European Parliament and of the Council of 28 September 2005 sets out conditions for access to the natural gas transmission networks (the **First Gas Regulation**).
- (e) On 13 July 2009, the European Parliament and the Council issued Regulation (EC) No. 715/2009 which repealed the First Gas Regulation providing new conditions for access to the natural gas transmission networks. The EU Commission Decision of 10 November 2010 amended Chapter 3 of Annex I to Regulation (EC) No 715/2009.

### 1.2.2 Italian Regulation of the Gas Market

- (a) The Gas Directive was implemented in Italy by the Decree no. 164 dated 23 May 2000 (**Decree**), concerning common rules for the internal market in natural gas, in accordance with the principles laid down by Law no. 144 dated 17 May 1999.
- (b) The Decree introduced rules defining procedures and timing for the liberalisation process as provided for by the Gas Directive, identifying and defining the roles of the various segments of the natural gas “chain”, such as: importation, development, exportation, transport and dispatching, storage, regasification, distribution and sale.
- (c) With regard to the regasification activity, the Decree governs amongst other items:
- (i) LNG plants;
  - (ii) the importation of LNG into Italy; and
  - (iii) the need, by parties who manage LNG terminals, to set up, after a specific resolution of the AEEGSI (established on the basis of Law no. 481 of 14 November 1995), a regasification code for the purposes of access to the terminals (article 24, paragraph 5).
- (d) With a decree dated 27 March 2001, the Ministry of Economic Development set out the “Determination of the criteria for release of authorisations to import natural gas produced in Non-Member States”, in accordance with article 3 of the Decree. Such decree was then partially amended by the Ministry of Economic Development Decree adopted on 2 August 2011 concerning the “Updating of procedures for the releasing of authorizations to import natural gas, in compliance with article 28 of Legislative Decree 1 June 2011, n. 93”.
- (e) By Decree 93, Italy enacted the Third Gas Directive. Decree 93 (which entered into force on 29 June 2011) modified various parts of the Decree, simplifying authorisations for import of gas, stressed the principles of transparency and non-discrimination in the assignment of capacity in LNG terminals.
- (f) The Ministerial Decree of 19/04/2013 sets out, among the measures to be activated in emergency conditions, the usage of partially used regasification terminals tanks for Peak Shaving Service. With Ministerial Decree dated 18/10/2013 the relevant terms and conditions for peak shaving service during winter period of Gas Year 2013/2014 have been defined;

### 1.2.3 AEEGSI Resolutions in connection with the Regasification Code

- (a) Resolution no. 120/01 – Criteria for determination of the tariffs for the transport and dispatching of natural gas and for the use of LNG terminals.
- (b) Resolution no. 193/01 – Provisions regarding tariffs for the transport and dispatching of natural gas and for the use of LNG terminals, for implementation of Resolution no. 120/01 dated 30 May 2001.
- (c) Resolution no. 91/02 – Regulation on the right to allocation pursuant to article 27, paragraph 2, of Law no. 273 dated 12 December 2002 in the event of the construction of new LNG terminals and the upgrading of existing terminals.
- (d) Resolution no. 137/02 – Adoption of guarantees for the free access to the natural gas transport service and rules for the preparation of the Network Codes.
- (e) Resolution no. 146/02 - Provisions regarding tariffs for the transport and dispatching of natural gas, for implementation of AEEGSI Resolution no. 120/01 dated 30 May 2001.
- (f) Resolution no. 90/03 – Amendment to AEEGSI Resolution no. 91/02 dated 15 May 2002, implementing article 27, paragraph 2, of Law no. 273 dated 12 December 2002.
- (g) Resolution no. 113/03 – Extension of the conditions under articles 14 and 15, paragraphs 12 and 13, of AEEGSI Resolution no. 120/01 dated 30 May 2001 regarding LNG regasification.
- (h) Resolution no. 141/04 – Extension of the conditions under articles 14 and 15, paragraphs 12 and 13, of AEEGSI Resolution no. 120/01 dated 30 May 2001 regarding LNG regasification.
- (i) Resolution no. 52/05 – Start of proceedings for the formation of measures regarding tariffs for the use of LNG terminals for the second period of regulation.
- (j) Resolution no. 167/05 – Adoption of guarantees for the free access to the liquefied natural gas regasification service and rules for the preparation of regasification codes.
- (k) Resolution no. 178/05 – Criteria for the determination of the tariffs for the regasification service.
- (l) Resolution no. 185/05 – General provisions related to the quality of natural gas, according to article 2, paragraph 12, letter g) and h) of Law 481/95.
- (m) Resolution no. 168/06 – Urgent provisions for the definition and assignment of transport capacity in the entry points to the national gas network interconnected with the infrastructures for which there is an exemption and for the assignment of residual capacity, by a legislative decree dated 28 April 2006.
- (n) Resolution no. 327/07 - Amendment of Art. 8 of AEEGSI Resolution 168/06.
- (o) Resolution no. 92/08 - Criteria for determination of the tariffs related to the regasification service and amendment of AEEGSI Resolutions no. 166/05 and no. 11/07.
- (p) Resolution no. 111/08 - Urgent set-up in the area of allocations at the entry points of the national pipeline network interconnected with regasification terminals and integration to AEEGSI Resolution no. 137/02.
- (q) Resolution no. 55/09 - Rules for the adoption and the revision of the access codes of transport, storage and regasification, and for the establishment and the activity of the relevant consultation committees.
- (r) Resolution no. 54/10 - Amendment of Article 11 of AEEGSI Resolution no. 167/05, setting out provisions for non use of regasification capacity.
- (s) Resolution 150/2012/R/gas - Criteria for the determination of the regasification service tariff for LNG, for the fourth regulatory period;
- (t) Resolution 188/2012/E/com - Approval for the framework for dealing with complaints presented by operators against the transmission, storage, regasification and distribution system operator pursuant articles 44(1) and (2) of Legislative Decree no. 93/11;
- (u) Resolution 237/2012/R/GAS - Extension of the criteria for the determination of the regasification tariffs for the transitional period October 2012-December 2013;



- (v) Resolution no. 297/2012/R/GAS – Provisions on access to the Transportation Service for natural gas at the entry and exit points of the transmission network interconnected with inventories and with regasification terminals;
- (w) Resolution no. 84/2013/R/GAS – Rationalisation of the disclosure requirements regulated in the context of the guarantees of free access to transportation, storage and regasification services;
- (x) Resolution 224/2013/R/GAS - Start of proceedings for the formation of measures regarding tariffs and access conditions in case of waiver or annulment of the third party access exemption granted to LNG terminals;
- (y) Resolution 272/2013/R/GAS – Criteria for the determination of the regasification service tariff and access conditions in case of waiver or annulment of the third party access exemption granted to LNG terminals
- (z) Resolution no. 84/2013/R/ GAS – Criteria for regulating the regasification tariffs for liquefied natural gas for 2014-2017.
- (aa) Resolution no. 471/2013/R/GAS - Provisions for the Peak Shaving Service for the winter period of Gas Year 2013/2014.
- (bb) Resolution no. 502/2013/R/GAS – Concerning the provision of flexible services by regasification companies.
- (cc) Resolution no. 312/2016/R/GAS – Gas balancing, implementing Regulation (EU) 312/2014
- (dd) Resolution no. 660/2017/R/GAS – Reform of the regulation of the allocation of LNG regasification capacity based on market mechanisms (auctions) by which the AEEGSI approved the TIRG

## Chapter 1.3 - DESCRIPTION OF THE TERMINAL

### 1.3.1 General Description

The Terminal, an existing Moss type LNG carrier (the ex “Golar Frost”) converted into a floating terminal, is located 12 nautical miles offshore between Livorno and Pisa in Tuscany, Italy. The geographical coordinates of the terminal are 43°38’40”N 09° 59’20”E (Gauss Boaga Datum Roma). The depth of the sea bed is approximately 120 metres. The Terminal is connected to shore via a 32” diameter pipeline built and operated by SRG.

The Terminal specifications are:

Displacement	115,870 metric tonnes
LOA	306.49 m
Gross Tonnage	117,916 metric tonnes
Net Tonnage	35,374 metric tones
Maximum width	48 m
Draught (ballast)	10.78 m
Draught (load)	12.30 m

The main Terminal are:

functions of the

- i) Receive, allow mooring and unloading of LNG Carriers;
- ii) Store;
- iii) Recover Boil-Off Gas (BOG);
- iv) LNG Regasification;
- v) Wobbe Index correction;
- vi) Importing Gas within the Gas Quality Specification into the National Transmission System;
- vii) Utilities; and
- viii) Safety and control systems

#### **i) Receive, allow mooring and unloading of LNG Carriers**

The Terminal may receive LNG from LNG Carriers with a capacity ranging from 65,000 m<sup>3</sup> to 180,000 m<sup>3</sup> (or equivalent the class entitled “New Panamax”). The LNG from the LNG Carriers is Unloaded to the Terminal storage tanks. The maximum Unloading rate is 12,000 m<sup>3</sup>/hr. The timings for the completion of the unloading are indicated in greater detail in the Technical Manuals and are intended to be merely indicative.

It is agreed that the Unloading of volumes of LNG exceeding 155,000 m<sup>3</sup><sub>liq</sub> by the same LNG Carrier, pursuant to the provisions of Clause 3.7.3.2, may only be carried out by the User by obtaining the allocation of two consecutive Delivery Slots following the allocation processes envisaged by Clauses 2.1.8 and 2.1.9 and the provisions of the Regasification Code will apply independently to the individual Delivery Slots. The User shall also comply with the provisions and specifications of the Maritime Regulations with regard to the Unloading of volumes of LNG exceeding 155,000 m<sup>3</sup><sub>liq</sub>.

The LNG is transferred via three 16” loading arms onboard the Terminal and a fourth arm is used to maintain the vapour balance in the LNG Carrier by routing BOG generated in the Terminal storage tanks back to the LNG Carrier. The following arms are available:

- 2 liquid,
- 1 vapour, and
- 1 hybrid (liquid/vapour).

The hybrid arm is used to Unload LNG to the Terminal under normal conditions and can be used as the BOG vapour return if there is a failure in the vapour return arm.

## ii) Storage

The Terminal has four Moss<sup>®</sup> Sphere type LNG containment tanks. Each tank has a diameter of about 40 metres. The storage capacity is approximately 135,000 m<sup>3</sup>. Each storage tank is equipped with an LNG in-tank pump, which transfers the LNG to the regasification module. This pump is retractable and installed in a dedicated pump well. In addition, one existing cargo pump, which has a higher capacity, is installed in the storage tank. These pumps are available to transfer liquid from one tank to another in case of operational requirements. The LNG is stored in the tanks at a temperature of approximately -163 °C and at a pressure of 0.25 barg.

## iii) Boil-Off Gas Facilities

BOG is generated in the LNG tanks as a result of the following:

- Heat ingress from the storage spheres;
- Superheated LNG that flashes into the storage tanks during LNG Carrier Unloading, due to the heat generated by the LNG Carrier's cargo pumps and heat ingress in the loading arms, loading lines/manifolds; and

The generated BOG is collected in the BOG header from where it can be routed to the following:

- LNG Carrier via the vapour return arm (during Unloading)
- The fuel Gas system;
- The recondenser via the BOG compressor (unspared); and
- The atmosphere exclusively in emergency situations.

## iv) LNG Regasification

The LNG pressurised by the booster pumps is routed to three Intermediate Fluid Vaporisers (IFV) of the Tri-Ex type. The LNG is vaporized in a cyclic process with propane as the intermediate fluid. In the first heat exchanger, the LNG will be vaporized against propane vapour, which condenses. A second heat exchanger vaporizes the condensed propane with the heat of the seawater. In a third heat exchanger, the natural gas is superheated with seawater. During normal operation, three vaporisers may be on line simultaneously, together providing a maximum Gas redelivery capacity of 450 tonnes per hour. Below the envisaged minimum send out capacity the Terminal is designed to have a "stand by mode" which allows the Terminal to stay at operating temperature with a low inflexible send out of about 10 tonnes per hour. The Terminal has a permitted regasification capacity of no greater than 3.75 billion cm<sup>3</sup>/year.

## v) Wobbe Index Correction

If the quality of the LNG does not meet the National Transmission System's minimum quality requirements due to imitations on the Gross Calorific Value and/or the Wobbe Index, nitrogen shall be injected at low pressure into the recondenser. Nitrogen is generated by an *ad hoc* nitrogen production unit. The Wobbe Index correction system is sized to produce up to 10,400 Sm<sup>3</sup>/h of nitrogen.

## vi) Importing Gas within the Gas Quality Specification into the National Transmission System

After vaporisation, Gas shall be routed to a fiscal metering station, which includes ultrasonic flow metering ramps and a protection system (HIPPS). Downstream of the HIPPS, the redelivered Gas is

routed to a subsea pipeline via a turret and two flexible risers. The turret is equipped with a swivel which allows 360° Terminal rotation. A subsea safety isolation valve (SSIV) station is installed at the connection between the risers and the submarine gas pipeline, which allows for isolating the Terminal from the National Transmission System in case of emergency,.

#### vii) Utilities

The original steam plant has two dual-fuel steam boilers that may burn either Gas (BOG from the LNG tanks or gas from the vaporisers) or marine gas oil. Each boiler has a capacity of 55 t/h of superheated steam at 62 bar g and 510°C. Two new turbo generators were installed during the conversion work and are fuelled by the steam facility in the engine room.

The Terminal generates its own power exclusively through its own steam turbo generators and does not import electrical power from the onshore national electricity grid. The electric power generating plant, installed in the engine room area, consists of two new 10 MW steam turbo generators, 3.5 MW steam turbo generators and a group of 3.35 MW diesel generators.

#### viii) Safety and control system

The LNG regasification plant is controlled remotely by the centralised control room with an automatic system. This system is divided into two (2) subsystems:

- Distributed control system (DCS) the function of which is the acquisition, processing and regulation of the plant process and monitoring parameters;
- Emergency shutdown system (ESD) the function of which is to carry out the sequences to start up, stop and block the plant equipment which is automatically programmed to switch to a predefined safe mode in an emergency.

The Operating Company shall operate and maintain the Terminal in accordance with the standards of a Reasonable and Prudent Operator.

### 1.3.2 Terminal Capacity

The Terminal regasification capacity is determined by considering the technical, environmental and operational constraints of the Terminal, the number and duration of Berthing Slots, storage capacity, send-out capacity, and the capacity available at the Redelivery Point.

The Terminal shall operate with a permitted regasification capacity of 3.75 billion cm/year. Such capacity is the design capacity under normal operating conditions and without considering the operational constraints and the limitations on the National Transmission System operated by SRG. To assess the Terminal capacity the following values must be taken into account:

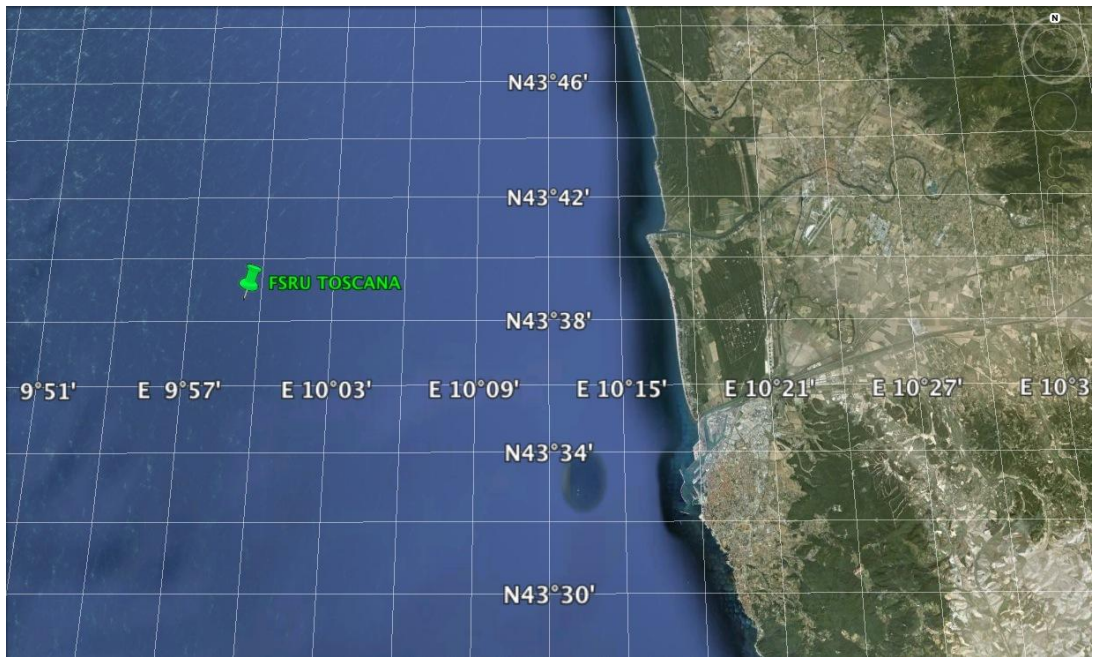
A. **unloading capacity:** the unloading capacity within a reference period (e.g.: Gas Year) of operations at the Terminal is defined taking into account:

- i) maximum number of Berthing Slots;
- ii) amount of LNG Unloaded by the LNG Carrier in each of the Berthing Slots, also taking into account the quality of the LNG;

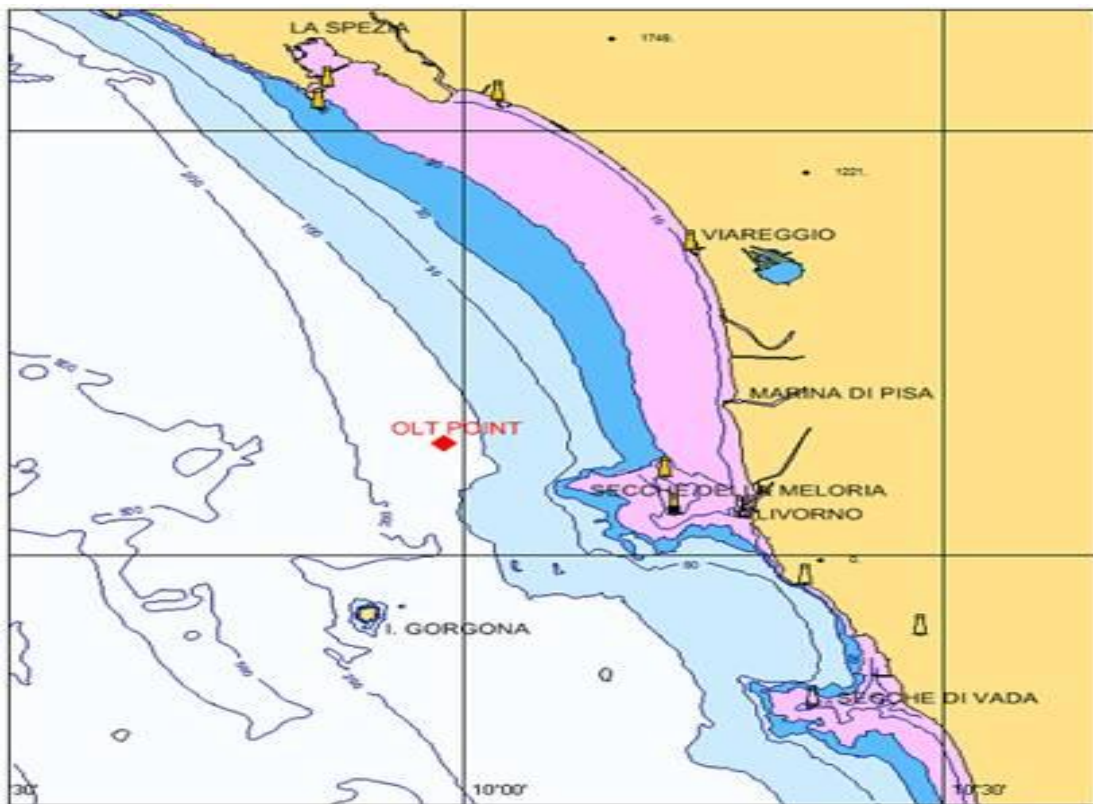
B. **send out capacity:** the send out capacity depends *inter alia* on the availability of each item of equipment, the terminal Fuel and losses, maintenance, the density of the LNG and any constraints imposed by the National Transmission System connected to the Terminal

### 1.3.3 Terminal Manuals

The User and the Operating Company shall comply, and the Operating Company shall procure that any sub-contractor shall comply, with the provisions of the Terminal Manuals at all times unless any such provisions conflict with the applicable laws or regulations or with International Standards. The User shall also procure that any LNG Carrier and any Ship Owner shall comply with the Technical Manuals, unless any such provisions conflict with the Applicable Law and/or International Standards.



(Fig. 1)



(Fig. 2)

**Coordinates FSRU Toscana : 43° 38' 40" N**

**09° 59' 20" AND**

## Chapter 1.4 - DESCRIPTION OF SERVICES

### 1.4.1 Services

#### 1.4.1.1 Services provided by the Terminal

The Operating Company shall provide the User with the Regasification Service defined in Clause 1.4.1.2 below under the terms and conditions stated in this Regasification Code and in accordance with the Terminal Manuals. The Regasification Service may be continuous or spot.

#### 1.4.1.2 Regasification Service

(a) For the entire duration of the relevant Capacity Agreement, save as otherwise provided for example, in the event of Adverse Weather Conditions, Force Majeure and safety concerns, etc., the Operating Company will provide the User with the Regasification Service, which includes:

- (i) providing the number of Berthing Slots set forth in the User's Capacity Agreement to enable the User to deliver LNG at the Terminal;
- (ii) allowing mooring access alongside the Terminal to receive and Unload LNG Carriers accepted pursuant to Chapter 2.2;
- (iii) providing the Terminal's crew to hook the LNG Carrier mooring lines to the Terminal only;
- (iv) receipt of an Unloaded Cargo from an LNG Carrier during a Delivery Slot;
- (v) storage of the User's LNG in the Terminal;
- (vi) providing the Continuous Redelivery Service;
- (vii) redelivery of Gas to the Redelivery Point: the Gas quantities will be made available by the Operating Company to SRG which will take delivery of them so that they may be redelivered to Users as part of the Transportation Service envisaged by the Network Code (**Transportation Service**). To such end, the Operating Company is allocated the transport capacity required to import the quantities of regasified LNG to the National Transmission System.
- (viii) providing nitrogen production and injection service for correction of the Wobbe Index of Gas ;
- (ix) metering, measurement and analysis of LNG and Gas in accordance with the provisions of Annexes 8 and 9;
- (x) administrative services required to be performed by the Operating Company under the Regasification Code such as, by way of example and without limitation, reporting and allocation;
- (xi) all scheduling, administrative and other services related to the services described in Clauses 1.4.1.2a)i) - 1.4.1.2a)x) above; and
- (xii) the tug service to the LNG Carrier.

(b) For each Gas Day falling between the effective date of the Capacity Agreement and the expiry thereof, the Operating Company will make available to the Users:

- (i) the Continuous Redelivery Service unused by any other User; and/or
- (ii) the available capacity in excess of the regasification capacity required to provide the Continuous Redelivery Service, on an interruptible basis, pursuant to Clause 3.4.1.8d) (Interruptible Redelivery Service). The Operating Company may interrupt any Interruptible Redelivery Service made available to the Users at any time and for any reason without incurring any liability as a result of or in connection with such interruption.

(c) The Regasification Service does not include, among other things, pilot services or escort or watch vessels (other than the guardian vessel), the disposal of waste in any form from an LNG Carrier, LNG Carrier ballast, bunkering services, fresh water supply, shore leave for LNG Carrier crews, port mooring personnel for line handling (if mandatory), independent cargo surveyor services, any Maritime Authority or other fees, any vetting activities, any condition assessments or any port fees. The costs and expenses of the staff assigned to mooring duties required under the Maritime Regulations will be exclusively charged to the User.

#### **1.4.1.3 Additional Services**

Subject to the provisions in Clause 1.4.2, the Operating Company may agree to provide the User with any additional services within the capabilities of the Terminal.

The Operating Company could make available, pursuant to Ministerial Decree of 18/10/2013 issued by the Ministry for Economic Development (13A08697) , the Peak Shaving Service. The Peak Shaving Service Supplier is requested to sign with the Operating Company a Capacity Agreement.

#### **1.4.1.4 Safety of Operations**

The Terminal will operate in strict compliance with all applicable operating and safety rules and procedures of the Operating Company and with all applicable International Standards and Applicable Laws.

#### **1.4.1.5 Authority of Terminal Manager**

The User shall, and shall procure that each member of the User's Group shall, be bound by and comply immediately with any instructions and/or orders issued by the Terminal Manager regarding safety and/or environmental matters of any nature at the Terminal and/or within the Exclusion Zone.

#### **1.4.1.6 Waiver of Regasification Service**

If the User does not request all or any portion of the Regasification Service made available by the Operating Company (including in circumstances where Force Majeure causes or results in the User being unable to use the Regasification Service), the User will not be entitled to an equivalent amount of Regasification Service at a later date in lieu of such unused or unrequested Regasification Service, subject to the provisions of Clause 5.2.1.2.

#### **1.4.2 No Discrimination**

Save as required by Applicable Laws, the Operating Company shall not provide any User with:

- (i) (a) the Regasification Service on terms and conditions which differ from those contained in the Regasification Code and are discriminatory against the User; or
- (ii) which would have an adverse effect on the Regasification Service which the Operating Company has agreed to provide to the User; and/or

(b) other services if the provision of such other services would have an adverse effect on the Regasification Service User which the Operating Company has agreed to provide to the User pursuant to the Capacity Agreement.

#### **1.4.3 Assignment to Terminal Lenders**

The Operating Company may, in its sole discretion, at any time, transfer, assign, mortgage, charge, pledge, create or dispose of any of its rights and/or (if applicable) obligations under the Capacity Agreement by way of security to any Terminal lenders, with which, at the request of the Operating Company, the User agrees to enter into direct agreement Terminal lender means any financial institution or other person which will finance or proposes to finance or refinance the design, procurement, development, operation, modification and/or expansion of the Terminal, and includes the agents or directors of such persons.

#### **1.4.4 Sub-contracting**

The Operating Company may, at its sole discretion, at any time appoint and replace any contractor(s) or sub-contractor(s), including ECOS s.r.l. or any other company appointed and authorised by the Operating Company to provide, in whole or in part, the Regasification Service, including the operational management and maintenance of the Terminal pursuant to the International Safety Management Code and ISO 9001, 14001 and OHSAS 18001 (**the O&M Contractor**).

#### **1.4.5 Mooring and pilot services**

The User shall make available mooring and pilot services for each LNG Carrier by entering into agreements with the relevant service providers selected from time to time by the Operating Company in accordance with the provisions of the Maritime Authorities. The Operating Company will provide information on such services on its website.

## Chapter 1.5 - INFORMATION MANAGEMENT

### 1.5.1 Website and Electronic Communications System

#### 1.5.1.1 Website and development of the Electronic Communications System

The Operating Company shall operate and update:

- (a) a public website; and
- (b) a private, password-protected electronic communications system (**ECS**) for the Operating Company, the Users,

on which the Operating Company shall publish and manage the information referred to in Clauses 1.5.1.2 and 1.5.1.3 and any other information relating to the Terminal which the Operating Company deems appropriate, in its sole discretion. The terms and Service Conditions of the Electronic Communications System shall be set out in the ECS Manual.

#### 1.5.1.2 Website

On a website, the Operating Company shall publish information that shall be accessible to the public, including:

- (a) a current copy of the Regasification Code and Technical Manuals;
- (b) aggregate deliveries at the Redelivery Point by the Terminal for each Gas Day.

#### 1.5.1.3 Electronic Communications System

(a) To the extent of a User's rights under its Capacity Agreement the Operating Company shall publish specific Terminal related information on the Electronic Communications System that shall be accessible to such User and the Operating Company only. The content of this information shall be set forth in the ECS Manual;

(b) The Operating Company will provide the User through the Electronic Communications System with the information required to guarantee the User's commercial operations such as, by way of example and without limitation, the Annual Unloading Schedule and the User's Ninety Day Unloading Schedule, the User's Inventory, its daily allocation and its Debtor/Creditor User position, the redelivery Period with the relevant Percentage Share of Capacity and User's Percentage Share, the Default Redelivery Profile, the acceptance of Redelivery Nominations and Redelivery Renominations as well as the overall daily quantity nominated/renominated by all the Users;

(c) The User will inform the Operating Company through the Electronic Communications System of its commercial operations such as, by way of example and without limitation, its Redelivery Nominations and Redelivery Renominations, information regarding its LNG Carriers, Delivery Slot Releases, transfer of ownership of the LNG;

(d) The ECS Manual will be made available to the User by the Operating Company once the relevant Capacity Agreement has been executed;

(e) The Operating Company shall use any information specific to a User only in the context of the Capacity Agreement and in accordance with Applicable Law. Pursuant to Article 13 of Legislative Decree No. 196 of June 30, 2003, each Party acknowledges that it:

- (i) has been fully informed by the other Party about the purpose, methods and use of the personal information and all other information exchanged between the Parties; and
- (ii) is aware of the rights granted pursuant to Applicable Law.

f) In the event that the Electronic Communications System is not available for any reason, Operating Company shall provide, by alternative means determined at the latter's discretion, all the information to which the User would have had access through the Electronic Communications System.



## SECTION 2: ACCESS TO SERVICES

### Chapter 2.1 - SERVICE ACCESS REQUIREMENTS

#### 2.1.1 Compliance with Service Conditions

Access to the Regasification Service at the Terminal is granted in an impartial manner and on equal terms to all parties, whether natural or legal persons, provided that they meet the following requirements.

The Applicant shall satisfy, and declares that it satisfies in the regasification capacity request, all of the following conditions, which must have been met at the time of regasification capacity request (under the capacity allocation processes set forth in Clauses 2.1.5.2, 2.1.5.3, 2.1.8 and 2.1.9) and for the duration of the Service Period (the **Service Conditions**):

(a) The Applicant shall be a Transportation Service User pursuant to article 13 TIRG or, should this requirement not be satisfied, the Applicant shall appoint one or more Transportation Service Users to whom to allocate the Gas quantities nominated at the Redelivery Point for the redelivery to SRG, and, in any case, it will indemnify and hold the Operating Company harmless from and against any default by the Users of the Transportation Service indicated by the Applicant pursuant to article 13.6 TIRG.

(b) the Applicant shall meet the credit and insurance requirements envisaged, on a case-by-case basis by Chapter 3.1;

(c) the Applicant must hold one or more import contracts, i.e. an agreement for the purchase of LNG with delivery, at the Terminal, of the quantities of LNG for whose import the regasification capacity is required. If the Delivery Point of the purchase contract is located abroad, the purchase agreement must be supplemented by one or more maritime transport agreements that serve to make available at the Terminal the quantity of LNG for whose import the regasification capacity is required at the Terminal. The Applicant shall be in compliance with all Applicable Laws related to the exercise of its rights and performance of its obligations or otherwise relating to its activities under, connected with or ancillary to the Capacity Agreement;

(d) if the Applicant has a LNG import contract which has a duration of more than one (1) year, the User must have received authorisation from the MSE, as required by article 3 of Legislative Decree no. 164 of 23 May 2000, for the importation of such quantity of LNG pursuant to the provisions set forth in the Decree;

(e) if the Applicant has a LNG import contract which has a duration not exceeding one (1) year, the Applicant shall give appropriate notice to the MSE and to the AEEGSI pursuant to the timing set out in the Ministerial Decree (11A11238) Ministry for Economic Development of 2 August 2011;

(f) the Applicant shall use LNG Carrier(s) that have passed the process that verifies compatibility with the Terminal for the Unloading of a quantity of LNG corresponding to the regasification capacity requested and such LNG Carrier(s) shall comply with the Technical Manuals; and

(g) the Applicant shall possess all other Authorisations necessary for (i) the performance of all activities under, connected with and ancillary to, the Capacity Agreement, and (ii) the exercise of its rights and performance of its obligations under the Capacity Agreement.

#### 2.1.2 Notification of compliance and non-compliance

In case:

(a) The User does not comply with or ceases to comply with one or more Services Conditions and/or

(b) The Transportation Service Users appointed by the User pursuant to art. 13.6 TIRG do not comply with or cease to be compliant with one or more the requirements for transportation service access

the User shall notify the Operating Company immediately after becoming aware of such event or circumstance providing reasonable details of the reason for such failure and/or, as the case may be, make any reasonable effort to ensure the Transportation Service Users meet again the requirements set forth in the Network Code.

### **2.1.3 Consequences of failure to meet the Service Conditions**

(a) Without prejudice to Clauses 2.1.3(b)(ii), 2.1.3(b)(iii), 2.1.3(b)(iv), 5.3.2 and/or 5.3.3, if the User and/or the Transportation Service Users fail(s) to comply with the Service Conditions:

- (i) the Operating Company may, without any liability on the part of the Operating Company, immediately suspend or discontinue the provision, in part or in whole, of the Regasification Service to the User for the duration of such non-compliance; and
- (ii) the User shall indemnify and hold harmless the Operating Company from and against all Loss suffered or incurred by the Operating Company arising out of or in connection with any such failure by the User and/or any acts performed by the Operating Company pursuant to Clause 2.1.3 including any redelivery of the User's Gas pursuant to Clause 2.1.3(b)(ii).

(b) If the provision of the Regasification Service to the User is suspended in accordance with Clause 2.1.3(a):

- (i) the Operating Company shall not allow the User to moor its LNG Carrier at the Terminal or, if the LNG Carrier is already moored at the Terminal, then the Operating Company shall be entitled to order the LNG Carrier to depart from the Terminal with immediate effect, subject to the requirements of the Technical Manuals and any applicable Maritime Regulations;
- (ii) the Operating Company shall be entitled to regasify the User's LNG and redeliver the User's Gas to the Redelivery Point in accordance with any redelivery profile which the Operating Company considers appropriate in its sole discretion so as to ensure that the User's Inventory is reduced by such amount that, after having complied with the User's obligations under Clause 3.4.2 and Chapter 3.5, the User's Inventory is:
  - if the User is a Minimum Inventory User, equal to its proportional share of the Minimum Inventory (as determined in accordance with Clause 3.5.3); or
  - if the User is not a Minimum Inventory User, equal to zero (0),

provided that the entitlement of the other Users to the Continuous Redelivery Service is under no circumstances adversely affected by such arrangements;

- (iii) the User will continue to fulfil its payment obligations under Clause 5.2.1.2 and to pay the sums due under Clauses 5.3.1.1 and 5.3.1.2;
- (iv) the User shall continue to comply with its Minimum Redelivery Obligation and to pay for the Gas to cover Consumption and Losses

### **2.1.4 User's obligation to act as Reasonable and Prudent User**

(a) The User shall, for the duration of the Capacity Agreement, act as a Reasonable and Prudent User.

(b) The User shall, and shall procure that each member of the User's Group shall, ensure strict compliance with all applicable operating and safety rules and procedures of the Operating Company and/or the Terminal, as set out in the Terminal Manuals, and with all applicable International Standards and Applicable Laws.

### **2.1.5 Capacity allocation at the beginning of Gas Year**

The allocation of regasification capacity at the start of Gas Year relates to the Continuous Regasification Service.

#### **2.1.5.1 Continuous Capacity allocation process**

The purpose of the allocation process pursuant to this Clause, is to allocate Continuous Capacity, in accordance with Clauses 2.1.5.2 and 2.1.5.3 and a corresponding number of Berthing Slots as published on the Operating Company's website. The regasification capacity, expressed in  $m^3_{liq}/year$ , made available by the Operating Company for allocation with corresponding number of Berthing Slots, is equal to:

- i) Capacity available following the previous multi-year allocation processes;
- ii) Capacity made available to the Operating Company for allocation pursuant to article 8, paragraph 2, TIRG;
- iii) made available to the Operating Company for allocation pursuant to article 14, paragraph 3, TIRG;

Continuous Capacity is allocated to parties that meet the Service Conditions for periods of one or more Gas Years (annual or multi-year allocation), in accordance with article 5 TIRG. The Continuous Capacity will be associated with a Maximum Number of Permitted Berthing Slots, calculated as follows (rounded down to the lowest whole number):

$$\text{Maximum Number of Permitted Berthing Slots} = \frac{(\text{Add}) (\text{m}^3\text{liq})}{107.000 (\text{m}^3\text{liq})}$$

### 2.1.5.2 Multi-year Allocation Process

On 1 March of each year the Operating Company will publish the Continuous Capacity available for allocation from the sixth Gas Year to the fifteenth Gas Year following that of allocation.

Each party which is the holder of one or more LNG import contracts that are valid for more than one year, has the right to request:

- (i) capacity, expressed in  $\text{m}^3_{\text{liq}}/\text{year}$ , limited to the contractual volumes set forth in the relevant LNG import contract(s) and for a maximum period of 5 years (and in any case, not longer than the duration of the import contracts);
- (ii) in the event that the Applicant already holds one or more multi-year Capacity Agreements, that Applicant has the right, during the multi-year allocation process, to request capacity, for one or more Gas Years, equal to the difference between the annual volume laid down in the LNG import contract and the volumes agreed in the existing multi-year Capacity Agreement(s) (including the capacity made available for allocation pursuant to articles 7, paragraph 2, and 14, paragraph 3, TIRG).

By 1 April of each year, each interested party may send the Operating Company an expression of interest using the form attached to this Regasification Code (Annex 1) for one or more Gas Years to which the allocation procedure refers, indicating the capacity expressed  $\text{m}^3_{\text{liq}}/\text{year}$  for each Gas Year. In the case of expressions of interest relating to several Gas Years, the interested party shall necessarily indicate an equal capacity for each Gas Year to which the expression of interest refers.

By 30 April of each year the Operating Company will publish the Continuous Capacity, making it available in a manner which conforms as far as possible to the expressions of interest received and, in order to encourage long-term import projects as envisaged by article 5 TIRG, in such a way as to give priority to the expressions of interest for the highest number of consecutive Gas Years, it being understood that in the case that two or more expressions of interest refer to the same Gas Year, the expression of interest for the highest number of consecutive Gas Years will always prevail.

By 28 May of each year each Applicant that meets the Service Conditions shall:

- a. sign the capacity commitments in accordance with the provisions of Clause 2.1.7;
- b. provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.1.;

In order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

On 1 June of each Gas Year each Applicant will send its request for Continuous Capacity for the regasification capacity identified on the basis of the expressions of interest received, in the knowledge that if the requested Continuous Capacity is allocated at the end of the multi-annual allocation procedure, it may be increased by the Applicant or reduced by the Operating Company before the Operating Company publishes the available Continuous Capacity in the context of the annual allocation envisaged by Clause 2.1.5.3 with the aim of optimising the use of available capacity. The

Continuous Capacity will be requested through the Capacity Auction Portal in accordance with the procedures envisaged by its operational regulation.

For each Gas Year the Continuous Capacity referred to in Clause 2.1.5.1i) is allocated as a priority. In the event that the available Continuous Capacity is not sufficient to fully satisfy capacity requests, the Operating Company shall allocate the Continuous Capacity made available pursuant to Clause 2.1.5.1ii). Where the number of requests exceeds the total capacity referred to in Clauses 2.1.5.1i) and 2.1.5.1ii), the Operating Company shall allocate the available Continuous Capacity pursuant to Clause 2.1.5.1iii).

The award will be made on the basis of an ascending clock auction as described in article 17 of EU regulation no. 459/2017 and in accordance with the rules of the Capacity Auction Portal, with a Reserve Price determined in accordance with article 7 paragraph 1 TIRG. The results of the auction will be available to users on the Capacity Auction Portal and the Maximum Number of Berthing Slots will be calculated in accordance with the provisions of Clause 2.1.5.1.

By the 10 June of each Gas Year, the Operating Company shall publish for each Gas Year the Continuous Capacity still available for allocation from the sixth Gas Year to the fifteenth Gas Year subsequent to that of allocation.

Each holder of one or more valid LNG import contracts with a duration exceeding one year is entitled to request:

- (i) capacity expressed in  $m^3_{liq}/year$ , exclusively for the quantities available on the basis of the import contract(s), for a maximum duration of 10 years (and in any case not exceeding that of the import contract);
- (ii) in the event that the Applicant already holds one or more multi-annual Capacity Agreements, it may request, during the multi-year allocation procedure, for one or more Gas Years, capacity equal to the difference between the annual quantity of the import contracts and that subscribed to in the multi-annual Capacity Agreement(s) (including the capacity made available for third-party allocation pursuant to article 8, paragraph 2 and article 14, paragraph 3 TIRG).

By 28 June of each year each Applicant that meets the Service Conditions shall:

- i. sign the capacity commitments in accordance with the provisions of Clause 2.1.7;
- ii. provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.1.;

In order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

On 1 July each Applicant will send its request for Continuous Capacity through Capacity Auction Portal, in the knowledge that if the requested Continuous Capacity is allocated at the end of the multi-annual allocation procedure, it may be increased by the Applicant or reduced by the Operating Company before the Operating Company publishes the available Continuous Capacity in the context of the annual allocation envisaged by Clause 2.1.5.3 with the aim of optimising the use of available capacity. The Continuous Capacity will be requested through the Capacity Auction Portal in accordance with the procedures envisaged by its operational regulation

For each Gas Year the Continuous Capacity referred to in Clause 2.1.5.1i) is allocated as a priority. In the event that the available Continuous Capacity is not sufficient to fully satisfy capacity requests, the Operating Company shall allocate the Continuous Capacity made available pursuant to Clause 2.1.5.1ii). Where the number of requests exceeds the total capacity referred to in Clauses 2.1.5.1i) and 2.1.5.1ii), the Operating Company shall allocate the available Continuous Capacity pursuant to Clause 2.1.5.1iii).

The award will be made on the basis of an ascending clock auction as described in article 17 of EU regulation no. 459/2017 and in accordance with the rules of the Capacity Auction Portal, with a Reserve Price determined in accordance with article 7 paragraph 1 TIRG. The results of the auction will be available to users on the Capacity Auction Portal and the Maximum Number of Berthing Slots will be calculated in accordance with the provisions of Clause 2.1.5.1.

### 2.1.5.3 Annual Allocation Process

Each party which is the holder of one or more LNG import contracts has the right, for the following Gas Year, to request, for periods of one Gas Year, with effect from 01 October of the same year, up to five subsequent Gas Years regasification capacity, expressed in  $m^3_{liq}/year$ , limited to the contractual volumes set forth in the relevant LNG import contract(s).

In the event that the Applicant already holds one or more multi-year Capacity Agreements, the Applicant has the right, during the annual allocation process, to request capacity equal to the difference between the annual volume laid down in the LNG import contract and the capacity in the existing multi-year Capacity Agreement(s) (including the capacity made available for allocation pursuant to article 8, paragraph 2, and article 14, paragraph 3, TIRG).

By 5 June of each Gas Year the Operating Company will verify whether, on the basis of the Continuous Capacity already allocated to each User following the annual or multi-annual processes, such capacity, divided into the regasification capacity associated by the Operating Company with each Monthly Slot, implies that a part of the allocated Continuous Allocated Capacity is not sufficient to equal the regasification capacity associated with each Monthly Slot. In such case, where there is still available Continuous Capacity, by 6 June the Operating Company will give notice to the User that it may increase its share of Allocated Capacity by purchasing the missing regasification capacity needed to obtain a Monthly Slot, at a price in €/MWh equal to that resulting from the most recent assignment value at which the same User was awarded Continuous Capacity in the same Gas Year as that in which the Monthly Slot falls. By 7 June each User that has received the aforementioned notice may, based on the order of priority envisaged by Clause 2.1.8.1., exercise its right to purchase such capacity, giving notice to the Operating Company thereof. If the User fails to give notice to the Operating Company or if no additional Continuous Capacity is available, the share of Continuous Capacity allocated to the User as a result of the annual or multi-annual procedures that is not sufficient to reach the minimum quantity of regasification capacity linked to Monthly Slot will be deemed never to have been allocated to the User and will be made available for the subsequent allocation processes, with the consequent reduction of the price by an amount equal to the unallocated regasification capacity valued at a price in €/MWh equal to that resulting from the most recent assignment value at which the same User was awarded Continuous Capacity in the same Gas Year.

By 10 June of each Gas Year the Operating Company will publish the Continuous Capacity still available for the allocation from the first Gas Year to the fifth Gas Year subsequent to that of allocation. For the first Gas Year the Continuous Capacity will be made available in Monthly Slots.

By 28 June of each year each Applicant that meets the Service Conditions shall:

- i. sign the capacity commitments in accordance with the provisions of Clause 2.1.7;
- ii. provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.1.;

In order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

On 1 July each Applicant will send its request for Continuous Capacity through the Capacity Auction Portal in accordance with the procedures envisaged by the relevant operational regulation.

For each Gas Year, the Continuous Capacity referred to in Clause 2.1.5.1i) is allocated as a priority. In the event that available Continuous Capacity is not sufficient to satisfy capacity requests, the Operating Company shall allocate the Continuous Capacity made available pursuant to Clause ii). Where the number of requests exceeds the total Foundation Capacity referred to in Clauses 2.1.5.1i) and Clause ii) , the Operating Company shall allocate the Continuous Capacity pursuant to Clause 2.1.5.1iii).

The award will be made on the basis of an ascending clock auction as described in article 17 of EU regulation no. 459/2017 and in accordance with the rules of the Capacity Auction Portal, with the Reserve Price. The results of the auction will be available to users on the Capacity Auction Portal and the Maximum Number of Berthing Slots will be calculated in accordance with the provisions of Clause 2.1.5.1.

For the first Gas Year the Monthly Slots will be assigned to the parties awarded Continuous Capacity according to the following order of priority in the selection of the Monthly Slots:

- (i) the party which has already been awarded Continuous Capacity for that specific Gas Year following previous annual or multi-annual allocation processes. In the event that there are several parties that have been awarded Continuous Capacity for that specific Gas Year following previous annual or multi-annual allocation processes, priority will be given to the party that has been allocated greater Continuous Capacity for that specific Gas Year;
- (ii) where parties have been awarded Continuous Capacity for that specific Gas Year in the context of the same auction, priority will be given to the party that has been allocated greater Continuous Capacity for that specific Gas Year;
- (iii) where parties have been awarded Continuous Capacity for that specific Gas Year in the context of the same auction and for the same capacity, the priority will be decided by drawing lots.

It is agreed that in the selection of the Monthly Slots, the awardees shall guarantee the most regular distribution possible of such slots in the various months in the Gas Year in accordance with the rules of the Capacity Auction Portal.

**2.1.6 Methods of determining the capacity that is made available to the Operating Company for allocation pursuant to article 14, paragraph 3, TIRG.**

Where the number of Monthly Slots and Delivery Slots corresponding to the volume of LNG actually Unloaded by the User in a Gas Year A is less than 90% of the number of Monthly Slots and Delivery Slots corresponding to the Continuous Allocated Capacity for the same Gas Year A in the context of the previous annual and multi-annual allocation processes, as may be redetermined pursuant to Clause 2.1.5.3, the same User, for each Gas Year for which it holds Allocated Capacity pursuant to Clause 2.1.5.2, shall make available to the Operating Company the Continuous Capacity, together with the Maximum Number of Permitted Berthing Slots associated with such capacity, calculated in the following manner and expressed in  $m^3_{liq}/year$ :

$$V_{prio} - V_{cons}$$

where:

*V<sub>prio</sub>* is the number of Monthly Slots and Delivery Slots corresponding to the capacity allocated to the User for Gas Year A, as part of the multi-annual and annual allocation process envisaged by Clause 2.1.5.2 and Clause 2.1.5.3, respectively;

*V<sub>cons</sub>* is the number of Monthly Slots and Delivery Slots corresponding to the total volume of LNG Unloaded by the User in Gas Year A, and also includes:

- the total volume of LNG Unloaded from October to April of the current Gas Year, including:

- (i) the Monthly Slots and the Delivery Slots corresponding to the volume of LNG that the User has not delivered to the Terminal due to Force Majeure declared by the counterparties to the LNG import agreements envisaged by Clause 2.1.6a) or declarations of Force Majeure referred to in Clause 5.3.4;
- ii) the Monthly Slots and the Delivery Slots corresponding to the regasification capacity made available by the User to the Operating Company for the allocation to third parties:
  - a. for Month M, including where not allocated provided it is offered at a Reserve Price determined by the User not exceeding the price owed to the same User, by 12:00 on the first Business Day of Month M-1
  - b. for each Month, only in the case that the regasification capacity is in effect allocated.

By 1 November of Gas Year A+1, the Operating Company shall verify whether the conditions envisaged by Clause 2.1.6 have been met and if they have, it will give notice thereof to the User and the AEEGSI. Following such notice, for each Gas Year where User holds Continuous Capacity allocated on a multi-annual and annual basis, the User will make available for third-party allocation, pursuant to article 14 paragraph 3 TIRG, a number of Monthly Slots and Delivery Slots corresponding to a capacity equal to the difference between the capacity allocated to the User in the context of the multi-annual allocation processes and *Vcons* as defined above.

The User whose capacity shall be made available for allocation to third parties pursuant to article 14, paragraph 3, TIRG shall remain liable to the Operating Company for all its obligations and liabilities under the Capacity Agreement (including the obligation to pay the Charges,), to the extent that said capacity is not allocated by the Operating Company to another User.

- (a) For the sole purposes of Clause 2.1.6, “force majeure of the parties to import contracts” shall mean any event, act, fact or circumstance, not ascribable to the party that invokes the force majeure, which renders the Unloading of LNG by or on behalf of the User at the Terminal impossible, in whole or in part, and which cannot be avoided or which it has not been possible to remedy by using the level of diligence of a Prudent and Reasonable User.

As soon as the User becomes aware of a force majeure event pursuant to Clause 2.1.6a) it shall immediately inform the Operating Company and the AEEGSI, indicating:

- i) the envisaged reduction of LNG quantities;
- ii) the duration of the event;
- iii) actions taken to limit the effects of the event on the LNG Unloading;
- iv) actions taken to make available to other Users the regasification capacity which will be unused.

It being understood that the foregoing is defined and envisaged exclusively for the purposes of Clause 2.1.6.

### **2.1.7 The Capacity Agreement for the allocation of Continuous Capacity**

By the deadlines envisaged by the Continuous Capacity allocation processes , the Applicants that intend to submit bids for the allocation shall proceed to sign the relevant Capacity Agreement (Annex 4).

The signing of the Capacity Agreement is subject to the fulfilment of the Credit and Insurance Requirements referred to in Chapter 3.1 below.

The Operating Company shall not sign a Capacity Agreement with Users that, on the signature date, have not paid the fees related to invoiced and outstanding amounts under existing Capacity Agreements that exceed the value of the Bank Guarantee and/or the User’s Group Guarantee, issued to cover the obligations arising from the aforementioned existing Capacity Agreements.

### **2.1.8 Allocation of capacity during the Gas Year**

The allocation of regasification capacity once the Gas Year has started relates to the Continuous Regasification Service and refers to the offer and allocation of Available Delivery Slots that may be assigned by the Operating Company following the determination of the Annual Unloading Schedule and the Ninety Day Unloading Schedule, if applicable. The regasification capacity made available by the Operating Company for allocation and linked to each Delivery Slot, is equal to the:

- i) remaining available capacity following the previous allocation processes referred to in Clauses 2.1.5 and 2.1.8 (**Primary Capacity**);
- ii) capacity that was made available to the Operating Company for allocation pursuant to Clauses 3.2.3.1 and 3.2.3.2. (**Secondary Capacity**)

#### **2.1.8.1 Monthly allocation of Delivery Slots and Monthly Slots**

By the second (2<sup>nd</sup>) Business Day of Month M-1, the Operating Company will publish on its website: the Available Delivery Slots for Months M, M+1 and M+2, while from Month M+3 to the end of the current Gas Year the Operating Company will publish the available regasification capacity divided by Monthly Slot.

By 12:00 on the fourth (4<sup>th</sup>) Business Day of Month M-1 each Applicant which meets the Service Conditions shall:

- i. sign the capacity commitments in accordance with the provisions of Clause 2.1.10;
- ii. provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.2;

It being understood that in order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

At 12:00 on the sixth (6<sup>th</sup>) Business Day of Month M-1 each Applicant will send its bid for the Delivery Slots and the Monthly Slots through the Capacity Auction Portal in accordance with the procedures envisaged by the relevant operational regulation.

Provided that the Unitary Bid Prices exceed the Reserve Price, in accordance with the rules of the Capacity Auction Portal, the highest Unitary Bid Price will win.

It being understood that, priority will be given to the assignment of the Primary Capacity, over Secondary Capacity, pursuant to the provisions of TIRG and in accordance with the rules of the Capacity Auction Portal.

The results of the auctions will be available to the Users on the Capacity Auction Portal.

Parties awarded regasification capacity for the Months subsequent to Month M+2 will be able to choose the Monthly Delivery Slot from those proposed by the Operating Company according to the following order of priority: the awardee that has submitted the highest Unitary Bid Price may be the first to choose the Delivery Slot for the Month of the bid; thereafter, in order of decreasing Unitary Bid Prices, the other awardees may choose from the remaining available Delivery Slots after the selections made by the awardees with higher Unitary Bid Prices. The Delivery Slot will be selected on the Capacity Auction Portal, in accordance with the procedures and deadlines envisaged by the relevant rules, and each awardee will have 2 Business Days in which to make its choice starting from the first Business Day after the date of the award.

In the event that the party awarded regasification capacity for the months following Month M+2 fails to make its selection within the envisaged period of 2 Business Days, such party will be automatically assigned the first Available Delivery Slot in the Month for which it submitted its bid.

The Applicant may request, in each Month and for each Delivery Slot or Monthly Slot, the capacity corresponding to the Delivery Slot the Monthly Slot:

- (i) a regasification capacity value equal to that linked to the Delivery Slot for all the Available Delivery Slots offered in Months M, M+1 and M+2;
- (ii) a capacity value equal to that linked with each Monthly Slot starting from Month M+3 until the end of the Gas Year.

(b) Subsequent to the assignment of the Available Delivery Slots the Operating Company will update and publish the Annual Unloading Schedule and the Ninety Day Unloading Schedule.

### **2.1.9 Allocation of spot capacity**

The allocation of spot regasification capacity relates to the Spot Regasification Service and refers to the offer and allocation of Available Delivery Slots that may be assigned by the Operating Company following the determination of the Ninety Day Unloading Schedule. The regasification capacity made available by the Operating Company for allocation and associated with each Delivery Slot, is equal to the:

- i) available capacity following the previous allocation processes referred to in Clauses 2.1.5, 2.1.8 and 2.1.9;



- ii) capacity that was made available to the Operating Company for third-party allocation pursuant to Clause 3.2.3.2 and not subsequently recovered by the User pursuant to Clause 3.2.3.2f).

The allocation process for spot regasification capacity comprises one or possibly two phases.

#### **2.1.9.2 Allocation of spot capacity in Month M-1**

a) By the eighth (8<sup>th</sup>) Business Day of Month M-1, the Operating Company will publish on its website the Available Delivery Slots in Month M.

By 12:00 of the tenth (10<sup>th</sup>) Business Day of Month M-1 each Applicant which meets the Service Conditions shall:

- i. sign the capacity commitments in accordance with the provisions of Clause 2.1.10;
- ii. provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.2;

It being understood that in order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

At 12:00 on the twelfth (12<sup>th</sup>) Business Day of Month M-1 each Applicant will send its bid for capacity products through the Capacity Auction Portal in accordance with the procedures envisaged by the relevant operational regulation.

Provided that the Unitary Bid Prices exceed the Reserve Price, in accordance with the rules of the Capacity Auction Portal, the Delivery Slots will be awarded to the Applicant that has submitted the highest Unitary Bid Price for a certain Delivery Slot.

The results of the auctions will be available to the Users on the Capacity Auction Portal.

Following the assignment of the Available Delivery Slot the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

b) In the event that, following the allocation of capacity referred to in Clause 2.1.9.1a) unawarded Delivery Slots remain, by the thirteenth (13<sup>th</sup>) Business Day the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

By 12:00 on the fourteenth (14<sup>th</sup>) Business Day of Month M-1 each Applicant which meets the Service Conditions shall:

- i) sign the capacity commitments in accordance with the provisions of Clause 2.1.10;
- ii) provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.2;

It being understood that in order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

On the sixteenth (16<sup>th</sup>) Business Day, between 09:00 and 12:00, the Applicant may submit its bid for each Delivery Slot through the Capacity Auction Portal, in accordance with the procedures envisaged by the relevant operational regulation.

In accordance with the rules of the Capacity Auction Portal the Delivery Slots will be assigned to the first Applicant to submit a request and at the price determined by the AEEGSI pursuant to article 6 paragraph 7 TIRG.

The results of the auctions will be available to the Users on the Capacity Auction Portal by the Business Day following the expiry date for the submission of bids.

Following the assignment of the Available Delivery Slot the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

#### **2.1.9.3 Allocation of spot capacity in Month M**

a) By the penultimate Business Day of Month M-1, the Operating Company will publish on its website any Available Delivery Slots in Month M whose Scheduled Arrival Window is schedule starting from the nineteenth (19<sup>th</sup>) Day of Month M.

By 12:00 on the first (1<sup>st</sup>) Business Day of Month M-1 each Applicant which meets the Service Conditions shall:

- i) sign the capacity commitments in accordance with the provisions of Clause 2.1.10;
- ii) provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.2;

It being understood that in order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

At 12:00 on the third (3<sup>rd</sup>) Business Day of Month M each Applicant each Applicant will send its bid for capacity products through the Capacity Auction Portal in accordance with the procedures envisaged by the relevant operational regulation.

Provided that the Unitary Bid Prices exceed the Reserve Price, in accordance with the rules of the Capacity Auction Portal, the Delivery Slots will be awarded to the Applicant that has submitted the highest Unitary Bid Price for a certain Delivery Slot

The results of the auctions will be available to the Users on the Capacity Auction Portal.

Following the assignment of the Available Delivery Slot the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

b) In the event that, following the allocation of capacity referred to in Clause 2.1.9.1a) unawarded Delivery Slots remain, by the fourth (4<sup>th</sup>) Business Day the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule

By 12:00 on the fifth (5<sup>th</sup>) Business Day of Month M each Applicant which meets the Service Conditions shall:

- i) sign the capacity commitments in accordance with the provisions of Clause 2.1.10;
- ii) provide adequate financial guarantees in accordance with the provisions of Clause 3.1.1.2;

It being understood that in order to participate in the capacity allocation the Applicant must be eligible to operate on the Capacity Auction Portal in accordance with the relevant rules.

On the seventh (7<sup>th</sup>) Business Day, between 09:00 and 12:00, the Applicant may submit its bid for each Delivery Slot through the Capacity Auction Portal, in accordance with the procedures envisaged by the relevant operational regulation

In accordance with the rules of the Capacity Auction Portal the Delivery Slots will be assigned to the first Applicant to submit a request and at the price determined by the AEEGSI pursuant to article 6 paragraph 7 TIRG.

The results of the auctions will be available to the Users on the Capacity Auction Portal by Business Day subsequent to the expiry date for the submission of bids.

Following the assignment of the Available Delivery Slot the Operating Company will update the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

#### **2.1.10 Capacity Agreement for the allocation of Interim Capacity**

By the deadlines envisaged by the allocation processes pursuant to Clauses 2.1.8 and 2.1.9, Applicants which intend to submit bids for the allocation will sign the relevant Capacity Agreement (Annex 4).

The execution of the Capacity Agreement is subject to the fulfilment of the Credit and Insurance Requirements referred to in Chapter 3.1 below.

The Operating Company shall not sign a Capacity Agreement with Users that, on the execution date, have not paid the fees related to invoiced and outstanding amounts under existing Capacity Agreements that exceed the value of the Bank Guarantee and/or the User's Group Guarantee, issued to cover the obligations arising from the aforementioned existing Capacity Agreements.

#### **2.1.11 Requests for transport capacity**

Following the end of the relevant processes for the allocation of regasification capacity to the Users, the Operating Company will ask Snam Rete Gas, in accordance with the procedures and timing envisaged by the Network Code, for the transport capacity required for the injection of the volumes of LNG that will be unloaded by the User into the National Gas Network.

## **Chapter 2.2 - PRINCIPLES AND PROCEDURES FOR QUALIFYING LNG CARRIERS**

### **2.2.1 LNG Carriers' compatibility**

#### **2.2.1.1 LNG Carriers' Acceptance Requirements**

(a) The User shall only moor and Unload at the Terminal an LNG Carrier that complies with International Standards, all Applicable Laws and all other relevant laws and regulations, relevant International Association of Classification Societies class and statutory certifications and flag state requirements, the Operating Company's compatibility, vessel vetting and inspection requirements as set forth in the Technical Manuals, such as possession of a current International Ship Security Certificate and a valid SIRE vetting certificate (Ship Inspection Report) and the Maritime Regulations and the Maritime Regulations, regardless of whether such LNG Carrier is chartered, owned and/or operated by the User. Any modifications required to be made to an LNG Carrier to make such LNG Carrier comply with International Standards, the Operating Company's compatibility, vessel vetting and inspection requirements as set forth in the Technical Manuals and the Maritime Regulations shall be made by the User at its sole risk and expense.

(b) The User is responsible for demonstrating to the Operating Company that any LNG Carrier that the User intends to moor and Unload at the Terminal satisfies the requirements of Clause 2.2.1.1(a).

(c) The Technical Manuals shall set forth detailed requirements with respect to the Operating Company's acceptance or rejection of each LNG Carrier that the User intends to moor and Unload at the Terminal.

(d) The User intends to moor and Unload at the Terminal, the User shall procure that each LNG Carrier completes and submits to the Operating Company a Compatibility Procedure pursuant to Clause 2.2.1.2.

(e) For each LNG Carrier that the User intends to moor and Unload at the Terminal, the User shall submit to the Operating Company the required vessel documentation in a complete and exhaustive manner.

(f) Each LNG Carrier that the User intends to allow to moor and Unload at the Terminal must pass the Final Acceptance Visit and the Trial Unloading pursuant to Clause 2.2.1.3 without prejudice the Operating Company's right to carry out inspections at any time.

(g) The Operating Company will maintain a list of the LNG Carriers that have been declared technically compatible for Unloading at the Terminal on its website and will promptly update such list in the case of the addition or cancellation of LNG Carriers.

(h) The Operating Company shall, other than in exceptional circumstances determined by the Operating Company in its sole discretion, refuse to permit any LNG Carrier that has not been accepted, does not comply with Clause 2.2.1.1(a) above, does not pass the Trial Unloading or does not pass the Final Acceptance Visit to moor (or remain moored) at the Terminal. All costs associated with the rejection of such LNG Carrier shall be for the User's account.

(i) If the Operating Company determines at any time that an LNG Carrier:

- (i) fails to comply with the Technical Manuals, International Standards, the Maritime Regulations, or any other requirements of Clause 2.1.1(a),
- (ii) it is unsafe to be moored at the Terminal; or
- (iii) fails the inspections and tests pursuant to Clause 2.2.1.3,

then the Operating Company shall, other than in exceptional circumstances determined by the Operating Company in its sole discretion, revoke with immediate effect its acceptance of such LNG Carrier, and the User shall not be permitted to use such LNG Carrier to Unload at the Terminal, unless and until such LNG Carrier is re-accepted by the Operating Company pursuant this Clause 2.2.1.1. All

costs associated with the rejection of such LNG Carrier and any re-acceptance thereof shall be for the User's account.

#### **2.2.1.2 Compatibility Procedure**

(a) Following a request by a User or a party interested in using LNG Carrier to Unload LNG at the Terminal which is not yet included on the list referred to in Clause 2.2.1.1g), the Operating Company, will send such party the data and information envisaged by the Technical Manuals (in particular, the LNG Carrier Approval & Vetting Procedures) for the purposes of the necessary technical assessments. The User or interested party will provide the Operating Company, as soon as is reasonably possible, with the required information in the form established by the Operating Company pursuant to the provisions of the Technical Manuals (in particular, the LNG Carrier Approval & Vetting Procedures).

(b) The Operating Company will inform User or interested party, within 15 Business Days of the date when all the information required by the Operating Company are made available in a complete and exhaustive manner, whether or not, based on the information provided, the LNG Carrier is compatible with the Terminal.

(c) It being understood that the process envisaged by Clause 2.2.1.2 shall be performed for each LNG Carrier:

- (i) prior to its first delivery at the Terminal; and
- (ii) prior to its first delivery at the Terminal following any modification and/or structural damage to such LNG Carrier.
- (iii) prior to the first delivery by the LNG Carrier at the Terminal following an amendment to the Technical Manuals.

#### **2.2.1.3 Final Acceptance Visit and Trial Unloading**

Prior to the first mooring following the provisional acceptance as result of the compatibility procedure envisaged by Clause 2.2.1.2, each LNG Carrier will be subject to the Final Acceptance Visit conducted by a person appointed by the Operating Company as detailed in the Technical Manuals (in particular, in the LNG Carrier Approval & Vetting Procedures). If the visit is successful, the Operating Company will allow the LNG Carrier to conduct a Trial Unloading at the Terminal in which an inspector appointed by the Operating Company will conduct the appropriate assessments envisaged by the Technical Manuals (in particular, the LNG Carrier Approval & Vetting Procedures).

#### **2.2.1.4 Non-compliance of accepted LNG Carriers**

If an LNG Carrier accepted by the Operating Company and included in the list envisaged by Clause 2.2.1.1g) suffers an incident, structural damage or ceases to comply with the requirements of Clause 2.2.1.1(a) the User shall notify the Operating Company as soon as reasonably practicable after the User becomes aware of such non-compliance and any pre-existing acceptance of the LNG Carrier shall be deemed to be revoked.

#### **2.2.1.5 Liaison with Competent Authorities**

(a) The User shall obtain and keep onboard the LNG Carrier evidence of all approvals required from all Competent Authorities to allow the LNG Carrier to enter and operate in the territorial waters of Italy, to proceed to, Unload, and depart from the Terminal.

(b) In the event the use of an LNG Carrier accepted by the Operating Company is prohibited or hindered by a Competent Authority, the User's obligations under the Capacity Agreement shall not be excused or suspended and any prior acceptance of the LNG Carrier shall be deemed automatically revoked by the Operating Company.

#### **2.2.1.6 Terms of Use**

(a) Before an LNG Carrier moors at the Terminal, the User shall cause the Master or owner of such LNG Carrier (as appropriate) to sign the required conditions for the use of the Terminal, as may be specified by the Operating Company, relating to, among other things, safety, prevention and remediation of pollution, the express acceptance of the Terminal's operational and safety procedures, the parties' liability, required equipment (and its technical specifications) and/or similar technical or

operational requirements for the LNG Carrier, as envisaged by the specific form attached to the Technical Manuals (in particular, the Terminal Regulations and Information Booklet - article 11) **(Terms of Use)**.

(b) The failure to obtain authorisation to use the Terminal for reasons ascribable to the Master or the Ship Owner of the LNG Carrier, including their failure to execute the Terms of Use shall neither suspend the User's obligations nor excuse the User's failure to perform its obligations under the Capacity Agreement and any prior acceptance of the LNG Carrier shall be deemed automatically revoked by the Operating Company.

## **SECTION 3: REQUIREMENTS FOR PROVIDING THE SERVICE - SCHEDULING AND PROVISION OF THE REGASIFICATION SERVICE**

### **Chapter 3.1 - CREDIT AND INSURANCE REQUIREMENTS**

#### **3.1.1 Credit Requirements for the Continuous Regasification Service**

##### **3.1.1.1 Financial guarantees to secure the obligations of Users with Capacity Agreement for the allocation of Continuous Capacity**

(a) Subject to the Applicant's obligation to submit the financial guarantee envisaged by Clauses 2.1.5.2 and 2.1.5.3 to secure the obligations arising from the Capacity Agreement for the allocation of Continuous Capacity, the Operating Company will provide the Continuous Regasification Service exclusively to the Users that provide and maintain adequate financial guarantees to secure the payment obligations arising from the execution of a Capacity Agreement for the allocation of Continuous Capacity. For the entire duration of the Capacity Agreement and until the sixth (6<sup>th</sup>) Month following the expiry of the latter or subsequent to such period while the User's payment obligations in respect of the Operating Company are suspended, the User is required to have:

- (i) a credit rating as per Clause 3.1.1.1b) or, failing that
- (ii) a financial guarantee as specified in Clause 3.1.1.1c) or 3.1.1.1d).

(b) The Applicant shall provide the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, that its rating for unsecured long-term debt is equal to or higher than:

- i) Baa1 if given by Moody's; or
- ii) BBB+ if given by Standard&Poors; or
- iii) BBB+ if given by Fitch.

(c) If the requirement envisaged by Clause 3.1.1.1b) is not fulfilled by the Applicant, but is fulfilled by an Affiliate of the User, the Applicant shall provide the Operating Company with a User's Group Guarantee which expresses the Guarantor's undertaking to meet all the obligations envisaged for the Applicant under the Capacity Agreement. The template for the letter of guarantee signed by the Affiliate of the User is contained in Annex 7A2.

(d) If the requirements envisaged by Clause 3.1.1.1b) and 3.1.1.1c) are not fulfilled, the Applicant shall present a special Bank Guarantee issued by an Approved Credit Institution for one third (1/3) of the maximum annual commitment fee payable under the Capacity Agreement and paid to the Operating Company in accordance with the provisions of Clauses 5.2.1.3 and 5.2.1.5. It being understood that for the entire duration of the Capacity Agreement the amount of the Bank Guarantee must be, in each Month M, at least equal to the total amount of the monthly sums payable by the User in Month M, Month M +1 and Month M+2. The template for the Bank Guarantee is contained in Annex 7A1.

(e) The User shall provide the Operating Company with that which is envisaged by Clause 3.1.1.1a) together with the Capacity Agreement, duly signed pursuant to Clause 2.1.7 and by the deadline envisaged by Clauses 2.1.5.2 and 2.1.5.3.

##### **3.1.1.2 Financial guarantees to secure the obligations of Users with a Capacity Agreement for the allocation of Interim Capacity**

(a) Subject to the Applicant's obligation to submit the financial guarantee envisaged by Clauses 2.1.8.1, 2.1.9.1, and 2.1.9.2 to secure the obligations arising from the Capacity Agreement(s) for the allocation of Interim Capacity, the Operating Company will provide the Continuous Regasification Service exclusively to Users that provide and maintain adequate financial guarantees to secure the payment obligations arising from the execution of a Capacity Agreement(s). For the entire duration of the Capacity Agreement and until the sixth (6<sup>th</sup>) Month following the expiry of the latter or subsequent to such period while the User's payment obligations in respect of the Operating Company are suspended, the User is required to have:

- (i) a credit rating as per Clause 3.1.1.2b) or, failing that
- (ii) a financial guarantee as specified in Clause 3.1.1.2c) or 3.1.1.2d).

(b) The Applicant shall provide the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, that its rating for unsecured long-term debt is equal to or higher than:

- i) Baa1 if given by Moody's; or
- ii) BBB+ if given by Standard&Poors; or
- iii) BBB+ if given by Fitch.

(c) If the requirement envisaged by Clause 3.1.1.2b) is not fulfilled by the Applicant, but is fulfilled by an Affiliate of the User, the Applicant shall provide the Operating Company with a User's Group Guarantee which expresses the Guarantor's undertaking to meet all the obligations envisaged for the Applicant under the Capacity Agreement. The template for the letter of guarantee signed by the Affiliate of the User is contained in Annex 7A2

(d) If the requirements envisaged by Clause 3.1.1.2b) and 3.1.1.2c) are not fulfilled, the Applicant shall present a special Bank Guarantee issued by an Approved Credit Institution for an amount that must be, in each Month M, at least equal to the total amount of the monthly sums payable by the User in Month M, Month M+1 and Month M+2. The template for the Bank Guarantee is contained in Annex 7A1.

(e) The Applicant shall provide the Operating Company with that which is envisaged by Clause 3.1.1.2a) together with the Capacity Agreement, duly signed pursuant to Clause 2.1.10 and by the deadline envisaged by Clauses 2.1.8.1, 2.1.9.1, and 2.1.9.2.

### **3.1.2 Scope of the financial guarantees**

a) The financial guarantees envisaged by Clauses 3.1.1.1 and 3.1.1.2 shall, in addition to the foregoing, also cover any amounts invoiced to the User and still outstanding in month M;

b) It being understood that the Operating Company may prevent parties from participating in the regasification capacity allocation processes if the financial guarantees are not issued by the deadlines envisaged by Chapter 2.1 or if the financial guarantees issued are insufficient in respect of the relevant obligations, including the payment obligation envisaged by Clause 3.1.2 a).

### **3.1.3 Variation of the Credit Requirements**

#### **3.1.3.1 Variation of the User's Credit Requirements**

(a) In the event that a User meets the requirements envisaged by Clauses 3.1.1.1b) or 3.1.1.2b), but at any point during the Capacity Agreement such User no longer meet the aforementioned requirements, the User itself shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days of when it ceased to meet such requirements or, if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) is met by an Affiliate of the User, a User's Group Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

(b) In the event that a User has provided a Bank Guarantee or a User's Group Guarantee and, at any time during the Capacity Agreement, such User meets the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b), once the User has provided the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, the latter will promptly release the Guarantor from its obligations under the Bank Guarantee or the User's Group Guarantee and will promptly return the original of the latter to the Guarantor.

(c) In the event that a User has provided a User's Group Guarantee and, at any time during the Capacity Agreement, the Guarantor ceases to be an Affiliate of the User, the User itself shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days from when it ceases to be an Affiliate or if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) is met by an Affiliate of the User, a User's Group Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

#### **3.1.3.2 Variation of the Guarantor's Credit Requirements**

(a) In the event that a User has provided a User's Group Guarantee and, at any time during the Capacity Agreement, the Guarantor ceases to meet the requirement envisaged by Clause 3.1.1.1b) or

3.1.1.2b) the User shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days of when it ceased to meet such requirements. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

(b) In the event that a User has provided a Bank Guarantee and, at any time during the Capacity Agreement, the Guarantor loses its status as an Approved Credit Institution, the User shall provide the Operating Company with a Bank Guarantee issued by another Approved Credit Institution within ten (10) Business Days of when it ceased to meet such requirements or, if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) is met by an Affiliate of the User, a User's Group Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

### **3.1.4 Peak Shaving Guarantee**

The Peak Shaving Guarantee is issued in order to cover the possible risks related to the obligations the Operating Company undertook towards the Peak Shaving Service Supplier in the event the User fails to deliver a Confirmed Cargo during the Peak Shaving Service and:

(a) shall be issued by the User in the event the Peak Shaving Service has been awarded to a third party following the relevant tender procedure published by the Operating Company;

(b) in each month M-1, in relation to the Month M and for the whole duration of the Peak Shaving Service, the User shall provide a Peak Shaving Guarantee not later than the term set forth in Clause 3.3.2.2h), otherwise the provisions of Clause 2.1.3 shall apply;

(c) the Peak Shaving Guarantee shall be valid from the issuing date to the sixth (6<sup>th</sup>) Month subsequent to the expiry of the Capacity Agreement signed by the User. The template for the Bank Guarantee is contained in Annex 7B1/2;

(d) the Operating Company communicates to the User its obligation in providing the Peak Shaving Guarantee and the amount of the latter only in the event of Peak Shaving Service has been awarded. The amount will be equal to the fee to be paid to the Peak Shaving Service Supplier.

Without prejudice to Clauses 2.1.3, 5.3.2 and 5.3.3.2, the Operating Company has the right to enforce the Peak Shaving Guarantee and any other credit guarantee provided or procured by the User under Clause 3.1.1 in the event the User, despite being the LNG volumes for Peak Shaving Service redelivered at Redelivery Point to the User before the Discharge, it does not afterwards proceed in Discharging the scheduled volumes.

### **3.1.5 Replacement and enforcement of the bank guarantees**

**3.1.5.1** In the event that a User has provided a Bank Guarantee and at any time during the Capacity Agreement, such Bank Guarantee becomes invalid or ineffective or it expires within fifteen (15) Business Days, the User shall, within ten (10) Business Days of the occurrence of the aforementioned events, replace the Bank Guarantee with a Bank Guarantee for the same amount. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

**3.1.5.2** Subject to the provisions of Clauses 2.1.3, 5.3.2 and **5.3.3.2** the Operating Company may enforce the financial guarantees envisaged by Clauses 3.1.1.1 and 3.1.1.2 in any of the following circumstances:

(a) the User does not pay or ensures the non-payment of any sum owed to the Operating Company under the Capacity Agreement; or

(b) the User has not, in the case envisaged by Clause 3.1.3.2a), replaced the Bank Guarantee by the deadline envisaged by the latter; or

(c) as otherwise expressly authorised by the terms and conditions of the Bank Guarantee or the User's Group Guarantee, respectively.

It being understood that if the Operating Company enforces, in whole or in part, the Bank Guarantee, within ten (10) Business Days of such enforcement the User shall restore such guarantee to the



original amount or replace it with another Bank Guarantee with an equivalent amount and duration to those of the partially or wholly enforced Bank Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

Subject to the provisions of Clauses 5.3.2 and 5.3.3.2, if the User does not meet the requirements envisaged by Clauses 3.1.1, 3.1.2, 3.1.3 and 3.1.4, the provisions of Clause 2.1.3 will apply.

### **3.1.6 Reduction of the amount of the Bank Guarantee**

Following a transfer and/or release of regasification capacity pursuant to Clauses 3.2.2 and 3.2.3 respectively, the obligations envisaged Clauses 3.1.1, 3.1.2, 3.1.3 and 3.1.4 shall not be deemed to have been amended or otherwise rendered conditional upon the transfer and/or release processes. However, the User whose commitments under the Capacity Agreement have been appropriately adjusted following such transfer and/or release, may consequently adjust the amount envisaged by the previously-issued Bank Guarantee.

### **3.1.7 Guarantee against non-compliance with the Ninety Day Unloading Schedule**

(a) For the purposes of Clause 3.3.2.2d), in order to guarantee compliance with the Ninety Day Unloading Schedule for Month M as defined by Clause 3.3.2, each Debtor User shall register a sales transaction at the Virtual Exchange Point in favour of the Creditor User(s).

(b) The sales transaction at the Virtual Exchange Point shall be of a multi-day type starting on the second Gas Day subsequent to the Scheduled Arrival Window for each Delivery Slot scheduled by the Debtor User in Month M and ending, respectively, on:

- (i) the last Gas Day of Month M, or
- (ii) the last Gas Day of the relevant Delivery Period for the last Delivery Slot scheduled for Month M.

(c) The quantity involved in each of the sales transactions at the Virtual Exchange Point will be equal to the debt position of the Debtor User in respect of the Creditor User(s) at the arrival of each Confirmed Cargo scheduled by the Creditor User itself. Each User may monitor its overall debt position through the Electronic Communications System.

(d) The Operating Company is consequently authorised by each Debtor User to register the relevant sales transactions at the Virtual Exchange Point in the name and on behalf of the User in accordance with the following timing:

- i) by the deadline envisaged by Clause 3.3.2.2e) in relation to the Continuous Regasification Service; and
- ii) within two (2) Business Days of the award of the regasification capacity following the auctions envisaged by Clauses 2.1.9.1 and 2.1.9.2 in relation to the Spot Regasification Service;

(e) Each Debtor User will be required to maintain the necessary amounts of its financial guarantees that cover the system as envisaged by Chapter 5 of Network Code and to replenish them promptly if they are not sufficient to effect the aforementioned sale transaction.

(f) In the event that the delivery of the Confirmed Cargo takes place in accordance with the Ninety Day Unloading Schedule, the Operating Company will cancel the previously-registered transaction by the date of expiry of the latter. Failing that, or in the event that the provisions of Clause 3.3.7c) apply and subject in any case to the case envisaged by Clause 3.7.2, the Operating Company will activate the previously-registered transaction, unless otherwise agreed by all the Users involved (Debtor User and Creditor User(s)) and duly notified to the Operating Company by the aforementioned deadline.

(g) The Users expressly agree that the Operating Company may register, cancel or amend the transactions envisaged by this Clause according to the procedures and the cases envisaged herein and they agree to inform the Operating Company as soon as possible of any errors and to indemnify and hold the latter harmless from and against any adverse consequences arising from any registration errors.

(h) For the purposes of this Clause 3.1.7, the Operating Company may act as a Creditor User and, in such case, the sales transactions at the Virtual Exchange Point envisaged by Clause 3.1.7b) will be issued in favour of the Operating Company itself.

### **3.1.8 Insurance Requirements**

#### **3.1.8.1 Operating Company's insurance policies**

The Operating Company has taken out insurance policies against third-party damage arising from the performance of its commercial activities for an amount of not less than twenty-five million Euro (€ 25,000,000.00).

#### **3.1.8.2 User's insurance policies**

(a) The User shall procure and maintain for the entire duration of the Capacity Agreement, at no expense to the Operating Company, comprehensive general liability insurance in an amount not less than twenty five million Euros (€ 25,000,000), providing coverage for personal injury, death and/or property damage resulting from each occurrence or related series of occurrences caused by the User and/or by the User's Group.

(b) The User shall procure that the following insurances are effected and maintained by the Ship Owner of each LNG Carrier which is used at any time by the User to transport the corresponding Cargo to the Terminal:

- (i) marine risks and war risks insurance (including war P&I) in respect of each LNG Carrier for an amount not less than the market value of the LNG Carrier;
- (ii) marine protection and indemnity insurance for each LNG Carrier including collision liability and damage to fixed and floating objects and personal injury coverage, with a P&I club that is a member of the international group of P&I clubs in the maximum amount available with the relevant P&I club (including coverage for the LNG Carrier's legal liabilities for damage to the Terminal, spills/pollution and other third party injury and property damage); and
- (iii) any other insurance required by Applicable Law.

(c) If the Operating Company so requests, the User shall as soon as reasonably practicable, provide to the Operating Company insurance policies demonstrating compliance with the requirements referred to in Clauses 3.1.8.2a) and/or 3.1.8.2b).

(d) If the insurance policies are not provided to the Operating Company as soon as reasonably practicable following a request under Clause 3.1.8.2c) or such insurance policies fail to demonstrate compliance with the requirements of Clauses 3.1.8.2a) and/or 3.1.8.2b), or if the User is in breach of its obligations under Clauses 3.1.8.2a) and/or 3.1.8.2b), the Operating Company may suspend or discontinue the provision of the Regasification Service to the User in accordance with Clause 2.1.3.

(e) If the Ship Owner of any LNG Carrier which is being used by the User to transport a Cargo to the Terminal has not effected and maintained the insurances required by Clause 3.1.8.2b)), then any prior acceptance of the LNG Carrier shall be deemed automatically revoked by the Operating Company.

#### **3.1.8.3 Proceeds of Protection and Indemnity and Comprehensive General Liability Insurance**

The User's Group and the Operating Company's Group agree to ensure that the proceeds of any protection and indemnity and comprehensive general liability insurance which the User's Group and the Operating Company's Group have taken out or are required to take out (as applicable) under Clauses 3.1.8.1 or 3.1.8.2 shall, where applicable, be paid directly to the third party whose claim has caused such proceeds to have been paid. In the event that any proceeds of any liability insurance (including protection and indemnity and comprehensive general liability insurance) are paid to the User's Group or to the Operating Company's Group, the latter will promptly transfer such indemnity to the injured party to discharge the relevant claims.

## Chapter 3.2 - CAPACITY TRANSACTIONS

### 3.2.1 No assignment

The User may not assign, mortgage, charge, pledge, dispose of, or otherwise transfer all or part of its rights and/or (if applicable) obligations under the Capacity Agreement, nor grant any right or interest under the Capacity Agreement to any person without the prior written consent of the Operating Company, such consent not to be unreasonably withheld.

### 3.2.2 Transfer of regasification capacity

#### 3.2.2.1 Regasification capacity transfer process

(a) Prior to the start and/or in the course of each Gas Year each User may transfer the regasification capacity which it holds under a Capacity Agreement executed with the Operating Company. Transfer of capacity shall mean the transfer to another User or third party other than the User (**Transferee**) of a certain quantity of regasification capacity held by a User of the Terminal (**Transferring User**) and of all the rights and obligations associated with such regasification capacity. The transfer of regasification capacity shall be requested, upon penalty of cancellation, according to the procedures and timing specified below:

(i) the interested parties, Transferring User and Transferee, shall send the Operating Company the request form for the transfer of regasification capacity (Annex 3), duly completed and signed by them, specifying:

- the volume of LNG, expressed in cubic metres of LNG, and the relevant Maximum Number of Permitted Berthing Slots being transferred;
- the Delivery Slots or Monthly Slots in the event that the transfer takes place after the process that determines the Annual Unloading Schedule. Transfer of Delivery Slots or Monthly Slots shall mean the transfer by the Transferring User to the Transferee of all the rights and obligations associated with one or more Delivery Slots or Monthly Slots being transferred (each Delivery Slot or Monthly Slot to be deemed inclusive of the Berthing Slot, the relevant regasification capacity and the relevant right to use the User's Regasification Service which, insofar as applicable have been determined in the Annual Unloading Schedule, together with all the rights, obligations and liability envisaged by Clause 3.2.2.2).

(ii) In order for the regasification capacity transfer request to be accepted, the Transferee must meet the Service Conditions envisaged by Clause 2.1.1 and shall have sent the signed Capacity Agreement and provided the adequate financial guarantees envisaged by Chapter 3.1. In the event that the Transferee has not already signed a Capacity Agreement with the Operating Company and provided the adequate financial guarantees envisaged by Chapter 3.1, the Capacity Agreement and such guarantees shall be provided to the Operating Company at the latest at the same time as the transfer request (Annex 3).

(iii) The regasification capacity transfer request shall reach the Operating Company:

- by fifth (5<sup>th</sup>) August for the transfer of Continuous Capacity starting on 1<sup>st</sup> October of the subsequent Gas Year; and/or
- by the seventh (7<sup>th</sup>) Business Day of the Month prior to the Month in which the Delivery Slot(s) or Monthly Slot(s), to be transferred, are scheduled.

The transfer request will be irrevocable and shall contain a declaration in which the Transferring User and the Transferee acknowledge that its effectiveness is subject to the express acceptance of the Operating Company which will assess the adequacy of the documentation and the data contained therein. It being understood that at the time of the transfer request, no material breach or material default shall have been made by the Transferring User, or even the Transferee in the event that the

latter is already a User, under the Capacity Agreement, including the non-payment of any amount payable under such Capacity Agreement or of any other amounts. Transfers of regasification capacity will not be accepted if the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant and/or the Transferring User does not hold the capacity to be transferred.

(b) By the third (3<sup>rd</sup>) Business Day subsequent to the expiry of the deadline envisaged by Clause 3.2.2.1a)iii), the Operating Company will inform the Transferring User and the Transferee of:

- (i) the acceptance of the transfer request for regasification capacity and will return to the applicants a copy of the transfer requests duly countersigned as a sign of acceptance and, if the Transferee has sent the duly signed Capacity Agreement together with the transfer request, the Operating Company will also send the Transferee a copy of the Capacity Agreement duly signed by the Operating Company by the second (2<sup>nd</sup>) Business Day following its receipt; or
- (ii) the rejection of the transfer request.

### **3.2.2.2 Effect of a transfer of regasification capacity**

(a) Save as provided in Clause 3.2.2.2b), with effect from the date on which the Operating Company accepts the regasification capacity transfer request pursuant to Clause 3.2.2.1b)

- (i) the Transferring User will transfer to the Transferee, and the Transferee, which will assume for all intents and purposes the status of User, will take over all the rights and obligations arising from the Capacity Agreement, insofar as they refer to the capacity to be transferred. To ensure the clarity of the relationship between the Transferring User and the Transferee, such rights and obligations will be reflected in the new Capacity Agreement envisaged by Clause 3.2.2.1b)i). Moreover, it is understood that the obligations envisaged by Clause 3.5.3 in relation to the Minimum Inventory will remain in full with the Transferring User and will not be transferred to the Transferee subject to the provisions of Clause 3.2.2.2a)v);
- (ii) the Transferring User will retain all its rights and obligations in respect of the Operating Company under the Capacity Agreement, including the obligation to pay the Charges for the non-transferred regasification capacity;
- (iii) the commitments envisaged by Capacity Agreement signed by the Transferring User will be appropriately adjusted to the extent and for the duration required to consider the effects of the transfer;
- (iv) the Operating Company will add the Transferee to the Annual Unloading Schedule and the Ninety Day Unloading Schedule (where applicable);
- (v) in the case of a total transfer of the regasification capacity envisaged by its Capacity Agreement, the Transferring User will be exempted from the obligations envisaged by Clause 3.5.3 and the Minimum Inventory obligations, imposed on the other Users of Continuous Capacity, will be duly recalculated based on the released and allocated regasification capacity, in order to ensure compliance with the obligations envisaged by Clause 3.5.3a). Each Continuous Capacity User accepts the risk that in the case of a transfer of regasification capacity its Minimum Inventory obligation will increase.

(b) the transfer of regasification capacity will not result in the transfer of (and the Transferring User and the Operating Company will not be exempted from) the obligations or liability arising from the Capacity Agreement before the Transferee enters into the Capacity Agreement;

### **3.2.3 Release of regasification capacity**

#### **3.2.3.1 Release of Continuous Capacity pursuant to article 8, paragraph 2 TIRG**

(a) The Continuous Capacity User is entitled to release all or part of its Continuous Capacity on an annual and/or multi-annual basis.

(b) In order to release Continuous Capacity, the User shall send the Operating Company a Statement of Release (Annex 2A/1), thereby granting the Operating Company the right to offer such

capacity as Secondary Capacity. Such Statement of Release shall reach the Operating Company at least ten (10) Business Days prior to the deadlines by which the Operating Company is required to publish the regasification capacity available for the annual and multi-annual envisaged by Clauses 2.1.5.2 and 2.1.5.3. It being understood that any released Continuous Capacity which is not allocated in the context of the relevant allocation processes will remain the responsibility of the User. The released Continuous Capacity may be allocated by the Operating Company in whole or in part.

- (c) In any case releases of Continuous Capacity will not be accepted if:
- i. the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant;
  - ii. the Continuous Capacity User that requests the release is not the holder of the capacity to be released.

(d) In the event that the Continuous Capacity User has informed the Operating Company of the released Continuous Capacity and the latter has been allocated pursuant to allocation process envisaged by Clauses 2.1.5.2 and 2.1.5.3, all the User's rights relating to such released Continuous Capacity will be deemed to have been waived and will cease to have effect. The User will cease to claim any right in relation to such released Continuous Capacity and the commitments envisaged by the User's Capacity Agreement will be appropriately adjusted to the extent and for the duration required to consider the effects of such allocation.

(e) The Continuous Capacity User will continue to be subject to any obligation and liability arising from or associated with the released Continuous Capacity (including the obligation to pay the Charges) to the Operating Company unless such Continuous Capacity is subsequently allocated; in the case of allocation, the Continuous Capacity User that released the capacity will in any case be required to pay the difference, where positive, between the Charges that it would have paid if it had not released the capacity and the Charges that the User (or the Users) that were awarded the released capacity will pay (as a whole) to the Operating Company. If the difference is negative, the Operating Company will pay the User that released the capacity the higher proceeds arising from the release of the Continuous Capacity.

(f) Each Continuous Capacity User that has released regasification capacity pursuant to Clause 3.2.3.1, and such capacity has not already been allocated to other Users, may recover the released Continuous Capacity by submitting a Statement of Withdrawal (Annex 2A/3) to the Operating Company, which the Operating Company must receive by the fifth (5<sup>th</sup>) Business Day before the deadlines by which the Operating Company is required to publish the regasification capacity available for the annual or multi-annual allocation envisaged by Clauses 2.1.5.2 and 2.1.5.3.

### **3.2.3.2 Release of Delivery Slots and Monthly Slots**

(a) The User may release one or more Delivery Slots and Monthly Slots starting from Month M until the end of the Gas Year.

(b) In order to release one or more Delivery Slots or Monthly Slots, the User shall send the Operating Company a Statement of Release (Annex 2A/2), thereby granting the Operating Company the right to offer such capacity as Secondary Capacity. Such Statement of Release shall reach the Operating Company by 12:00 on the first (1<sup>st</sup>) Business Day of Month M- and the Operating Company will offer the released regasification available for the interim allocation envisaged by Clauses 2.1.8 and 2.1.9. It being understood that any released Continuous Capacity which is not allocated in the context of the relevant allocation processes will remain the responsibility of the User.

- (c) Releases of Delivery Slots or Monthly Slots will not in any case be accepted if:
- i. the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant;
  - ii. the User that requests the release is not the holder of the capacity to be released.

(d) If the User has informed the Operating Company of the Delivery Slots or Monthly Slots to be released, all rights and obligations associated with such Delivery Slots or Monthly Slots will only be transferred provided that they are subsequently allocated by the Operating Company to another User. The User may not claim any right in relation to the released and allocated Delivery Slots or Monthly Slots and the commitments envisaged by the User's Capacity Agreement will be appropriately adjusted to the extent and for the duration required to consider the effects of such allocation.

(e) The User will continue to be subject to all the liability and obligations arising out of or in connection with the released Delivery Slot or Monthly Slot (including the obligation to pay the Charges) to the Operating Company unless such Delivery Slot or Monthly Slot is subsequently allocated; in the case of allocation, the User that has released the slot will in any case be required to pay the difference, where positive, between the Charges that it would have had to pay if it had not released the slot and the Charges that the User awarded the released capacity will pay to the Operating Company even if the allocated capacity is lower than that released. If the difference is negative, the Operating Company will pay the User that released the slot the higher proceeds arising from the release of the Continuous Capacity. It being understood that the Continuous Capacity User which made the release will remain subject to the obligations envisaged by Clause 3.5.3 in relation to the Minimum Inventory, which may not be transferred subject to the provisions of Clause 3.2.3.2h).

(f) Each User that has released regasification capacity pursuant to Clause 3.2.3.2, and such capacity has not already been allocated to other Users, may recover a released Delivery Slot or Monthly Slot by submitting a Statement of Withdrawal (Annex 2A/4) to the Operating Company, which the Operating Company must receive by the Business Day prior to the deadlines envisaged for the publishing of the Delivery Slots envisaged by Clause 2.1.8.1.

(g) The Delivery Slots relating to capacity released for Month M which have not yet been allocated in the context of the allocation process envisaged by Clause 2.1.8.1 will only become available to the User if the latter has submitted the Statement of Withdrawal (Annex 2A/4) pursuant to Clause 3.2.3.2f). Failing that, the released Delivery Slots will be offered by the Operating Company for third-party allocation in the subsequent regasification capacity allocation processes as Primary Capacity, since it is considered to be regasification capacity that is no longer owned by the User, subject to the provisions of Clause 3.2.3.2e).

(h) In the event that all regasification capacity envisaged by its Capacity Agreement is released and subsequently allocated, the User will be discharged from any obligation arising from the Capacity Agreement in relation to the released and allocated regasification capacity and the Minimum Inventory obligations, imposed on the other Continuous Capacity Users, will be duly recalculated based on the released and allocated regasification capacity, in order to ensure compliance with the obligations envisaged by Clause 3.5.3a). Each Continuous Capacity User accepts the risk that in the case of a transfer of regasification capacity its Minimum Inventory obligation will increase.

### Chapter 3.3 SCHEDULING THE DELIVERY SLOTS

Various issues shall be taken into consideration when determining the Annual Unloading Schedule, including the operations of the Terminal and the relevant maintenance activities, as detailed in the Maintenance Schedule, so as to provide an Unloading sequence that is as regular and homogeneous as possible and which conforms to the results of the auctions and the rules of the Capacity Auction Portal.

#### 3.3.1 Annual Unloading Schedule

(a) By 30 July of each Gas Year the Operating Company will publish the Annual Unloading Schedule for the subsequent Gas Year, which will specify the available capacity, the allocated capacity and the released capacity. Based on the subsequent allocation processes, such schedule will be updated from time to time by the Operating Company and made available on its website. During the Gas Year the capacity for the subsequent quarter will be represented in the Ninety Day Unloading Schedule, which is an integral part of the Annual Unloading Schedule.

(b) The Annual Unloading Schedule will be drawn up in such a way that:

- (i) each Continuous Capacity User delivers its Cargoes, corresponding to its ACQ, in such a way as to achieve as regular a delivery profile as possible;
- (ii) the number of Cargoes for each Continuous Capacity User does not exceed the relevant Maximum Number of Permitted Berthing Slots;
- (iii) no Cargo conflicts with periods in which the Terminal's facilities are unavailable, as specified by the Maintenance Schedule in force at that time;
- (iv) any restrictions of the National Transmission System are taken into consideration;
- (v) the scheduled delivery volume of each Cargo is not greater than 155,000 m<sup>3</sup><sub>liq</sub>;
- (vi) the delivery of each Cargo is scheduled in such a way that, at the start of each Scheduled Arrival Window, the Terminal has available a quantity of LNG equal to the Minimum Inventory, assuming that the User's Redelivery Nominations adhere to the Default Redelivery Profile, that such profile does not exceed the Continuous Redelivery Service and that it is scheduled in such a way that, at the start of each Scheduled Arrival Window, the total Inventory of the Terminal does not exceed the following thresholds (**Maximum Permitted Inventory**):

Delivery Volume of Cargo	Maximum Permitted Inventory
For Cargoes with a delivery volume $\leq$ 135,000 m <sup>3</sup>	The Maximum Permitted Inventory is the sum of 150,000 m <sup>3</sup> less the delivery volume of the Cargo.
For Cargoes with a delivery volume $>$ 135,000 m <sup>3</sup>	The Maximum Permitted Inventory is equal to 9,000 m <sup>3</sup>

For the sole purposes of calculating the Maximum Permitted Inventory, the first Cargo of the Month, which defines the first Scheduled Arrival Window, shall be scheduled as if it is a 135,000 m<sup>3</sup> Cargo or its real size if it is bigger;

#### 3.3.2 Ninety Day Unloading Schedule

##### 3.3.2.1 Notice of the preferences for the Ninety Day Unloading Schedule

(a) By 12:00 on the seventh (7<sup>th</sup>) Business Day of each Month M-1, the User shall inform the Operating Company of its scheduling preferences for the Delivery Slots allocated to such User, in relation to a period of three (3) months starting from the first Gas Day in Month M, specifying as follows:

- (i) the scheduling preferences for the date of the Scheduled Arrival Window of each of the Delivery Slots which the User intends to Unload at the Terminal in the next three Months;

- (ii) for each of the Delivery Slots envisaged by the previous point, the quantity (in MWh) and volume (in  $m^3_{liq}$ ) of LNG expected to be Unloaded;
  - (iii) the identification data (name and IMO number) of the LNG Carrier which the User intends to use for each Delivery Slot;
  - (iv) the presumed port of loading of the LNG for each Delivery Slot; and
- v. a list of the Transportation Service Users and the relevant allocation rules, to which all or part of the regasified quantities will be allocated using the form contained in Annex 5. It is understood that the validity of the rules of allocation is subject to the Operating Company's assessment that such rules apply.

(b) In the event that the User has not submitted any scheduling preferences by the deadline specified above, the latter will be deemed to have expressed a preference for the same Scheduled Arrival Windows already specified in the Annual Unloading Schedule and that the quantity expected to be Unloaded is equivalent to the capacity associated with the Delivery Slot. Any preferences expressed by the User that wholly or partly conflict with the Annual Unloading Schedule and/or with the Ninety Day Unloading Schedule will not give rise to any right on the User's part to the Operating Company's acceptance.

(c) It being understood that the notice of the quantities expected to be Unloaded pursuant to Clause 3.3.2.1a)ii) will not modify the regasification capacity associated with the Delivery Slot and that, as a result, all the obligations associated with such capacity will remain unchanged even where the Operating Company has included the different quantities notified by the User pursuant to Clause 3.3.2.1a)ii) in the Annual Unloading Schedule or in the Ninety Day Unloading Schedule.

### 3.3.2.2 Ninety Day Unloading Schedule

(a) By the eighth (8<sup>th</sup>) Business Day in Month M-1, the Operating Company will inform each User of the relevant **Ninety Day Unloading Schedule** by publishing it on its Electronic Communications System, specifying the Scheduled Arrival Windows for the delivery of each of the User's Cargoes for the three subsequent Months M, M+1 and M+2. Such schedule will indicate for each Delivery Slot the dates of the corresponding Scheduled Arrival Windows and the quantity of LNG expected to be Unloaded (expressed in  $m^3_{liq}$  and in MWh).

(b) When determining the **Ninety Day Unloading Schedule** the Operating Company will take into consideration, in the following order of priority: (i) that which has already been scheduled in the previous Ninety Day Unloading Schedule and the Annual Unloading Schedule, (ii) the scheduling preferences expressed by the Users pursuant to Clause 3.3.2.1a), (iii) the criteria envisaged by Clause 3.3.1b) and (iv) anything determined by Clause 3.3.2.2c) below.

(c) In the event that, although all the scheduling preferences notified by the Users pursuant to Clause 3.3.2.1 have been applied, two or more Users have expressed conflicting and/or irreconcilable scheduling preferences, in order to ensure the feasibility of the Unloading and the optimisation of the use of the Terminal's capacity, such assessment will therefore also include the Delivery Slots not already allocated to the Users but which will be offered by the Operating Company in subsequent allocation processes, the Operating Company will determine the schedule for the Delivery Slots, in accordance with the provisions of Clause 3.3.1b) where applicable and give priority to the preferences of the User with the largest quantity of LNG, expressed in  $m^3_{liq}$ , envisaged for Unloading in the Gas Year.

(d) The Operating Company will inform each User, by the deadline envisaged by Clause 3.3.2.2a), by publishing it on its Electronic Communications System, of its status as a Debtor User or Creditor User and the amount of the guarantee envisaged by Clause 3.1.7. Exclusively for Month M, each Debtor User's financial guarantees covering the system as envisaged by Chapter 5 of the Network Code for the purposes of registering the transactions envisaged by Clause 3.1.7 shall be adequately funded.

(e) By the eighth (8<sup>th</sup>) Business Day in Month M-1 following the positive or negative result of the provisions of Clause 3.3.2.2d), the Operating Company will inform each User of the Ninety Day Unloading Schedule and in the event that the financial guarantees envisaged by Clause 3.3.2.2d) are not sufficient, the User's Ninety Day Unloading Schedule will be deemed to contain no deliveries.



(f) Once the Ninety Day Unloading Schedule has been finalised pursuant to Clause 3.3.2.2e), each Cargo scheduled in Month M of such Ninety Day Unloading Schedule will be deemed to be a **Confirmed Cargo**.

(g) In the event that one or more Delivery Slots are allocated in the context of spot capacity allocation processes, the relevant Ninety Day Unloading Schedule will be updated pursuant to the provisions of Clauses 2.1.9.1 and 2.1.9.2.

(h) The Ninety Day Unloading Schedule, thus updated, will result in the modification of the Annual Unloading Schedule.

### **3.3.3 User's Changes to Ninety Day Unloading Schedule**

(a) Any User which has one or more Delivery Slots scheduled in Month M with non-null volumes may request, following the determination of the Ninety Day Unloading Schedule, but in any case by and no later than the sixth (6<sup>th</sup>) Business Day prior to the Scheduled Arrival Window of the Delivery Slot for which a change is requested and solely for the first Month of the Ninety Day Unloading Schedule, the following changes:

(ii) (i) the Scheduled Arrival Window of a certain Delivery Slot the delivery volume of a Cargo. It is understood that the Percentage Share will be calculated taking into consideration the delivery volumes scheduled in the Ninety Day Unloading Schedule envisaged by Clause 3.3.2.2;

(iii) the LNG Carrier to be used for delivery.

(iv) list of the names of the Transportation Service Users and the relevant allocation rules pursuant to Clause 3.3.2.1a)v) using the form contained in Annex 5. It being understood that the validity of the allocation rules is subject to the Operating Company's determination that such rules are applicable.

The Operating Company will assess the requests for changes to the Ninety Day Unloading Schedule on a first-come, first-served basis and taking into consideration the provisions of Clause 3.3.1b). In the event that the change to the Ninety Day Unloading Schedule results in a variation of its status as Debtor User or Creditor User and the consequent redetermination of the amount of the guarantee envisaged by Clause 3.1.7, in order to ensure acceptance of such request for changes each Debtor User shall the adequacy of the financial guarantees covering the system envisaged by Chapter 5 of the Network Code for the registration of the transactions envisaged by Clause 3.1.7. It being understood that if a User's request for a change to the Ninety Day Unloading Schedule results in a variation of the status of Debtor User or Creditor User of the other Users, such request will not be accepted by the Operating Company.

The express failure by the Operating Company to grant a request made pursuant to Clause a) shall constitute rejection of such request.

b) Following the acceptance of the requested changes, the Operating Company will change the Ninety Day Unloading Schedule and publish the updated Annual Unloading Schedule.

### **3.3.4 Operating Company Changes to Annual Unloading Schedule**

In the case of a request by one of the Competent Authorities or in the case in which unscheduled restrictions on the Terminal's operations, the Operating Company may unilaterally change and republish at any time an Annual Unloading Schedule and/or the Maintenance Schedule, thereby undertaking to minimise the effects on the previous scheduling and on the Users affected by such change.

### **3.3.5 Charge variance for Continuous Capacity Users**

In the event that the volume of LNG in effect Unloaded by a Continuous Capacity User during a Gas Year is lower than the sum of the volumes of LNG scheduled for Unloading in each Month M of such Gas Year, as scheduled in Month M-1 in the context of a Ninety Day Unloading Schedule, the Operating Company will impose a charge of 4.5 Euro/m<sup>3</sup><sub>liq</sub> of LNG multiplied by the positive difference between the annual variance as calculated above and 10% of the volume of LNG expected to be

Unloaded and scheduled in each Month M-1, without prejudice to the obligation to pay the Charges. It being understood that the aforementioned charge variance will not apply if the User does not execute the Unloading as scheduled in Month M-1 in the context of the Ninety Day Unloading Schedule due to a force majeure event of the counterparties of the import contracts as defined in Clause 2.1.6a).

### **3.3.6 Charge variance for Users other than Continuous Capacity Users**

#### **3.3.6.1 Charge variance applicable to Users of the Continuous Regasification Service**

Where the volume of LNG actually Unloaded by the User in a Delivery Slot deviates from the volume scheduled for the Unloading of the Confirmed Cargoes:

- a) where the volume of LNG actually Unloaded by the User is lower than the volume of LNG scheduled for Unloading and the deviation is higher than 10%, the User shall pay an additional charge of 4.5 Euro/m<sup>3</sup><sub>liq</sub> multiplied by the difference between the deviation and 10% of the volume scheduled for Unloading, subject to the payment of the Charges;
- b) where the volume of LNG actually Unloaded by the User is higher than the regasification capacity associated with the Delivery Slot, in addition to the Charges applied to the volume actually Unloaded and subject to the provisions of Clause 3.7.3.2b), the User shall pay a tariff of 10% of the Cqs charge, based on the difference (where positive) between the volume actually Unloaded and the regasification capacity associated with the Delivery Slot increased by 5% for regasification capacity amounts lower than or equal to 135,000 m<sup>3</sup><sub>liq</sub> or by 2% if higher.

#### **3.3.6.2 Charge variance applicable to Users of the Spot Regasification Service**

Where the volume of LNG actually Unloaded in a Delivery Slot is different from the volume of LNG corresponding to the regasification capacity associated with the Delivery Slot:

- (a) if the volume of LNG actually Unloaded by the User is lower than the volume of LNG corresponding to the regasification capacity associated with the Delivery Slot and the deviation exceeds 10%, the User shall pay an additional charge of 4.5 Euro/m<sup>3</sup><sub>liq</sub> multiplied by the difference between the deviation and 10% of the volume of LNG corresponding to the regasification capacity associated with the Delivery Slot, subject to the payment of the Charges;
- (b) if the volume of LNG actually Unloaded by the User is higher than the volume of LNG corresponding to the regasification capacity associated with the Delivery Slot increased by 5%, in addition to the Charges applies on the volume actually Unloaded and subject to the provisions of Clause 3.7.3.2b), the User shall pay a tariff of 10% of the Cqs charge, based on the difference (where positive) between the volume actually Unloaded and the volume of LNG corresponding to the regasification capacity associated with the Delivery Slot increased by 5% for regasification capacity amounts lower than or equal to 135,000 m<sup>3</sup><sub>liq</sub> or by 2% if higher.

It being understood that the variance charges envisaged by Clauses 3.3.6.1 and 3.3.6.2 will not apply in the event that the does not execute the Unloading due to a force majeure event of the counterparties to the import contracts as defined in Clause 2.1.6a), subject to payment of the Charges.

### **3.3.7 Rules for Allocating volumes of LNG scheduled for Unloading**

- (a) The Operating Company will allocate on the account of each User, on a provisional basis, the quantities of energy (in MWh) expected to be Unloaded in each Delivery Slot envisaged by the Ninety Day Unloading Schedule (Month M, Month M+1, and Month M+2), according to the following formula:

$$QLNG_{xy} = QLNG_y \cdot QP_{xm}$$

where:

QP<sub>xm</sub> = Percentage Share of User x applicable to each Unloading scheduled in a Month m

QLNG<sub>y</sub> = quantity of LNG of Cargo y scheduled for Unloading, expressed in MWh

QLNG<sub>xy</sub> = quantity of LNG of Cargo y provisionally allocated to User x, expressed in MWh

- (b) The Operating Company shall allocate the quantity of LNG of each Cargo Unloaded at the Terminal, on behalf of each User, based on the provisional allocation envisaged by Clause 3.3.7a). If

the quantity of LNG actually Unloaded differs from the quantity provisionally allocated (in MWh) pursuant to the formula envisaged by Clause 3.3.7a), the differences (whether positive or negative) will be entirely ascribed to the User that delivered the Cargo in question.

(c) If a User Unloads at the Terminal a quantity of LNG (in MWh) lower than the aggregated rights of the other Users with Percentage Shares of the Confirmed Cargo in question, including in this case the failure to Unload a Confirmed Cargo, such User shall not be allocated the quantities of LNG of Cargo in question. The Operating Company will allocate the quantities of LNG actually Unloaded based on the Percentage Shares of the other Users and the missing quantity will be considered in the allocations of the subsequent Confirmed Cargoes where possible or, failing that, the provisions of Clause 3.1.7f) will apply.

(d) The Percentage Share of each User will not be changed, including in cases of non-delivery or of a delivery that is higher or lower than that scheduled for the Confirmed Cargoes of the same User.

(e) In the event that a User's Confirmed Cargo, scheduled to be Unloaded in Month M, has suffered a delay and, due to such delay, the User has been forced to Unload in the subsequent Month (M+1), for tax purposes in Month M, such User will be considered a Debtor User, and any other User with a Percentage Share in the Cargo in question delivered in Month M+1 will be considered a Creditor User. It being understood that the allocations of Cargoes envisaged by Clause 3.3.7 will be made in proportion to the Percentage Share as if such Cargo had been delivered in Month M.

### 3.3.7.2 Calculating the Percentage Share

(a) The Operating Company will make available on the Electronic Communications System the Percentage Share of each User for the Cargoes scheduled for Unloading in Month M, Month M+1 and Month M+2 of the Ninety Day Unloading Schedule according to the following formula:

$$\text{(Add)}_{x,m} = \frac{CDV_{xm}}{CDV_{am}} \times 100$$

where:

QPxm = Percentage Share of User x for Cargoes scheduled for Unloading in Month m (Month M, Month M+1 or Month M+2). Such percentage is the **Percentage Share** of the User for each Gas Day of the relevant Redelivery Period.

CDVxm = Total, confirmed or scheduled, as the case may be, quantity of LNG of User x, scheduled to be Unloaded in Month m expressed in MWh

CDVam = Total, confirmed or scheduled, as the case may be, quantities of LNG of all the Users scheduled to be Unloaded in Month m expressed in MWh

The Percentage Share will be updated following the publication and/or modification of the Annual Unloading Schedule or the Ninety Day Unloading Schedule. It is agreed that the volumes subject to the Peak Shaving Service will not be included in the calculation of the Percentage Share except in the cases envisaged by Clause 3.3.7.2b).

(b) In the event that the Operating Company, following instructions from the Ministry of Economic Development, is required to deliver to SRG, at the Redelivery Point, the quantities subject to the Peak Shaving Service, the Percentage Share will be recalculated starting from the date of injection of the quantities required for the Peak Shaving Service and i) until such quantities are exhausted or ii) until the Ministry of Economic Development announces that the gas emergency has ceased, taking into consideration any quantities already allocated to the Users, according to the following formulas:

$$\text{(Add)}_{x,m} = \frac{CDV_{xm} - V_{Axm}}{CDV_{am} + VPS - \sum V_{Axm}} \times 100$$

$$\text{(Add)}_{x,m} = \frac{VPS}{CDV_{am} + VPS - \sum V_{Axm}} \times 100$$

where:

QPxm = Percentage Share of User x in Month m;

CDVxm = quantity of LNG confirmed/scheduled by User x in Month m expressed in MWh;

VAxm = quantity allocated to User x in month m until the date on which the Peak Shaving quantities are injected into the National Transmission System following instructions from the Ministry of Economic Development expressed in MWh;

CDVam = quantity of LNG confirmed/scheduled by all Users in Month m expressed in MWh

VPS: quantities subject to the Peak Shaving procedure expressed in MWh;

QPFm: Percentage Share of the Peak Shaving Service Provider in Month m

In the absence of any notice by the Ministry of Economic Development regarding the activation of the gas emergency or the end thereof, the value of QPFm is set at zero.

(c) In the event that the Operating Company allocates spot regasification capacity pursuant to Clause 2.1.9.2 for Month M following the updating of the Ninety Day Unloading Schedule and the Annual Unloading Schedule, the Percentage Shares of all the Users with a Cargo scheduled in Month M will be recalculated according to the following formula:

$$\psi_{x,spot}^{(Add)} = \frac{CDV_{xM} - VA_{xM}}{CDV_{aM} + V_{SPOT} - \sum VA_{xM}} \times 100$$

$$\psi_{SPOT}^{(Add)M} = \frac{V_{SPOT}}{CDV_{aM} + V_{SPOT} - \sum VA_{xM}} \times 100$$

where:

QPxm = Percentage Share of Continuous User x in Month M;

CDVxm = quantity of LNG confirmed by Continuous User x in Month M expressed in MWh;

VAxm = quantity allocated to Continuous User x in Month M until the starting date for the redelivery of the Spot User's quantities expressed in MWh;

CDVaM = quantity of LNG confirmed by all Continuous Users in Month M expressed in MWh

V<sub>SPOT</sub>: quantity of LNG expected to be Unloaded by the Spot User expressed in MWh;

QP<sub>SPOT</sub>M: Percentage Share of the Spot User in Month M

Following the recalculation of the Percentage Shares for Month M, the Default Redelivery Profiles of all the Users with a scheduled Cargo in the same Month M will be recalculated and made available on the Electronic Communications System.

### 3.3.7.3 Calculating the Percentage Share of Capacity

(a) The Operating Company will make available on the Electronic Communications System the Percentage Share of Capacity of each User for Month M, Month M+1 and M+2 based on the following formula:

$$\psi_{x,cxm}^{(Add)} = \frac{CDS_{xm}}{CDS_{am}} \times 100$$

where:

QPCxm = Percentage Share of Capacity of User x in a Month m (Month M, Month M+1 and M+2). This percentage is the **Percentage Share di Capacity** of the User valid on each Gas Day of the relevant Redelivery Period of Month m.

CDSxm = Quantity of regasification capacity of User x (expressed in mc<sub>liq</sub>) associated with the confirmed or scheduled Delivery Slots, as the case may be, in Month m.

CDSam = Total quantity of regasification capacity (expressed in mcl<sub>iq</sub>) made available by Operating Company for allocation to third parties and that already allocated by the Operating Company following the allocation processes envisaged by Clauses 2.1.5.2, 2.1.5.3, 2.1.8 and 2.1.9 in Month *m*.

## Chapter 3.4 - SCHEDULING OF REGASIFICATION

### 3.4.1 –Gas Redelivery

Following the redetermination of the Annual Unloading Schedule pursuant to Clause 3.3.1 and/or any subsequent updating of the latter pursuant to Clauses 3.3.2.2 and 3.3.3 the Operating Company will provide, through the Electronic Communications System, the Default Redelivery Profile calculated according to the principles envisaged by Clause 3.4.1.1. Such redelivery profile is designed to guarantee i) compliance with all the contractual restrictions imposed on the User and ii) as regular a redelivery flow as possible in compliance with the provisions of AEEGSI Resolution no. 118 of 19 March 2015.

#### 3.4.1.1 Default Redelivery Profile Calculation at the start of the Month

For each User the Operating Company will make available on the Electronic Communications System the relevant redelivery profile of the Gas on each Gas Day of the Redelivery Period for the current Month and the two subsequent Months, taking into consideration the following factors (**Default Redelivery Profile**):

- (i) scheduling and rescheduling the Scheduled Arrival Windows of the Delivery Slots;
- (ii) availability of the Continuous Redelivery Services of the User envisaged by Clause 3.4.1.7;
- (iii) the User's Inventory;
- (iv) Consumption and Losses that may be allocated to the User;
- (v) The User's Minimum Redelivery Obligations;
- (vi) The User's Minimum Inventory;
- (vii) any unplanned Maintenance and/or Reduction Schedule for the Service;
- (viii) the operation restrictions envisaged by Clause 3.3.1b);
- (ix) the transport capacity reductions of the National Transmission System.
- (x) Any other factor that, in the discretionary opinion of the Operating Company, is of objective relevance for the determination of the redelivery profile.

#### 3.4.1.2 Calculating the Default Redelivery Profile during the Month

At every variation of the factors envisaged by Clause 3.4.1.1 and taking into consideration, *inter alia*, the User's Nominations and/or Renominations and any transfers of ownership of the LNG in accordance with the provisions of Clause 3.6.1.1, the Operating Company will recalculate on a daily basis the Default Redelivery Profile of each User and will make it available on the Electronic Communications System.

#### 3.4.1.3 Redelivery Nominations

##### First Session

a. By no later than 11:00 hrs on each Gas Day, the User may nominate, through the Electronic Communications System, a quantity of Gas for redelivery to the Redelivery Point for the next or more Gas Days and possibly until the end of the relevant Redelivery Period by submitting a Redelivery Nomination. In the event that a User fails to submit a timely Redelivery Nomination by the aforementioned deadline, then the User shall be deemed to have submitted a Redelivery Nomination corresponding to the daily quantity envisaged by the Default Redelivery Profile. In case Redelivery Renomination is not compliant with the Clause 3.4.1.4, Clause 3.4.1.8 shall apply.

b. The User may, at any time before the deadline envisaged by Clause 3.4.1.3a), revise any Redelivery Nomination.

##### Second Session

c. Starting from 17:00 hrs till 18:30 hrs of each Gas Day, the User may amend the nomination previously entered on the Electronic Communications System pursuant to the provisions of Clause 3.4.1.3a), nominating a quantity of Gas for the redelivery at the Redelivery Point for the next Gas Day by submitting a Redelivery Nomination compliant with Clause 3.4.1.3. In the event that a User fails to submit a Redelivery Nomination by the above deadline, the Redelivery Nomination previous made will be deemed to be valid. In the event that the Redelivery Nomination does not comply with the provisions of Clause 3.4.1.4, the provisions of Clause 3.4.1.8 will apply.

d. The User may, at any time prior to the deadline envisaged by Clause 3.4.1.3c), amend the Redelivery Nomination.

e. A nomination made pursuant to Clause 3.4.1.3a) and/or 3.4.1.3c) will be deemed to be **Redelivery Nomination**.

f. In the event that a Redelivery Nomination is refused by SRG, the Operating Company will promptly inform the User which will send an alternative Redelivery Nomination. In the event a Redelivery Nomination is rejected by SRG, the Operating Company shall inform the User which will send an alternative Redelivery Nomination.

#### 3.4.1.4 Nomination Conditions

The User may, on any Gas Day, nominate a quantity of Gas for redelivery which meets all the following requirements:

a) the nominated quantity shall be less than or equal to the User's Inventory (expressed in MWh) for such Gas Day, in any case in compliance with the Minimum Inventory obligations envisaged by Clause 3.5.3;

b) the nominated quantity shall be sufficient to release its Percentage Share of the available space in the Terminal's tanks at the arrival of the subsequent LNG Carrier, as envisaged by Clause 3.3.1b)vi);

c) the nominated quantity shall not exceed the maximum redelivery capacity of the Gas, taking into consideration the User's Continuous Redelivery Service, any Interruptible Redelivery Service, in addition to the published Maintenance Schedule and/or other operational requirements (e.g. any Unplanned Service Reductions, correction of the Wobbe index and/or circumstances associated with the delivery of the Off-Spec LNG) that are made available to the User through the Electronic Communications System or that the Operating Company notifies to the User;

d) the nominated quantity shall not be lower than the capacity equivalent to the Minimum Redelivery Obligation, or than the capacity determined by the Operating Company based on other operational requirements (e.g. correction of the Wobbe index and circumstances associated with the delivery of the Off-Spec LNG) that are available to the User

#### 3.4.1.5 Redelivery Renominations

(a) Starting from 14:00 and by and no later than 15:00 of each Gas Day, the User may renominate, through the Electronic Communications System, a quantity of Gas for Redelivery at the Redelivery Point for the current Gas Day, by submitting a Redelivery Nomination. In the event that a User fails to submit a Redelivery Nomination by the aforementioned deadline the Redelivery Nomination previously made for the Gas Day in question will be deemed valid. In the event that the Redelivery Nomination does not comply with the provisions of Clause 3.4.1.6, the provisions of Clause 3.4.1.8 will apply.

(b) The User may, starting from 14:00 and until the deadline envisaged by Clause 3.4.1.5a), amend the Redelivery Nomination, on the assumption that in the first twelve hours of the current Gas Day the Operating Company has redelivered to the User 50% of the volumes of Gas envisaged by its previous Redelivery Nomination.

(c) A renomination made pursuant to Clause 3.4.1.5a) will be deemed to be a **Redelivery Nomination**.

(d) In the event that a Redelivery Nomination is refused by SRG, the Operating Company shall inform the User, which will send a Redelivery Nomination.

(e) It being understood that the Operating Company may, for technical and operational reasons, amend, suspend and/or cancel the availability of the Redelivery Nomination, envisaged by Clause 3.4.1.6, for a certain Gas Day, informing the Users thereof through the Electronic Communications System by 14:00 on the Gas Day affected by such event.

#### 3.4.1.6 Renomination Conditions

Provided that the Users have collectively nominated a quantity of Gas of not less than 46,300 MWh, for a certain Gas Day, each User may, on each Gas Day, renominate for redelivery exclusively a quantity of Gas which meets the following requirements:

- (a) that envisaged by Clause 3.4.1.4 for the nomination processes;
- (b) a daily minimum quantity calculated as follows (**Minimum Renomination**):

$$\text{Minimum Renomination}_x = (\text{Add}) (\sum \text{nomina Utentex} + 46.300) \cdot \frac{12}{24}$$

where **(Add)ina Utentex** refers to the sum of the quantities requested for redelivery by the Users on a certain Gas Day.

It being understood that the Minimum Renomination will be permitted if the User has nominated, for certain Gas Day, a quantity of Gas not less than its Minimum Redelivery Obligation.

- (c) a daily maximum quantity calculated as follows (**Maximum Renomination**):

$$\text{Maximum Renomination}_x = (\text{Add}) (\sum \text{nomina Utentex} + 144.300) \cdot \frac{12}{24}$$

where **(Add)ina Utentex** refers to the sum of the Continuous Redelivery Services requested by the Users on a certain Gas Day.

It being understood that the Maximum Renomination will be permitted if the User has nominated, for a certain Gas Day, a quantity of Gas that does not exceed its Continuous Redelivery Service.

#### 3.4.1.7 Continuous Redelivery Services and Obligations of Minimum Redelivery

a) The maximum quantity of Gas (expressed in MWh/Gas Day) which each User is entitled to nominate on a continuous basis will be equal to the Percentage Share owing to such User on that Gas Day of 144,300 MWh (**Continuous Redelivery Service**).

b) With exclusive reference to the Gas Day(s) on the Unloading takes place, in departure from the provisions of Clauses 3.4.1.3, 3.4.1.4, 3.4.1.5 and 3.4.1.6, the Operating Company will provide the User, through the Electronic Communications System, with the quantity of Gas expected to be Redelivered starting from 06:00 on the Gas Day on which the LNG Carrier is expected to be All Fast and until 5:59 on the Gas Day on which the disconnection of the loading arms is envisaged. Such quantities of Gas expected to be Redelivered will be initially estimated by the Operating Company in the determination of the Annual Unloading Schedule and in each subsequent updating thereof pursuant to Clause 3.3.2.2, assuming, for a specific LNG Carrier, an ETA of 06:00 of the Scheduled Arrival Window associated with the Delivery Slot in question, unless otherwise notified by the User. It being understood that following the Operating Company's receipt of subsequent updates of the ETA pursuant to Clause 3.7.1.1, of the information contained in the Cargo Information Notice and finally of the actual start of the Unloading, the quantity expected to be Redelivered will as a consequence be updated and made available to the User through the Electronic Communications System. For the purposes of the Nomination, the User will be deemed to have in any case nominated a quantity of Gas equal to the quantities made available on the Electronic Communications System.

c) Subject to the provisions of Clause 3.4.1.7b), the User shall at least nominate and/or renominate, or will be deemed to have nominated and/or renominated, a quantity of Gas at least Percentage Share of 4,450 MWh for each Gas Day, subject to specific operational requirements related to the maintenance of the safety conditions of the Terminal that will be promptly notified by the Operating Company and for which a Users' Redelivery Nomination and/or Renomination in proportion to their Percentage Share is required (**Minimum Redelivery Obligation**).

d. Notwithstanding Clause 3.4.1.7c) I, the User shall be excused from its Minimum Redelivery Obligation to the extent that other Users have nominated/renominated an aggregate quantity of Gas that exceeds such other User's Minimum Redelivery Obligation.

#### 3.4.1.8 Operating Company's Right to modify or reject Redelivery Nominations

- (a) The Operating Company will assess whether or not the Redelivery Nomination and/or Renomination submitted by the User is acceptable and will:
- (i) approve the Redelivery Nomination and/or Renomination in accordance with the requirements envisaged by Clauses 3.4.1.4, 3.4.1.6, 3.4.1.7a) and 3.4.1.7c); or
  - (ii) refuse or amend, as specified in Clause 3.4.1.8, any Redelivery Nomination and/or Renomination that does not comply with such requirements.
- (b) Subject to the User's responsibility to make the nominations in accordance with the requirements envisaged by Clauses 3.4.1.4, 3.4.1.6, 3.4.1.7a) and 3.4.1.7c), the Operating Company agrees to inform the User through the Electronic Communications System of any rejection of a Redelivery Nomination and/or Renomination pursuant to Clause 3.4.1.8a)ii), by 12:00 for the Redelivery Nomination relating to the first session and by 19:00 for the Redelivery Nomination relating to the second session or by 15:30 for the Redelivery Renomination.
- (c) In the event that its Redelivery Nomination and/or Renomination is rejected the User will submit to the Operating Company by 12:30 (first session) or by 19:30 (second session) an amended Redelivery Nomination, or by 16:00 an amended Redelivery Nomination. If the User fails to submit a Redelivery Nomination in accordance with Clause 3.4.1.4, the Operating Company will amend the Redelivery Nomination in accordance with the daily quantity envisaged by the Default Redelivery Profile. Any Redelivery Nomination thus amended will in any case be considered as if made by the User. If the User fails to submit a Redelivery Nomination in accordance with Clause 3.4.1.6, the Operating Company will maintain valid the Redelivery Nomination previously made by the User. Subject to the provisions of Clause 3.4.1.10, the Operating Company will announce the results of the amendment process of the Redelivery Nomination and/or Renomination through the Electronic Communications System.
- (d) Where available, the Operating Company will assign the Interruptible Redelivery Service to the User that has submitted the relevant request pursuant to Clauses 3.4.1.3 and 3.4.1.5. In the event that other Users also submit the same request, and there is not sufficient availability of such services, the Operating Company will allocate such service among the Users in proportion to their Percentage Share on Gas Day in question. It being understood that the Interruptible Redelivery Service will be assigned as a priority to i) the Continuous Users, ii) the Users which would otherwise not guarantee compliance with the condition envisaged by Clause 3.4.1.4b) and iii) finally, where still available, to the Spot Users.
- (e) In the event that the User has delivered Off-Spec LNG, or following such delivery, the LNG present at the Terminal is found to be Off-Spec LNG and this results in a variation of the Terminal's redelivery capacity, the same User will be subject to a reduction of its Continuous Redelivery Service or to an increase of its Minimum Redelivery Obligation to the extent required to address such variation. In the event that on a certain Gas Day and following the delivery of Off-Spec LNG, the Terminal's redelivery capacity is lower than the sum of the quantities nominated or renominated by the other Users on the Gas Day in question, the User that has delivered Off-Spec LNG agrees to deliver to the Virtual Exchange Point to the other Users on the same Gas Day the quantities that the Operating Company has been unable to redeliver in compliance with the Redelivery Nomination and/or Renomination. The Operating Company will inform the interested Users of (i) the quantities of delivered Off-Spec LNG, (ii) the name of the User that made the delivery of the Off-Spec LNG, (iii) the names of the Users to which the quantities shall be redelivered and (iv) the corresponding quantities to be redelivered to the Virtual Exchange Point. The Operating Company will not be liable in the event that the User that delivered the Off-Spec LNG fails to fulfil its obligations to the other Users.
- (f) In the event that all the LNG stored in the terminal's tanks becomes Off-Spec LNG due to the ageing of the LNG itself and this results in a variation of the Terminal's redelivery capacity, all the Users will be subject to a reduction of the Continuous Redelivery Service or an increase of their Minimum Redelivery Obligation required to address such conditions, in proportion to their Percentage Shares.
- (g) In the event that all the Nominations and/or Redelivery Renominations submitted by all the Users are lower than that envisaged by Clause 3.4.1.7c), the Operating Company will increase the quantities of Gas expected to be redelivered to each User up to its Minimum Redelivery Obligation. The Operating Company will not be liable in relation to the incremental quantities of Gas expected to be redelivered pursuant to Clause 3.4.1.8g).



(h) In the event that all the Redelivery Nominations submitted by all the Users are different from those envisaged by Clause 3.4.1.7b), the Operating Company will modify the quantities of Gas expected to be redelivered to each User by a value equal to that envisaged by Clause 3.4.1.7b). The Operating Company will not be liable in relation to any quantities of Gas thus amended and expected to be redelivered pursuant to Clause 3.4.1.8h).

(i) In order to permit the Unloading of a LNG Carrier which finds itself in the conditions envisaged by Clauses 3.7.2.2b) and 3.7.2.2c), the Operating Company will reduce the Nomination and/or Redelivery Renomination of each User so as to release the relevant Percentage Share of the available space in the Terminal's tanks at the arrival of the subsequent LNG Carrier, as envisaged by Clause 3.3.1b)vi);

(j) In order to permit the Unloading of an Early LNG Carrier, provided that such LNG Carrier does not arrive more than twenty-four (24) hours before the Scheduled Arrival Window, the Operating Company will increase the Nomination and/or Redelivery Renomination of each User so as to release the relevant Percentage Share of the available space in the Terminal's tanks at the arrival of the LNG Carrier, as envisaged by Clause 3.3.1b)vi). It being understood that such increase will take place within the limits of the Continuous Redelivery Service of each User;

(k) It being understood that, in the event that the User decides to avail itself of the provisions of article 11.6 of Resolution 118/2015/R/GAS, it will provide the Transportation Service users specified by such article with all the information envisaged by Clause 3.4.1.

#### **3.4.1.9 Redelivery Allocation**

(a) Following the acceptance or modification of the Redelivery Nominations and/or Renominations, the Operating Company shall enter the necessary data in relation in the relevant schedules in the System and provide the relevant nominations to SRG pursuant to the Network Code.

(b) By 13:00 on Gas Day G+1, the Operating Company will make available to each User through the Electronic Communications System the quantity of Gas redelivered to the Redelivery Point on Gas Day G which, subject to the provisions of Clauses 3.8.1 and 3.8.2, will coincide with that nominated and/or renominated by the User.

(c) The quantity notified pursuant to Clause 3.4.1.9b) will be determined, for each User, by the Operating Company based on the Nominations and/or Redelivery Renominations made by the User for Gas Day G and possibly by the application of the allocation rules envisaged by Clause 3.4.1.10. Such quantities will also be used by SRG to determine the User's balancing pursuant to chapter 9 of the Network Code.

(d) It being understood that the quantity notified pursuant to Clause 3.4.1.9b) for each User with regard to Gas Day G may be subsequently reviewed by the Operating Company and consequently used by SRG to determine the User's balancing, by the first Business Day subsequent to Gas Day G or, in the case of an error of measurement or error of communication of the measurement, by the 20<sup>th</sup> Day of the Month subsequent to that on which such event occurred.

#### **3.4.1.10 Criteria for Allocating regasification shortfalls or excesses**

(a) In the event that, on a Gas Day, the Operating Company redelivers, net of the quantities managed pursuant to the provisions of the OBA signed with SRG, an overall quantity of Gas that falls short the aggregated Redelivery Nominations and/or Renominations of the Users due to a Permitted Variation of the Regasification Service or a Variation of the Regasification Service, such shortfall will be allocated in proportion to the relevant Percentage Shares in the following order of priority, until the lower quantities redelivered have been completely absorbed:

- (i) first, in the event that such shortfall was caused by a User or group of Users, the quantities nominated and/or renominated by such User(s) using the Interruptible Redelivery Service will be reduced;
- (ii) second, the quantities nominated and/or renominated by the Users that did not cause such shortfall but which have used the Interruptible Redelivery Service;
- (iii) third, in the event that the quantities nominated and/or renominated by the Users using the Interruptible Redelivery Service have been reduced to zero (0) and such shortfall was caused by a User or group of Users, the quantities nominated and/or renominated by such User or group of Users will be reduced; and

- (iv) fourth, having applied the provisions of the previous points, any further shortfall will be assigned to all the Users involved that did not cause such reduction in proportion to their Percentage Shares.

(b) In the event that, on a Gas Day, the Operating Company redelivers, net of the quantities managed pursuant to the provisions of the OBA signed with SRG, an overall quantity of Gas that exceeds the aggregated Nominations and/or Redelivery Renominations of the Users due to a Permitted Variation of the Regasification Service or a Variation of the Regasification Service, such excess will be allocated in proportion to the Nominations and/or Redelivery Renominations of each User for such Gas Day, in the following order of priority, until the excess quantities redelivered have been completely absorbed:

- (i) first, in the event that such excess regasification was caused by a User or group of Users, the relevant Nominations and/or Redelivery Renominations will be increased as a consequence;
- (ii) second, to any User whose quantity of LNG exceeds the Minimum Inventory until such limit is reached if necessary;
- (iii) third, having applied the provisions of the previous points, to all the Users with Minimum Inventory.

It being understood that aggregated Nominations and/or Redelivery Renominations of the Users shall have the meaning given to it in Clause 3.8.3c).

#### **3.4.1.11 Acceptance of Gas**

(a) Since the Gas must be injected by the Operating Company into the National Transmission System at the Redelivery Point on behalf of any Transportation Service User and/or Users specified in article 11.6 of Resolution 118/2015/R/GAS, the Gas allocated by the Operating Company at the Redelivery Point will be considered:

- (i) accepted and available to the User if such Gas is accepted by SRG in accordance with the provisions of the Network Code; or
- (ii) refused by the User and considered a Variation of the Regasification Service if such Gas is refused by SRG because it is Off-Spec Gas due to a default by the Operating Company, and only if the LNG was not Off-Spec LNG when it was Unloaded.

b. Without prejudice to Clause 3.6.5.2, if Gas is rejected pursuant to Clause 3.4.1.11a)ii), the Operating Company shall, at its own expense, take all such actions as may reasonably be required to dispose of or procure the disposal of such Gas to the extent required to manage the situation, provided always that the Operating Company shall comply with all Applicable Laws.

#### **3.4.1.12 Changes to the Redelivery Period and the Redelivery profile**

(a) In the case of particular operating conditions (such as, for example, a discontinuous scheduling of the Unloading during the Months of a certain Gas Year or in concurrence with the Peak Shaving Service) which make it necessary to bring forward the redelivery of the Cargo expected to be Unloaded before the Unloading takes place due to the quantities of LNG present in the Terminal, subject to Clause 3.4.1.8, the Operating Company, may provide the User, at the end of the process for determining the Ninety Day Unloading Schedule envisaged by Clause 3.3.2.2 and/or when the latter is subsequently updated including after the allocation of spot regasification capacity pursuant to Clause 2.1.9.2, with a specific Default Redelivery Profile for a corresponding Redelivery Period and allocate its volumes of LNG at the Terminal to the User.

It being understood that, subsequent to the Unloading of the planned Cargo, the Operating Company will only redeliver to the User the remaining quantities and will do whatever is required to restore the quantities of LNG in the Terminal.

Once notified the specific Default Redelivery Profile and the corresponding Redelivery Period will deemed to be the Default Redelivery Profile and the Redelivery Period, respectively, and the Clauses of this Regasification Code will apply to them.

(b) It being understood that in the event that it is necessary to bring forward all or part of the volumes owned by the Operating Company and/or the Peak Shaving Service provider in respect of the

Unloading, each User will be considered a Debtor User and the provisions envisaged by Clause 3.1.7 will apply.

(c) In the event that, following the allocation processes envisaged by Clauses 2.1.9.1 and 2.1.9.2 the first Delivery Slots for Month M+1 have not been allocated, the Operating Company will grant Users with Cargo scheduled in Month M the right to extend the Redelivery Period at the end of the Gas Day prior to the Scheduled Arrival Window of the first Cargo confirmed or scheduled in Month M+1 or to any other earlier date determined by the Operating Company. It being understood that:

(i) for each User, on each Gas Day of the new Redelivery Period, for the purposes of calculating and allocating the Continuous Redelivery Service, the same Percentage Share as determined Month M without any recalculation thereof will apply; and

(ii) the Users will continue to pay the Regasification Service Charges and the Transportation Service Charges with no increase due to the extension of the Redelivery Period.

### **3.4.2 Consumption and Losses of the Terminal**

#### **3.4.2.1 Allocation of Consumption and Losses**

- (a) On each Gas Day of the relevant Redelivery Period, the Operating Company will allocate the quantities of LNG and/or Gas used by the Operating Company as fuel for the basic operation of the Terminal and for the Regasification Service (**Consumption and Losses**).
- (b) The consideration in kind (expressed as a percentage of the quantity Unloaded) to be paid to the Users will be approved by the AEEGSI in the context of the process of verification and approval of the tariff proposals submitted annually by the Operating Company and will be published on the Operating Company's website.
- (c) Each User will transfer to the Operating Company the ownership of the quantities of LNG and/or Gas to cover the Consumption and Losses and the Operating Company may use such quantities with no additional costs.

## **Chapter 3.5 RECEIPT, STORAGE AND REGASIFICATION OF LNG**

### **3.5.1 Shared Storage**

The Users shall share the available Terminal storage capacity, and no User shall have dedicated storage capacity rights.

### **3.5.2 User's Inventory**

- (a) The Operating Company will calculate and will make available on the Electronic Communications System on a daily basis each User's Inventory (including the Minimum Inventory where applicable) taking into consideration:
  - (i) the quantities of LNG allocated to the User;
  - (ii) the quantities of Gas redelivered at the Redelivery Point to the Transportation Service User or Users specified by the User;
  - (iii) the quantities relating to the Consumption and Losses allocated to each User;
  - (iv) the LNG debit and credit positions of the Users pursuant to Clause 3.3.7 and/or any redeliveries brought forward by the Operating Company pursuant to Clause 3.4.1.12;
  - (v) LNG ownership transfers among Users; and
  - (vi) Percentage Share recalculated for each User pursuant to Clause 3.3.7.2
- (b) The quantities of LNG relating to the Unloading will be credited to the User following the submission of the final version of the unloading report based on the provisions of Clause 3.3.7 and conventionally allocated on the Gas Day on which the Unloading started.
- (c) The Users may reciprocally transfer the ownership of the LNG at their disposal in the Terminal's tanks. To such end, the Operating Company will make available on its website the LNG transfer form (Annex 6) which shall be duly completed and sent by the interested Users to the Operating Company by 17:00 on Gas Day G so that the transfer may take effect at 06:00 on Gas Day G+1.

### 3.5.3 Minimum Inventory

- (a) For the entire duration of the relevant Capacity Agreement, each Continuous Capacity User shall maintain in the Terminal's tanks, on each Gas Day of a certain Gas Year, its proportional share (calculated on the basis of the quantity of Continuous Capacity envisaged by its Capacity Agreement in respect of the sum of the quantities of Continuous Capacity allocated to the other Continuous Capacity Users) of **41,625 MWh of LNG (Minimum Inventory)**, irrespective of whether or not Unloading is scheduled at the Terminal. It being understood that the User may not use such quantities to fulfil its Minimum Redelivery Obligation.
- (b) In the event that on a Gas Day the User has an insufficient quantity of LNG to fulfil the Minimum Redelivery Obligation and/or cover the quantities for Consumption and Losses, the User shall procure such quantities of LNG, including by purchasing or borrowing such quantities of LNG from any other User with LNG in the Terminal or, alternatively, from the Operating Company. It being understood that in the event that the Operating Company lends such quantities, they shall be promptly returned by the User and the provisions of Clause 3.5.3c) will not apply.
- (c) In the event that the quantity of LNG of each Continuous Capacity User in the Terminal's tanks is lower than its proportional share of the Minimum Inventory, the Operating Company may suspend the provision of the Continuous Redelivery Service to such Continuous Capacity User without incurring any liability.

## **Chapter 3.6 - OWNERSHIP OF LNG AND GAS AND MEASUREMENT OF DELIVERED LNG AND REDELIVERED GAS**

### **3.6.1 Ownership of LNG and Gas**

#### **3.6.1.1 Transfers of Ownership**

Subject to the provisions of Clauses 3.3.7.2, 3.3.7.3 and 3.4.2.1, ownership of the User's LNG will remain with the legal and beneficial owner until such ownership is transferred (by the User, or by the owner) and will not be transferred to the Operating Company.

- (a) The User warrants to the Operating Company that, at the time when the relevant Cargo is Unloaded at the Terminal, the LNG or the Gas is free from liens and from any other encumbrances, and that in relation to such Cargo:
  - i. the User has, at such time, full ownership of all of the User's LNG and User's Gas; or
  - ii. the Person that is supplying the LNG and Gas at the Terminal on behalf of the User has, at such time, full ownership of all of the User's LNG and User's Gas,
- (b) The User warrants to the Operating Company that, at the time when the relevant Cargo is Unloaded at the Terminal, in respect of any User's LNG and User's Gas that is not legally and beneficially owned by the User, the User is duly authorised and appointed by the legal and beneficial owners of such LNG and Gas to act as agent for and on behalf of such owner.
- (c) The Operating Company represents and warrants that Gas injected at the Redelivery Point by the Operating Company on behalf of the User shall be free from any lien or from any other encumbrance created by the Operating Company, unless the Operating Company is required to impose any such encumbrance by an order of a Competent Authority. If the Operating Company is required to impose any such encumbrance by an order of a Competent Authority, the Operating Company shall not be liable towards the User and the User waives any rights it may have to bring any claim or action against the Operating Company.

#### **3.6.1.2 Indemnities**

The User agrees to indemnify, defend, and hold the Operating Company harmless in respect of any Loss of any kind suffered or incurred by the Operating Company (other than the Operating Company's loss of revenue ) arising from:

- (a) any lien or any other encumbrance arising or already existing on the User's LNG and the User's Gas, on the User's Inventory and/or on the User's Minimum Inventory (where applicable); and/or
- (b) third-party claims, including by any legal and beneficial owner of the LNG and/or Gas, submitted for any reason in relation to the User's LNG and User's Gas, the User's Minimum Inventory, including any claims arising from a default or false statement by the User pursuant to Clause 3.6.1.1a) and/or 3.6.1.1b).

#### **3.6.1.3 Commingling of the LNG and Gas**

The User acknowledges and agrees that:

- a. the Operating Company will commingle the User's LNG with the LNG of other Users in the Terminal;
- b. the Operating Company will commingle the User's Gas with that of other Users in the Terminal; and
- c. subject to Clauses 3.6.3 and 3.6.5., Gas redelivered at Redelivery Point may be of a different composition and may not consist of the same molecules as the LNG Unloaded by or on behalf of the User at the Delivery Point.

### **3.6.2 Measurement of LNG**

The quality and quantity of the LNG Unloaded by or on behalf of the User at the Terminal shall be determined in accordance with the procedures set forth in Annex 10.

### **3.6.3 Measurement of Gas**

The quantity, quality and pressure of Gas made available at the Redelivery Point to the User shall be determined in accordance with the procedures set forth in Annex 10.

### **3.6.4 LNG Quality**

#### **3.6.4.1 LNG Compliance**

LNG Unloaded or to be Unloaded by or on behalf of the User at the Terminal shall comply with the LNG Quality Specifications when Unloaded as stated in **Annex 8**.

With respect to each Cargo, the User shall notify the Operating Company of the envisaged LNG quality at the time of the Cargo arrival at the Terminal taking into account, among other things, the LNG Carrier navigation time and any other possible causes of ageing of the LNG. This notice shall be provided as part of the Cargo Information Notice pursuant to Clause 3.7.1.2 and in the event that the LNG:

- a) to be Unloaded at the Terminal is or will be Off-Spec LNG once Unloaded, the User, the Ship Owner or the Master of the LNG Carrier (as the case may be) will promptly inform the Operating Company of such circumstances, informing it also of the quantity and quality of such Off-Spec LNG. The Operating Company will, immediately after receiving such notice, use all reasonable endeavours to accept and Unload such Off-Spec LNG and to reduce or prevent any cost or delay caused by such Off-Spec LNG and will notify its decision to the User in accordance with the provisions of Clause 3.6.4.2 below.
- b) during the Unloading phase, is found not to conform to the LNG Quality Specification, the Operating Company will use all reasonable endeavours to accept and continue to Unload such Off-Spec LNG and will notify its decision to the User in accordance with the provisions of Clause 3.6.4.2.

It being understood that the Operating Company may not in any way be held liable in the event that it is unable to receive the Off-Spec LNG.

#### **3.6.4.2 Acceptance or rejection of Off-Spec LNG**

- a. Subject to any applicable Maritime Regulations, the Operating Company may accept Off-Spec LNG (in whole or in part) only where it believes in its sole discretion, that acceptance of such Off-Spec LNG would not cause damage to the Terminal or prejudice the safety of Terminal personnel or cause the redelivered Gas to be Off-Spec Gas. In all other circumstances, the Operating Company shall reject a Cargo consisting of Off-Spec LNG.
- b. In the case that Clause 3.6.4.1a) applies, the Operating Company shall notify the User as soon as reasonably practicable, and in any case by the Business Day after receipt of the notice envisaged by Clause 3.7.1.2, of its decision either to accept or to reject such Off-Spec LNG. If the Operating Company rejects such Off-Spec LNG, upon receipt of a notice of rejection, the User shall not be allowed to berth and Unload at the Terminal and, in the event that the Unloading has already started, it will immediately cease and the User will cause the LNG Carrier to depart from the Terminal. It being understood that in the event that the Operating Company refuses or suspends the unloading at the Terminal, the User will still be required to pay the Charges.
- c. The User shall, notwithstanding Clause 5.3.1.1, indemnify the Operating Company against all Loss suffered as a result of the User's Off-Spec LNG being Unloaded into the Terminal, including all Losses incurred by the Operating Company in mixing any such Off-Spec LNG with other LNG, or disposing of such Off-Spec LNG (including any delays associated with it), and Loss arising from the disposal of such Off-Spec LNG including in the event that the Operating Company has not given notice of its refusal of the Off-Spec LNG pursuant to Clause 3.6.4.2b).
- d. The acceptance of Off-Spec LNG may result in a reduction of the Continuous Redelivery Service or an increase of the Minimum Redelivery Obligation to the extent required to address the variation in the redelivery capabilities of the Terminal due to the Terminal's acceptance of such Off-Spec LNG. In such event, the User delivering the Off-Spec LNG shall have its entitlement to Firm Redelivery Service reduced as

required to accommodate that reduction. If such reduction on the relevant Gas Day is not sufficient, the provisions of Clause 3.4.1.8e) will apply.

### **3.6.5 Gas Quality**

#### **3.6.5.1 Gas Compliance**

The Operating Company undertakes to redeliver at the Redelivery Point Gas that complies with the Gas Quality Specifications, as established in Annex 9.

As soon as it becomes aware that Gas redelivered or to be redelivered at the Redelivery Point is Off-Spec Gas, the Operating Company will inform the relevant Users and SRG, and will use all reasonable endeavours to minimise or to avoid any costs or delays caused by such Off-Spec Gas.

#### **3.6.5.2 Acceptance or Rejection of Off-Spec Gas**

**Chapter 3.7** In the event that the Gas injected or to be injected into the National Transmission System is Off-Spec Gas, the provisions of the Network Code will apply. Without prejudice to cases of intent or gross negligence on the part of the Operating Company, in the event that the Off-Spec Gas is definitively refused by SRG and the Gas is Off-Spec due to the Operating Company's Default, the Regasification Service Charges owed by the User will be reduced in proportion to the quantities of Off-Spec Gas made available and redelivered at the Redelivery Point. It being understood that in such case the User will have no other rights, with any rights to compensation also being ruled out, and, as a result, the Operating Company will not incur any liability arising from or associated with such Off-Spec Gas. It is also understood that no remedy will be available to the User that delivered the Off-Spec LNG. In the event that the Gas to be injected in the National Transmission System is Off-Spec Gas due to the ageing of the LNG already stored at the Terminal, this will not constitute a default on the part on the Operating Company, since the User expressly accepts such risk.

## Chapter 3.7 - LNG DELIVERY OPERATIONS

### 3.7.1 Notices

#### 3.7.1.1 Notice of ETA (Estimated Time of Arrival)

- (a) The User shall give or cause its LNG Carrier operator or the Master to give a notice by fax or e-mail of the ETA at the Terminal to the Operating Company and to the relevant Maritime Authorities (as may be required) (an **ETA Notice**). Each ETA Notice shall be submitted, updated or confirmed (as the case may be) at the following intervals, and at any other time required by Maritime Regulations:
- (i) upon departure from the port of loading;
  - (ii) seventy-two (72) hours before the then current ETA;
  - (iii) forty-eight (48) hours before the then current ETA;
  - (iv) twenty-four (24) hours before the then current ETA;
  - (v) twelve (12) hours before the then current ETA; and
  - (vi) thereafter for any ETA change of more than two (2) hours.
- (b) If the Cargo to be Unloaded has been purchased by or on behalf of the User or diverted to the Terminal after the departure of the relevant LNG Carrier from the port of loading or after the relevant time specified in 3.7.1.1a) for sending the ETA Notice, the ETA Notice shall be sent as soon as possible, but in any event taking into account any applicable requirement for the final time by which the arrival of the Cargo shall be notified to the Maritime Authorities.

#### 3.7.1.2 Cargo Information Notice

In addition to the provisions of Clause 3.7.1.1, for each Cargo to be delivered to the Terminal, the User shall provide or cause to be provided by the Ship Owner or the Master the following information in respect of such Cargo:

- a) port of loading of the LNG Carrier;
- b) the name of the LNG Carrier used;
- c) date and time of completion of the LNG loading operations;

and, on a daily basis, starting from the date of loading of the Cargo and possibly still at the same time, the following information:

- d) quantity of LNG loaded at the port of loading, quantity of LNG in the LNG Carrier's tanks before loading, quantity of LNG expected to be Unloaded at the Terminal, quantity of LNG in the LNG Carrier's tanks and quantity of LNG expected to remain in the LNG Carrier's tanks upon completion of the Unloading;
- e) pressure in the LNG Carrier's tanks;
- f) temperature of the LNG in the LNG Carrier's tanks;
- g) quality of the LNG measured at the port of loading.

Such notice shall be sent to the Operating Company and, where necessary, to the relevant Competent Authorities, as soon as the LNG Carrier transporting such Cargo has left the port of loading, or if the Cargo to be Unloaded has been purchased by or on behalf of the User or deviated towards the Terminal after the departure of the relevant LNG Carrier from the port of loading, as soon as possible after the purchase or deviation (**Cargo Information Notice**).

#### 3.7.1.3 Notice of Readiness

- a. The User shall give or cause to be given by the Ship Owner or the Master to the Operating Company and/or to the Operating Company's Group a notice (**Notice of Readiness**) by fax or e-mail to moor and Unload as soon as the LNG Carrier:
  - (i) has arrived at the Pilot Boarding Station;



- (ii) has cleared the necessary formalities with the Maritime Authorities and all other relevant Competent Authorities, has complied with all necessary customs notification requirements and all other necessary authorisations have been obtained including in relation to the requested maritime and port services; and
  - (iii) is ready in all respects, including the receipt of the Spool Pieces, to proceed to moor at the Terminal and commence Unloading.
- b. Subject to the provisions of Clause 3.7.1.3c), the Notice of Readiness envisaged by Clause 3.7.1.3a) will be received and accepted by the Operating Company and/or by the Operating Company's Group at any time on any Day and shall become effective as follows:
  - (i) for an LNG Carrier submitting the Notice of Readiness at any time prior to its Scheduled Arrival Window, at the earlier to occur of (i) start of the Scheduled Arrival Window or (ii) the LNG Carrier being All Fast;
  - (ii) for an LNG Carrier submitting the Notice of Readiness at any time during its Scheduled Arrival Window, at the time when it is given;
  - (iii) for an LNG Carrier submitting the Notice of Readiness at any time after the expiration of its Scheduled Arrival Window, upon the Operating Company's notice to the LNG Carrier that it is ready to receive the LNG Carrier at the berth.
- c. The Operating Company and/or the Operating Company's Group may reject a Notice of Readiness at any time before the LNG Carrier is All Fast, where:
  - (i) such Notice of Readiness:
    - (1) does not contain the information required pursuant to the Technical Manuals; and/or
    - (2) contains material information that the Operating Company has reasonable evidence is incorrect;
  - (ii) any of the requirements set forth in Clause 3.7.1.3a) have not been satisfied;
  - (iii) the Operating Company, acting as a Reasonable and Prudent Operator, raises safety concerns;
  - (iv) the User no longer complies with the Service Conditions.

In the event of rejection of the Notice of Readiness, the Operating Company and/or the Operating Company's Group shall promptly notify the User and Master of the relevant LNG Carrier of such rejection.

- (b) In departure from the provisions of Clause 3.7.1.3a)iii), the Operating Company may, once the User has demonstrated that they are compatible with the Terminal's loading arms, agree to the use of spool pieces other than the Spool Pieces without prejudice to the fact that, in light of such departure, the User accepts, including in departure from the provisions of the Regasification Code, that it is fully liable for any Loss and/or loss of revenue that may be suffered by the Operating Company and/or by the Operating Company's Group for having used, or as a result of the use of, such spool pieces. Therefore, the User agrees to indemnify and hold harmless the Operating Company from and against any Loss and/or loss of revenue that may be suffered or incurred by it or the Operating Company's Group, as a result of or in connection with the use of the spool pieces of the LNG Carrier including in the event that the use of such spool pieces has been agreed with the Operating Company.

## **3.7.2 Mooring**

### **3.7.2.1 Mooring Priorities**

Save to the extent required to comply with Maritime Regulations and/or to protect persons, property or the environment from harm or damage due to adverse operational or safety conditions and subject to

Clauses 3.7.2.2a) and 3.7.2.3, the Operating Company shall give priority in the mooring of LNG Carriers, in the following descending order, to:

- (a) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company during its Scheduled Arrival Window; then
- (b) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company after its Scheduled Arrival Window (a **Late LNG Carrier**); then
- (c) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company prior to its Scheduled Arrival Window (an **Early LNG Carrier**),

provided that a Late LNG Carrier shall not have priority over an Early LNG Carrier if the Operating Company determines, in its sole discretion, that the result of Unloading the Late LNG Carrier would be that the Early LNG Carrier would not be able to proceed to moor within its Scheduled Arrival Window.

In the event that two or more LNG Carriers fall within each of the categories specified in Clause 3.7.2.1a), 3.7.2.1b) and 3.7.2.1c), above, mooring priority will be given on a "first-come, first-served" basis.

### **3.7.2.2 Permitted Delay of LNG Carrier**

- a. Notwithstanding Clause 3.7.2.1a), to accommodate a Late LNG Carrier and at the written request of the User of the Late LNG Carrier, the Operating Company may, without the consent of the relevant User, delay the Scheduled Arrival Window for the next LNG Carrier by a maximum of twenty-four (24) hours, as required. The User of the Late LNG Carrier shall reimburse the Operating Company for the Demurrage and any excess boil-off payable by the Operating Company to the affected User whose Scheduled Arrival Window is delayed to accommodate the Late LNG Carrier in accordance with the provisions of Clauses 3.7.3.4e) and 3.7.3.4f). The affected User shall not be entitled to any compensation other than Demurrage and compensation in respect of excess boil-off payable from the Operating Company for such accommodation of a delayed or Late LNG Carrier and the Operating Company shall have no other liability to the affected User for such accommodation of a Late LNG Carrier.
- b) In the event that the mooring of a Late LNG Carrier causes a reduction of the Gas redelivery del Gas in respect of that Nominated/Renominated by the Users, such reduction will, if possible, be attributed first to the User of the Late LNG Carrier and then, if necessary to the other Users in proportion to their Redelivery Nominations and/or Renominations.
- c) In the event that the mooring of a LNG Carrier, which falls within the priority envisaged by Clause 3.7.2.1a), is delayed exclusively due to Adverse Weather Conditions, any reduction of the Gas redelivery in respect of that Nominated/Renominated by the Users will be shared among all the Users in proportion to their Redelivery Nominations and/or Renominations.

### **3.7.2.3 Early and Late LNG Carriers**

If the User gives or causes to be given a Notice of Readiness to the Operating Company at any time not within its Scheduled Arrival Window which the Operating Company does not reject, the Operating Company will do everything that is reasonably possible to permit the mooring of such LNG Carrier in accordance with the priority set forth in Clause 3.7.2.1 or, otherwise at the first opportunity, provided there is sufficient Ullage available at the Terminal to unload the Cargo without affecting other Users' rights and holding harmless the Operating Company from and against any possible Loss suffered by the latter in connection with the Unloading of such Cargo and provided that such mooring does not raise safety concerns. Once seventy-two (72) hours have lapsed between the expiry of its Scheduled Arrival Window and the subsequent sending of the Notice of Readiness, The Operating Company shall have no obligation to use such efforts to berth a Late LNG Carrier.

## **3.7.3 Unloading**

### **3.7.3.1 Commencement and Completion of Unloading**

The Operating Company and the User shall commence receiving and Unloading (as appropriate), or cause receiving and Unloading to be commenced, as soon as practicable after the completion of mooring, and shall complete receiving and Unloading, or cause receiving and Unloading to be completed, safely, effectively and expeditiously taking into account the prevailing weather conditions and relevant operating conditions of the LNG Carrier and the Terminal.

### 3.7.3.2 Unloading Limits

a. The User shall not Unload or cause to be Unloaded into the tanks at the Terminal a quantity of LNG greater than the regasification capacity associated with a specific Delivery Slot as stated in the most current version of the Annual Unloading Schedule.

b. In the event that the User requests a quantity of LNG that exceeds the value of the regasification capacity associated with the Delivery Slot specified in the Annual Unloading Schedule, the Operating Company will take all reasonable steps to allow the Unloading of such quantities, provided that the additional volume does not affect the other Users' right to the Regasification Service. The User will hold harmless the Operating Company from and against any Losses suffered or incurred by the latter in connection with the Unloading of such Cargo and, if the unloading authorised by the Operating Company exceeds the value of the regasification capacity associated with the Delivery Slot by 5% for regasification capacity values lower than or equal to 135,000 m<sup>3</sup><sub>liq</sub> or by 2% for higher values the provisions of Clause 3.3.6.1b) will apply.

### 3.7.3.3 Avoidance of Unloading Delays

If, after a Notice of Readiness has been given, any problem occurs or is foreseen to occur that will or is reasonably expected to cause a delay to the LNG Carrier in mooring, Unloading or departing within the Allowed LNG Carrier Laytime or the Allowed Terminal Laytime as defined in Clause 3.7.3.4, the Parties agree to use reasonable endeavours to minimise or to avoid the delay and co-operate with each other to find countermeasures to minimise or avoid the occurrence of any similar delay in the future.

### 3.7.3.4 Allowed Laytime

(a) Subject to Clauses 3.7.2.2 and 3.7.2.3, the allowed laytime of the Operating Company is respectively thirty two (32) hours, in the event that the scheduled Unloading volume is equal or lower than 135,000 m<sup>3</sup><sub>liq</sub> and fifty-four (54) hours in all the other cases, and commences when the LNG Carrier is All Fast (as declared by the Master), and the LNG Carrier is ready in all respects to Unload the Cargo, subject to any extensions in accordance with Clause 3.7.3.4b) , and ends when the unloading arms have been disconnected (**Allowed Terminal Laytime**).

(b) Except where the delay is caused by an Operating Company's Default, the Allowed Terminal Laytime shall be extended by any period of delay that is caused by:

- (i) Reasons, including Off-Spec LNG, attributable to the LNG Carrier, the User, Ship Owner or Master or any directors, officers, employees, agents and representatives of the foregoing;
- (ii) the carrying out of any Planned Service Reduction;
- (iii) Force Majeure;
- (iv) night time transit restrictions;
- (v) Adverse Weather Conditions;
- (vi) compliance by any person with the Maritime Regulations;
- (vii) safety concerns of the Terminal Manager or the Master; or.
- (viii) quantities Unloaded in excess of the regasification capacity associated with a specific Delivery Slot according to the provisions of Clause 3.7.3.2b).

(c) The allowed laytime of the LNG Carrier is respectively forty (40) hours, in the event that the scheduled Unloading volume is equal or lower than 135,000 m<sup>3</sup><sub>liq</sub> and sixty-two (62) hours in all the other cases, and commences when the Notice of Readiness becomes effective and ends when the LNG Carrier has left the Exclusion Zone, subject to any extensions in accordance with Clause 3.7.3.4d) (**Allowed LNG Carrier Laytime**).

(d) Unless the delay is caused by the User or the User's Group, Allowed LNG Carrier Laytime shall be extended by any period of delay that is caused by:

- (i) reasons attributable to the Operating Company or any of its directors, officers, employees, agents and representatives of the previous parties (including any sub-contractor and/or the O&M Contractor);

- (ii) the carrying out of any Planned Service Reduction;
- (iii) Force Majeure;
- (iv) night time transit restrictions;
- (v) Adverse Weather Conditions;
- (vi) compliance by any person with the Maritime Regulations; or
- (vii) safety concerns of the Master or the Terminal Manager.

(e) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed Terminal Laytime (after taking into account any extensions of Allowed Terminal Laytime in accordance with Clause 3.7.3.4b), the Operating Company shall pay to the User, demurrage in the amount of €60,000 per Gas Day for each Gas Day of delay, and pro rata on an hourly basis for any partial Gas Day of delay (**Demurrage**).

(f) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed Terminal Laytime (after taking into account any extensions of Allowed Terminal Laytime in accordance with Clause 3.7.3.4b)) beyond twenty four (24) hours, the Operating Company shall pay to the User an additional sum to compensate the User for excess boil-off from the LNG Carrier for each hour of delay beyond such twenty four (24) hours, determined as follows:

Cargo volume scheduled to be Unloaded x 0.005% x Monthly Market Price

(g) The sums payable under Clauses 3.7.3.4e) and 3.7.3.4f) for such delay to that LNG Carrier may not in any case exceed an amount equal to the value envisaged by Clauses 3.7.3.4e) and 3.7.3.4f) due for four (4) Gas Days' delay per Unloading. Further, the sums envisaged by Clauses 3.7.3.4e) and 3.7.3.4f) are the sole and exclusive remedies available to the User for the Operating Company exceeding the Allowed Terminal Laytime.

(h) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed LNG Carrier Laytime (after taking into account any extensions of Allowed LNG Carrier Laytime in accordance with Clause 3.7.3.4d)), the User shall pay to the Operating Company Demurrage for each Gas Day of delay, and pro rata for any partial Gas Day of delay as provided in Clause 3.7.3.4e) subject to Clause 3.7.3.5.

### 3.7.3.5 Operating Company Remedies for Delay

(a) If an LNG Carrier fails to unmoor from the Terminal as soon as possible, and by no later than the end of the Allowed LNG Carrier Laytime, the Operating Company may:

- (i) subject to any provisions of the Technical Manuals and the Maritime Regulations, require the LNG Carrier to cease Unloading (if Unloading has not been completed) and/or unmoor from the Terminal and leave the Exclusion Zone; and
- (ii) take all safe and necessary steps to effect the removal of the LNG Carrier from the Terminal's berth at the User's expense.

(b) In taking any action pursuant to Clause 3.7.3.5a), the Operating Company:

- (i) shall not act in a manner that may be expected to endanger the LNG Carrier, its Cargo or crew; and
- (ii) shall use reasonable endeavours to permit the LNG Carrier to continue to Unload, provided that, at the Operating Company's discretionary opinion, such continued Unloading does not affect the Operating Company's ability to comply with its obligations to the other Users or conflict with any Planned Service Reduction.

(c) The Operating Company's remedies under Clauses 3.7.3.4h) and 3.7.3.5 shall be considered to be in addition to the compensation for any greater loss caused.

### 3.7.3.6 Incomplete Unloading

Should it be necessary due to Adverse Weather Conditions, safety or other reasons for an LNG Carrier to leave the Terminal before the Unloading is completed, the Operating Company shall bear no responsibility or liability for any damage to the departing LNG Carrier or to its crew due to the Sloshing of the LNG remaining on board. It is the responsibility of the User to ensure that the LNG Carrier is

always able to leave the Terminal in conditions of safety at any time during Unloading by ensuring *inter alia* that the LNG Carrier is designed to operate at all filling levels and that the Master acts in accordance with all necessary procedures and plans for unloading the Cargo, in particular to prevent Sloshing.

## Chapter 3.8 - VARIATIONS OF THE REGASIFICATION SERVICE

### 3.8.1 Permitted Regasification Service Variations

The Operating Company shall be entitled to reduce the User's Regasification Service in the following circumstances (each of which considered to be a **Permitted Regasification Service Variation**):

- (a) a Planned Service Reduction and/or Unplanned Service Reduction within the defined allowances set forth in Chapter 4.1;
- (b) a Force Majeure Event affecting the Operating Company;
- (c) a delivery of Off-Spec LNG or if the LNG in the tanks of the Terminal is Off-Spec LNG in the circumstances set forth in Clauses 3.4.1.8e) and/or 3.4.1.8f) including the cases envisaged by Clause 3.6.4.2d);
- (d) LNG Carrier berthing delays and reductions in Gas redelivery in the circumstances set forth in Clause 3.7.2.2;
- (e) early berthing of the LNG Carrier and increases in the redelivery of the Gas in the circumstances envisaged Clause 3.7.2.3;
- (f) suspension of Gas redelivery pursuant to Clause 3.5.3c); and
- (g) any additional event which, in the discretionary opinion of the Operating Company, makes it appropriate to reduce the User's Regasification Service in order to protect the health and safety of persons and the integrity and operations of the Terminal.

### 3.8.2 Variation of the Regasification Service

Service variations other than Permitted Service Variations shall be **Regasification Service Variations** and evaluated and compensated as follows:

- (a) The Operating Company may, at its sole discretion, delay the Scheduled Arrival Window associated with the User's Delivery Slot for up to two (2) Gas Days so long as, in the Operating Company's reasonable determination, having assessed the Ninety Day Unloading Schedule, such delay will not lead to a cancellation of the Delivery Slot. It is agreed that the sole and exclusive remedies available to the User for the postponement of the Scheduled Arrival Window will be the Operating Company's payment of Demurrage and compensation for boil-off in accordance with Clauses 3.7.3.4e), 3.7.3.4f) and 3.7.3.4g).
- b) If the Operating Company cancels the User's Delivery Slot or otherwise fails to complete the receipt of the Cargo after the commencement of the Unloading for any reason that is not a Permitted Service Variation, then the User shall be exempted from payment of the Regasification Service Charges (in whole or in proportion to the service received) for such Delivery Slot
  - c) The compensation described in Clauses 3.8.2a) or 3.8.2b), as applicable, is the User's sole and exclusive remedy for a delay in the mooring of the User's LNG Carrier or cancellation or termination of the User's Delivery Slot as described above.
- (d) In the event that the Operating Company, on a certain Gas Day, redelivers at the Redelivery Point pursuant to Clause 3.4.1.9, a quantity (expressed in MWh/day) other than that which the User entered in the Electronic Communications System with regard to the last Redelivery Nomination and/or Renomination possible and such variation is not a Permitted Service Variation, such User will be exempted, in relation to a certain Redelivery Period for Month M, from payment of the Regasification Service Charges in a share calculated in accordance with the following formula::

$$RID_k^M = (CSR_k^M) \times (A_k^M - 0,06 \times CDS_k^M) / CDS_k^M$$

where:

$RID_k^M$  = reduction in € of the Regasification Service Charges applied to the k-th User in Month M;

$CSR_k^M$  = charges in € for the Regasification Service owed by the k-th User in Month M;

$A_k^M$  = sum of the absolute values of the differences (expressed in MWh/day), calculated on each Gas Day of Redelivery Period for Month M, between the quantities actually redelivered to the k-th User and the quantities which the User has entered into the Electronic Communications System with regard to the last possible and non-justifiable Redelivery Nomination and/or Renomination pursuant to a Permitted Variation of the Regasification Service Consentita.

$CDS_k^M$  = regasification capacity subscribed by the k-th User in Month M expressed in MWh using the the Gross Calorific Value of the quantities of LNG actually Unloaded in Month M.

Considering that if  $A_k^M$  is lower than  $0.06 \times CDS_k^M$ , then  $RID_k^M = 0$

### 3.8.3 Notification of Regasification Service Variations

- (a) In the event that a Variation of the Regasification Service occurs the Operating Company will inform the User as soon as possible of the event that has caused the Variation of the Service (in addition to the Variation itself, if this has already occurred) or of its intention to make a Variation of the Regasification Service, and will provide the User with an estimate of the impact that such Variation of the Regasification Service will have on the provision of the Regasification Service.
- (b) In particular, the Operating Company will directly provide the User through the Electronic Communications System with an estimate of the quantities which may be redelivered to the User on one or more Gas Days and which the latter will have to consider for the purposes of the Redelivery Nomination and/or Renomination on Gas Days affected by the Variation of the Regasification Service.
- (c) It being understood that for the purposes of the application of the provisions of Clause 3.8.2d) 'last possible Redelivery Nomination and/or Renomination' shall mean the quantity notified to the User by the Operating Company and made available to the User through the Electronic Communications System at the latest four (4) hours before the end of the Gas Day on which a Variation of the Regasification Service is envisaged.
- (d) It being understood that the provisions of Clause 3.8.2d) constitute the only and exclusive remedy available to the User in the case of a Variation of the Regasification Service and nothing further may be claimed by the User as a consequence of such event.

## **SECTION 4: SCHEDULING AND QUALITY OF THE REGASIFICATION SERVICE**

### **Chapter 4.1 - MAINTENANCE SCHEDULING AND MANAGEMENT**

#### **4.1.1 General aspects**

The purpose of scheduling maintenance, though the scheduling of specific works at the Terminal, is to ensure the regular operation and an appropriate state of repair of the latter, its equipment and all the facilities used to provide the service. In order to carry out the appropriate maintenance work in the utmost safety, complementary operations are required such as, for example: the emptying of pipes or other parts of the Terminal and decontamination, stopping the plant and the subsequent cooling, filling and activation of the plant itself.

The Users accept that the aforementioned activities are necessary and may have an impact on the actual availability of the Regasification Service. To such end, the Operating Company agrees to schedule such activities and give adequate prior notice to the Users in accordance with the following provisions.

#### **4.1.2 Maintenance Schedule**

#### **4.1.3 The Operating Company shall publish, by 1 August of each year, the Maintenance Schedule for the subsequent Gas Year Scheduling maintenance work**

(a) When scheduling any maintenance work which causes a Planned Service Reduction, the Operating Company shall:

- (i) to the extent practicable, schedule such work to be carried out between 1 May and 30 September of each Year; and
- (ii) schedule the work to coincide (as far as practicable) with the execution of any inspection, maintenance, repair, modification, addition, expansion and/or construction of the National Transmission System that may affect the redelivery of Gas to the Redelivery Point.

(b) The number of Gas Days planned for the maintenance work envisaged by the Maintenance Schedule shall be:

- (i) a maximum of seventy-six (76) Gas Days in the five (5) Gas Year period thereafter, i.e. a number of Gas Days equivalent to a total reduction of the Regasification Service; and
- (ii) an annual maximum of twenty-eight (28) Gas Days for each Gas Year i.e. a number of Gas Days equivalent to a total reduction of the Regasification Service.

Subject to the foregoing, the Operating Company may schedule and order inspections of the LNG tanks to be carried out by an Approved Certification Company with a duration not exceeding four (4) Gas Days for each Gas Year and which shall be considered to be in addition to the Gas Days planned for maintenance work for each Gas Year. At least [two (2)] Gas Days prior to such tank inspection, the Users shall be obliged to empty at least one tank as directed by the Operating Company pro rata based on their Percentage Shares on the relevant Gas Days.

#### **4.1.4 Amendments to the Maintenance Schedule**

At least (2) Months prior to carrying out any maintenance, the Operating Company will inform the Users of the dates on which the relevant maintenance work is scheduled with an indication of the reduction of the Regasification Service. Any subsequent changes to the dates of such work will be notified by the Operating Company to the Users as soon as possible and in any case attempting to minimise the effects on the scheduling of the Unloading.

#### **4.1.5 Unplanned Service Reduction**

The Operating Company may carry out additional work, inspections, maintenance, repairs and modifications other than and in addition to the works envisaged in the Maintenance Schedule provided



that the consequent Unplanned Service Reductions do not result in a delay of a Confirmed Cargo that exceeds two (2) Gas Days. The Operating Company will publish the updated Maintenance Schedule on its website as soon as possible taking into account such Unplanned Service Reduction and the provisions of Clause 3.8.2a) will apply.

## Chapter 4.2 - OPERATIONAL COORDINATION

In order to ensure the operational coordination between the Regasification and Transportation Services envisaged by article 15, paragraph 1, Resolution no. 118/2015/R/GAS, the Operating Company, in its capacity as a regasification company, will coordinate with SRG, in its capacity as a transportation company, with particular regard to the following activities:

- monthly/weekly/daily scheduling of the quantities expected to be redelivered at the Redelivery Point and injected into the National Transmission System;
- Allocation among the various of the users of the transportation of the Gas injected into the National Transmission System;
- Management of emergencies;
- Management of the measuring facility at the Redelivery Point in accordance with the applicable statutory provisions.
- Any other activity for which coordination is envisaged between the Operating Company and SRG in accordance with the provisions of the Regasification Code and the Network Code.

Moreover, in order to reduce disservices for Users, the Operating Company and SRG will, where possible, jointly determine the scheduling of their respective maintenance work.

## Chapter 4.3 – QUALITY OF THE REGASIFICATION SERVICE

### 4.3.1 Introduction

The Operating Company has adopted a policy designed to reach and maintain a high standard of quality so as to ensure for all Users an adequate standard of reliability in the provision of the Regasification Service in compliance with the safety and environmental laws and in accordance with International Standards.

The fundamental principles to which the Operating Company adheres in order to ensure an adequate level of satisfaction of the User's needs in relation to:

- Efficiency of the Regasification Service;
- Continuity of the Regasification Service;
- Impartial treatment;
- safety, health and environment;
- Participation;
- Information;
- Commercial quality;

are listed below

Therefore, the Operating Company has adopted a HSEQ (Health, Safety, Environmental and Quality) policy and has undertaken, *inter alia*, to

- Meet the management system requirements for quality, environment, health, safety and corporate responsibility and continually improve their effectiveness;
- Strictly comply with the statutory provisions that protect safety and the environment of the surrounding area, and protect the employment, health and safety of the workers;
- Take, including with its suppliers, all the measures technically possible to prevent injuries and accidents and to protect safety, the environment and persons;
- Promote and disseminate a culture based on the satisfaction of the Users and the workers;
- Continually improve the company's processes, services and performance, to render them increasing effective and efficient;

- Enhance and enrich the experience and knowledge of its staff through training and awareness at all levels;
- Constantly monitor both internal company processes and those outsourced, promoting at all levels an adequate awareness of health, safety, environmental and corporate responsibility issues;

In order to implement such commitments, the Operating Company shall adopt an integrated management system in accordance with UNI EN ISO 9001, UNI EN ISO 14001, BS OHSAS 18001 and SA 8000.

#### **4.3.2 Fundamental principles**

The fundamental principles to which the Operating Company adheres to reach its objective of satisfying its Users' expectations are identified below.

##### **4.3.2.1 Efficiency of the Regasification Service**

Such principle requires the identification of organisational, procedural and technological solutions that can bring the Regasification Service in line with market requirements.

##### **4.3.2.2 Continuity of the Regasification Service**

In the event that interruptions of the Regasification Service occur due to, by way of example and without limitation, emergency situations, the Operating Company will take action to limit the consequences of such events, informing the Users of such interruptions and adopting any measures that may be deemed necessary to restore the Regasification Service.

##### **4.3.2.3 Impartial treatment**

The Operating Company guarantees compliance with the principles of objectiveness, neutrality, transparency and impartiality and non-discrimination in the operation of the Terminal and, more generally, in its company activities.

##### **4.3.2.4 Safety, health and environment**

The Operating Company is committed to conducting its business and providing the Regasification Service with respect for safety, the environment and health.

In the specific area of environmental protection, the Operating Company makes its contribution to climate protection and undertakes to assess the significant aspects of its activities and to reduce their impact. In particular, the Operating Company agrees to take all possible steps:

- to significantly reduce its air emissions, where this is technically and economically possible, through continual improvement processes and prevention strategies;
- not to exceed the emissions thresholds envisaged for waste water and where possible purify waste water before it is discharged into the receiving waters;
- avoid damage to the marine ecosystem;
- exploit the energy in an efficient manner as possible, through measured saving programmes;
- reduce its consumption of harmful fuels and optimise the production process in which they are used.

In the specific area of safety, the Operating Company has adopted a HSEQ policy principally based on EU Directive no. 96/82/CE (Legislative Decree no. 105/2015) according to which the safe operation of the Terminal is guaranteed by its or its suppliers' operational criteria, which are supplemented by the worker health protection objectives and by the statutory provisions on the environment laid down by Legislative Decree no. 152/2006 as subsequently amended. In particular, the Operating Company has set the following objectives:

- Continually update risk analyses and the assessment of new risks, with the aim of eliminating such risks and, where not possible, reducing them;
- Prevent dangerous situations or incidents and eliminate, where possible, any situations of danger, ensuring that the risk arising from the Terminal's activities is as low as is reasonably possible in light of current knowledge and technologies;
- Enhance and enrich the experience and knowledge of the staff through training and awareness at all levels, especially in relation to safety issues;
- Give the utmost importance to health, hygiene and safety in the workplace, assessing and eliminating potential risks and, in the event that this is not possible, implementing adequate prevention and protection measures;
- Minimise the impacts of any relevant incident through the timely and proper application of the envisaged protection measures;
- Improve the reliability of the Terminal and its processes through the use of cutting-edge machinery and technologies and targeted and preventive maintenance of facilities defined as critical.

#### **4.3.2.5 Participation**

A process for updating the Regasification Code is envisaged, which is open to participation of all eligible parties, which may submit proposals for the amendment/supplement of the document in accordance with the provisions of Chapter 6.2.

#### **4.3.2.6 Information**

The Operating Company will make available to each User, through the Electronic Communications System, information regarding its Capacity Agreement, administrative and accounting position and any other information on its relationship with the Operating Company.

#### **4.3.3 Areas of intervention**

In order to assess the achievement of the aforementioned objectives, listed below are certain areas in which parameters and indicators which adequately reflect the technical and commercial standards of quality shall be identified and monitored.

#### **4.3.4 Commercial quality standards**

Some of the main areas that allow the determination of the quality of the services provided by the Operating Company from a commercial standpoint may be identified as follows:

1. Procedures and timing for responses to requests for clarification on aspects pertaining to:
  - Access to the Regasification Service;
  - Allocation and transactions of Regasification capacity;
  - Allocation;
  - Invoicing.
2. Responses to complaints regarding invoices for the Regasification Service;
3. Compliance with the timings envisaged by the Regasification Code;
4. Assessment of the level of User satisfaction, through special surveys.

#### **4.3.5 Technical quality standards**

Some of the main areas that allow the determination of the quality of the services provided by the Operating Company from a technical standpoint may be identified as follows:

1. Compliance with the limits set in the Regasification Code for the Planned Service Reduction and the Unplanned Service Reduction;
2. Use of measuring instruments (quantity and quality) that guarantee increasingly higher levels of precision and reliability;
3. Emergency service to guarantee the safe operation of the Terminal and, where possible, the continuity of the Regasification Service in case of emergency.

#### 4.3.6 Standards of quality of the Regasification Service

The standards of commercial and technical quality of the Regasification Service provided by the Operating Company are described below.

The Operating Company monitors the standards and provides the AEEGSI, by 31 December of each Year, with information and data on the performance of such standards over the course of the previous Gas Year.

#### 4.3.7 Guaranteed standards of commercial quality of the service contained in the Regasification Code:

Area	Deadlines subject to guaranteed standards
Allocation after start of Gas Year (Clause 2.1.8)	Deadline for the publishing, by the Operating Company, of the Available Delivery Slots
Transfer of Regasification capacity (Clause 3.2.2)	Deadline for the acceptance, by the Operating Company, of the regasification capacity transfer request
Invoicing (Clause 5.2.2)	Deadline by which the Operating Company issues the invoices relating to the invoicing Month

#### 4.3.8 Guaranteed standards of technical quality of the service contained in the Regasification Code:

Area	Deadlines subject to guaranteed standards
Planned Service Reduction (Clause 4.1.3)	Maintenance work that determines a total reduction of the Regasification Service
Planned Service Reduction (Clause 4.1.3)	Maintenance work that determines a total reduction of the Regasification Service
Regasification Service Reduction (Clause 4.1.3)	Inspections of the LNG tanks

## SECTION 5: ADMINISTRATION

### Chapter 5.1 - TAX AND CUSTOMS REGULATIONS

#### 5.1.1 Tax

##### 5.1.1.1 Value added tax and other taxes

All the amounts payable by a Party are deemed to be exclusive of any VAT which may be payable. If VAT or other taxes are chargeable on any service provided by the Operating Company, the Party making the payment (the **Relevant Party**) shall pay to the Party receiving the payment (the **Recipient**), in addition to payment of the amount due, an amount equal to the VAT and other taxes due. Any amount of VAT payable shall be paid upon presentation of a valid VAT invoice.

##### 5.1.1.2 Excise duties

Excise duty is the duty imposed on Gas: in particular, pursuant to Legislative Decree no. 504/95, the product is subject to the duty when it is released for consumption, at a rate that varies according to its use (civil, industrial, other uses). The entities that are normally required to pay the duty in question are those that sell the product directly to consumers or consumers that use the dedicated infrastructure to transport their product. The Gas consumption required for the activities associated with the operation of the Terminal, i.e. both that required for the basic operation of the Terminal and that associated with the provision of the Regasification Service, is not considered to give rise to excise duty since such uses are connected with the regasification activity.

##### 5.1.1.3 No deduction or withholding

Each Party shall pay all sums payable by it free and clear of all deductions or withholdings in respect of tax unless any Applicable Law requires the paying Party to make such a deduction or withholding. In such case, the Party liable to make such payment shall pay such deducted or withheld amount to the Recipient as shall ensure that the net amount the other Party receives equals the full amount which it would have received had the deduction or withholding not been required. However, if the Beneficiary that has incurred the deduction or the withholding is entitled to a tax credit, the Party responsible for the payment shall not pay the Beneficiary the deducted and withheld amount up to the amount of such tax credit.

##### 5.1.1.4 Payment of tax

(a) The User shall be responsible for any fulfilment, documentation and obligations relating to the delivery and importation of the LNG and Gas.

(b) The User shall pay (or reimburse the Operating Company for payments made by the Operating Company with respect to), and shall indemnify and hold harmless the Operating Company from and against all taxes, duties, levies, fines, royalties, imposts or other charges (howsoever named) levied or imposed by the laws of Italy or any Competent Authority, on the User's LNG and Gas, and on the handling, transportation or use of the User's LNG and User's Gas which the Operating Company is required to pay or collect under any Applicable Law other than any fines levied against the Operating Company as a result of any non-fulfilment of its obligations.

(c) The Operating Company shall also be held harmless and indemnified by the User from and against all taxes, duties, levies, fines, royalties, imposts or other charges (howsoever named) levied or imposed by the laws of Italy or a Competent Authority, as a consequence of any incorrect, incomplete, inaccurate, omitted or late tax returns, declarations and/or communications, or of any incomplete, omitted or late payments or other obligations of whatsoever nature which should have been complied with by the User or any member of User's Group.

(d) This Clause 5.1.1.4 shall not require either Party to be responsible for any generally applicable corporate or direct tax, or any similar tax on profits or gains levied or imposed on the other Party by any governmental or tax authority.

#### 5.1.2 General provisions

Should any delay in complying with the customs duties, procedures or requirements by the User or any member of User's Group lead to a consequent delay in the Operating Company performing any of its obligations, the User shall be responsible for any possible obligation and expenses relating thereto,

save for any obligations, including any in respect of third parties, and expenses which would have in any case been discharged by the Operating Company.

## Chapter 5.2 - INVOICING AND PAYMENT

### 5.2.1 Charges for the services

#### 5.2.1.1 Charges

(a) the Regasification Service Charges, Adjustments and Transportation Service Charges shall be the sole consideration payable by the User for all services and other activities to be made available and/or performed by the Operating Company during the period of validity of the Capacity Agreement.

(b) During the validity of the Capacity Agreement, the User shall pay the following sums on a monthly basis:

- (i) the Regasification Service Charges;
- (ii) any Adjustments; and
- (iii) the Transportation Service Charges.

(c) In addition to the payment of the amounts referred to in Clause 5.2.1.1b), for the entire duration of the Capacity Agreement, the User will pay the Operating Company a quantity of Gas to cover Consumption and Losses in accordance with Clause 3.4.2.

#### 5.2.1.2 Payment Obligation

In every Month during the validity of the Capacity Agreement, the User shall pay the Charges in full, whether or not the User schedules or fails to schedule the delivery of its Cargoes, schedules or fails to schedule the redelivery of its Gas at the Redelivery Point, or exercises or fails to exercise its full entitlement to the Regasification Service over a particular period or for the entire duration of the Capacity Agreement irrespective of the reasons which prevented the exercise thereof, subject to the fact that the Charges will be payable to the Operating Company due to the provision of the Regasification Service.

#### 5.2.1.3 Regasification Service Charges

The User will be charged the following Regasification Service Charges, determined following the AEEGSI's approval and/or determination or as a result of the procedures envisaged by Title II TIRG, and will be paid by the latter pursuant to Clause 5.2.2:

- (i) the charge associated with contractual quantities of LNG expressed in Euro/m<sup>3</sup><sub>liq</sub>/year as defined following the results of the procedures envisaged by Title II TIRG; and
- (ii) Crs charge corresponding to the unitary charge to cover the restoration costs expressed in Euro/m<sup>3</sup><sub>liq</sub>/year.
- (iii) CM<sup>R</sup> charge corresponding to the unitary transitory measurement charge expressed in Euro/m<sup>3</sup><sub>liq</sub>/year.

#### 5.2.1.4 Adjustments

(a) The Operating Company shall invoice the User in accordance with Clause 5.2.2 in respect of the following amounts:

- (i) any amounts in relation to Off-Spec LNG due from the User to the Operating Company in accordance with Clause 3.6.4.2c);
- (ii) any Demurrage, payments and/or compensation in respect of the excess boil off payable by the User to the Operating Company under Clause 3.7.3.4;
- (iii) any amount relating to the variance charges owed by the User to the Operating Company in accordance with the provisions of Clauses 3.3.5 and 3.3.6;
- (iv) any other amount due by the User under the Regasification Code;
- (v) any credit accrued annually by the User at the end of a Gas Year under Clause 3.8.2 in relation to a Variation of the Regasification Service;



- (vi) any credit accrued by the User at the end of a Gas Year under Clauses 3.7.3.4e), 3.7.3.4f) and/or 3.7.3.4g), in respect of any Demurrage and/or excess boil off.
- (vii) any credit accrued by the User pursuant to Clause 3.6.5.2; and
- (viii) any other credit accrued by the User under the Regasification Code.

(b) The amounts that are due and payable by the User to the Operating Company in accordance with Clause 5.2.1.4a) shall be collectively referred to as the **Adjustments**.

### 5.2.1.5 Transportation Service Charges

The User shall be charged the following Transportation Service Charges, which will be paid by the User in accordance with Clause 5.2.2.

(a) Fixed Transportation Service Charge:

- i) the k-th Continuous Capacity User will be charged and will pay pursuant to Clause 5.2.2 a charge calculated, for each Month m of the Gas Year, according to the following formula:

$$\text{CORR.FISSO}_k = \text{SO}^{\text{MAX}} \cdot \text{CPe}_{\text{OLT}} \cdot \frac{(\text{Add})-}{\text{Acquired}} \cdot \frac{(\text{Ad})}{\text{Sec}}$$

where:

- SO<sup>MAX</sup>: maximum daily send out of the Terminal equal to 15,000,000 Sm<sup>3</sup>/d;
- ACQ<sub>k</sub>: annual regasification capacity subscribed the k-th User;
- ACQ<sub>TOT</sub>: annual regasification capacity offered by the Operating Company in the Gas Year;
- CPe<sub>OLT</sub>: annual unitary capacity charge for the LNG OLT Livorno Entry Point;
- NG<sub>m</sub>: number of Days in Month m.

- ii) any User other than the Continuous Capacity User will be charged and will pay pursuant to Clause 5.2.2 a charge calculated, for Month m, according to the following formula:

$$\text{CORR.FISSO}_k = \text{SO}^{\text{MAX}} \cdot \text{QPC}_k \cdot \text{CPe}_{\text{OLT}} \cdot \alpha$$

where:

- SO<sup>MAX</sup>: maximum daily send out of the Terminal equal to 15,000,000 Sm<sup>3</sup>/d.
- QPC<sub>k</sub>: Percentage Share of capacity of the k-th User in Month m.
- CPe<sub>OLT</sub>: monthly unitary capacity charge for the LNG OLT Livorno Entry Point.
- α: the multiplication coefficient applicable by SRG in the case of allocation of monthly, quarterly or semi-annual transport capacity.

(b) Variable Transportation Service charge:

The User will be charged and will pay, pursuant to Clause 5.2.2, its share of the variable charge charged by SRG based on the quantities actually redelivered to the User at the Redelivery Point during the Month prior to that of invoicing

(c) Other Transportation Service Charges

Any other fees, charges, costs and/or expenses, attributable in whole or part to the User and charged by SRG to the Operating Company and paid by the Operating Company under the Transportation Contract shall be charged to and paid by the User, unless and to the extent such costs and/or expenses arise as a direct result of an Operating Company breach or default in which case the Operating Company shall bear such costs and/or expenses. If such fees, charges, costs and/or expenses are attributable to all Users then such fees, charges, costs and/or expenses shall be

charged to and paid by the Users pro rata based on their respective Capacity Percentage Share. If any such fees, charges, costs and/or expenses arise as a result of a breach or default by User, such User shall be liable to pay such fees, charges, costs and/or expenses in proportion to its respective fault.

## 5.2.2 Invoicing

### 5.2.2.1 Invoices issued by the Operating Company

- (a) As regards the payments due by the Continuous Capacity User to Operating Company listed below, the Operating Company will issue an invoice to the Continuous Capacity User according to the following timing:
- i) invoices relating to the Regasification Service Charges and the Fixed Transportation Service Charge shall be issued by the tenth (10<sup>th</sup>) Day of the Month to which the charges refer; and
  - ii) invoices relating to the Variable Transportation Service Charges shall be issued by the tenth (10<sup>th</sup>) Day of the Month subsequent to the end of the Month to which the charges refer; and
  - iii) invoices relating to the Adjustments envisaged by Clause 5.2.1.4a), shall be issued as soon as all the information required for the relevant calculation is available.
- (b) As regards the payments due to the Operating Company by a User other than a Continuous Capacity User, the Operating Company will issue an invoice according to the following timing:
- i) the invoice relating to the regasification capacity allocated on the monthly basis and contained in the relevant Capacity Agreement and taking into account both the Regasification Service Charges and the applicable Fixed Transportation Service Charge will be issued by the end of the Month to which the charges refer;
  - ii) invoices relating to the Variable Transportation Service Charges shall be issued by the tenth (10<sup>th</sup>) Day of the Month subsequent to the end of the Month to which the charges refer; and
  - iii) invoices relating to the Adjustments envisaged by Clause 5.2.1.4b), shall be issued as soon as all the information required for the relevant calculation is available.
- (c) The Operating Company shall issue an invoice to a User other than a Continuous Capacity User in relation to the regasification capacity allocated on the monthly basis and contained in the relevant Capacity Agreement and taking into account both the applicable Regasification Service Charges and Transportation Service Charges. Such invoice will be issued by the tenth (10<sup>th</sup>) Day of the Month subsequent to the end of the Month to which the charges refer, while any Adjustments envisaged by Clause 5.2.1.4b) will be invoiced as soon as all the information required for the relevant calculation is available.
- (d) Each Month the Operating Company shall invoice the User an amount relating to the quantities of Gas withheld to cover Consumption and Losses considering a conventional price equal to the Monthly Market Price. The User shall debit back the Operating Company by issuing an invoice for the same amount indicated in the above mentioned Operating Company's invoice. This provision is made only for the purposes of complying with the applicable VAT provisions regarding barter transactions, it being understood that, from a substantive viewpoint, the quantities of Gas withheld to cover Consumption and Losses represent a consideration in kind, and are therefore part of the global remuneration paid to the Operating Company by the User for the service provided.
- (e) Each User is required to pay in kind to SRG through the Operating Company, the quantities of Gas to cover the needs of Gas consumption and losses of the National Transmission System; possible differences on the amounts paid to SRG, if any, will be subject to adjustments through issuance of invoices and / or credit notes. To such end, the Operating Company shall issue a VAT invoice to the User for the Gas used by SRG, determined in its Network Code. In turn, the User will issue a balancing invoice to the Operating Company for the same amount.

### 5.2.2.2 Operating Company's right to offset payment

In the event that any User has failed to pay the amounts due in relation to any invoice issued in accordance with the timing specified by Clause 5.2.2.4 (and such amounts have not been contested pursuant to Clause 5.2.2.6), the Operating Company may offset such credit against any amounts due by the Operating Company to the User, in relation to such invoice.

#### **5.2.2.3 User's right to offset payment**

In the event that the Operating Company has failed to pay the amounts due in relation to any invoice issued in accordance with the timing specified by Clause 5.2.2.4 (and such amounts have not been contested pursuant to Clause 5.2.2.6), the User may offset such credit against any amounts due by the User by the Operating Company, in relation to such invoice .

#### **5.2.2.4 Payment**

(a) All invoices shall be paid within twenty (20) calendar Days of receipt or settled to the extent permitted in Clauses 5.2.2.2 and/or 5.2.2.3. Any payment that is due to be made on a Day that is not a Business Day shall be due by the last Business Day prior to the expiry date.

(b) All payments shall be made in Euro.

(c) All payments shall be made in cleared funds by wire transfer to the bank accounts as designated by the Operating Company and the User, ensuring that they are available in the beneficiary's current account by the expiry date. . No sum will be deducted or withheld from the amount in connection with the transfer of money; such costs will be borne by the Party making the payment. Any cost relating to the transfer of the money to the current account, charged by the bank of the Party receiving the payment to the latter's account, will instead be borne by the latter

(d) The bank account shall be specified in the invoice.

#### **5.2.2.5 Adjustment of Errors**

(a) Without prejudice to Clauses 5.4.2 and 5.2.2.6, if an error is found by either Party in the amount shown as due in any invoice, such Party shall promptly notify the other Party in writing of such error. If (i) both Parties jointly, or (ii) if an Expert Determination or award of an arbitral tribunal issued pursuant to Clause 5.4.2.4 determine that an error has been made in any invoice, then the Party issuing the incorrect invoice shall promptly issue a statement of adjustment correcting any such error. If the erroneous invoice:

(i) has not been paid by the receiving Party either to the other Party, then the other Party shall promptly issue a new invoice (and shall cancel the previous incorrect invoice) for the outstanding amount; or

(ii) has been paid by the receiving Party, then any adjustment shall be paid by the Party owing payment to the other Party within ten (10) Business Days of the date of the statement of adjustment. It being understood that no bank interest will be paid on the adjustment amount.

#### **5.2.2.6 Invoicing disputes**

(a) Except in the case of any material manifest error in an invoice or the nullity, annullability and termination of the Capacity Agreement as envisaged by article 1462 Italian Civil Code, the Parties may not postpone or suspend the payment of any invoice by reason of any claims, complaints or objections against the other Party or by reason of any pending dispute with the other Party, subject to compensation for damage arising from the default.

(b) When any sum is the subject of a dispute the Party disputing the sum shall by not later than five (5) Business Days before the required payment date notify the other Party of the sum in dispute (giving details of the reasons for the dispute) and shall in any case pay the other Party, which shall only use such sums in the manner envisaged by Clause 5.2.2.6d).

(c) Within thirty (30) Days from the date of the notification referred to in Clause 5.2.2.6b) the Operating Company and the User shall endeavour in good faith to resolve the dispute and the Party making such payment undertakes not to commence any proceedings in respect of such dispute until the expiry of such thirty (30) Day period. Unless the dispute has been resolved during such thirty (30) Day period, the procedure according to Clause 5.4.2 shall apply.

(d) After settlement of the dispute, any sum agreed or adjudged to be due and payable to the Party that sent the notice envisaged by Clause 5.2.2.6b) shall be paid to it within five (5) Days of the date of resolution of the dispute.

#### **5.2.2.7 Late Payment**

All amounts properly invoiced by and due and payable to the other Party which have not been paid by the due date shall bear default interest on a Daily basis from and including the Day following the payment due date will produce default interest on a daily basis, starting from and including the Day following the expiry date, up to and including the Day on which payment is actually received by the other Party, at a percentage rate per annum equal to EURIBOR plus eight percent (8%). If the default interest so determined exceeds the limit determined by the Ministry of Economy and Finance pursuant to Law no. 108 of 7 March 1996, default interest shall be payable at the maximum rate permitted by Italian law.

## Chapter 5.3 - LIABILITY OF THE PARTIES

### 5.3.1 Liability

#### 5.3.1.1 The User's liability in respect of the Operating Company

Subject to the application of Clause 3.6.1.2b) for any damage or loss suffered in relation to the LNG and/or Gas owned by the User, of Clause 5.3.1.2 for the compensation of loss of revenue, of Clause 5.3.1.4 applicable to claims by third-party owners of the LNG filed against the Operating Company and, finally, any liability due to the pollution and contamination of the environment, the User will be liable and shall compensate the Operating Company for any Losses suffered due to: i) a User's Default pursuant to Clause 5.3.2.1, or a Default by a member of the User's Group, ii) the User's LNG Carrier, which causes damage to the Operating Company (such as, for example, damage to the Terminal, including the systems and/or equipment installed or otherwise used at the Terminal and the Spool Pieces), or any physical injury to persons.

Subject to the non-application of the limitations established in the LLMC which the User expressly waives, the User may limit its liability pursuant to this Clause up to the amount of USD one hundred and fifty million (\$ 150,000,000) per individual event. In the event that the Operating Company, or a third party, is complicit in the event that caused the damage, the User's limitation of liability up to the amount of USD one hundred and fifty million (\$ 150,000,000) will not be reduced in proportion, but will apply in full for the entire share of liability of the User.

#### 5.3.1.2 Liability for loss of revenue

In addition to the User's liability pursuant to Clause 5.3.1.1, in the event that a User's Default pursuant to Clause 5.3.2.1, including any act, action or wilful or negligent omission by the User, or of a member of the User's Group in breach of its obligations, affects the Operating Company's ability to provide the Regasification Service (each of which, a **Relevant Event**), the User:

- (a) will continue to pay the Charges; and
- (b) will pay the Operating Company an amount equal to 80% of the Charges that the Operating Company would have accrued if it had fully allocated the regasification capacity in the period in which the Terminal was unavailable, to be defined, pursuant to article 1382 Italian Civil Code, as an indemnity agreed by the Parties for the loss of revenue suffered by the Operating Company due to its inability to provide the Regasification Service, it being of no importance whether it is actually possible to allocate the regasification capacity on the relevant market. The User may only be held liable pursuant to this Clause 5.3.1.2b) in relation to each Relevant Event for a period of two (2) years starting from the date on which the Relevant Event occurred and, in any case, for an overall amount not exceeding one hundred and fifty million euro (€ 150,000,000).

In the event that several Users are liable in respect of the Operating Company for the compensation of loss of revenue for the same period of time, each User will be liable exclusively for its own share of the amounts envisaged by Clause 5.3.1.2b). Unless proven otherwise, the complicity of several Users in causing the damage is presumed to have occurred in equal measure among such Users.

#### 5.3.1.3 The Operating Company's liability in respect of the User

The Operating Company will be liable for and will compensate the User exclusively for Losses arising from a Operating Company's Default, including any action or negligent omission by the Operating Company or by any member of the Operating Company's Group which causes damage to the User such as, for example, damage to the LNG Carrier, including the systems and/or equipment installed or otherwise used on the LNG Carrier excluding the Spool Pieces, or any physical injury to persons.

The Operating Company limits its liability under this Clause to the amount of four million euro (€ 4,000,000) per individual event. In the event that the User, or a third party, is complicit in the event that caused the damage, the limitation of the Operating Company's liability to four million euro (€ 4,000,000) will not be reduced in proportion, but will apply in full for the entire share of liability of the Operating Company.

The Operating Company may apply any limitations of liability envisaged by the LLMC (irrespective of ratification by Italy) that are more favourable than those regulated by this Clause 5.3.1.3.

#### 5.3.1.4 Liability to third party owners of LNG

If a third party that is owner of all or part of the LNG or of regasified Gas by the Operating Company on behalf of a User or any other title that entitles said party to bring a legal against the Operating Company, brings any claim arising out of or in connection with such LNG or Gas for any reason against the Operating Company or any member of the Operating Company's Group, the User shall indemnify, defend and hold harmless the Operating Company from and against any Loss and loss of revenue arising from such claim.

#### 5.3.1.5 Notification and conduct of claims

(a) A Party (the **Seeking Party**) seeking to be indemnified by the other Party under an indemnity shall notify the other Party (the **Notified Party**) of:

- (i) any claim for indemnification pursuant to or in connection with the Regasification Service (including any claim by any third party); or
- (ii) any circumstances which may, with a reasonable degree of probability, give rise to a claim for indemnification,

in each case as such as reasonably practicable after becoming aware of the same.

(b) In the case of any action or claim which has been brought against a Seeking Party by a third party in respect of any such matter, the Notified Party shall be entitled at its expense to assume the defence thereof in place of the Seeking Party. In such circumstances, the Seeking Party shall provide the Notified Party with such information and assistance as the Notified Party shall reasonably request. If the Notified Party assumes the defence of the relevant claim or action, it shall not be liable for any settlement thereof which is made without its consent. The Notified Party shall not agree to any settlement granting any relief other than payment of money without the prior written consent of the Seeking Party.

(c) If the Seeking Party is the Operating Company and the Operating Company is seeking indemnification from more than one User in respect of an occurrence or circumstance or related series of occurrences or circumstances giving rise to the particular claim by a third party, the User shall not be entitled to assume the defence thereof unless all Users from whom indemnification is sought by the Operating Company have provided the Operating Company with their written consent to the User assuming such defence in respect of all Users from whom indemnification is sought.

#### 5.3.1.6 Limitation of Liability

(a) The obligations of a Notified Party shall not extend to:

- (i) any Loss or other loss of whatever kind and nature (including all related costs and expenses) which may result from the settlement or compromise of any action or claim brought against the Seeking Party, or the admission of fault or liability by that Seeking Party in respect of any action or claim or the taking by the Seeking Party of any action (unless required by law or applicable legal process), which would prejudice the successful defence of the action or claim, without, in any such case, the prior written consent of the Notified Party (such consent not to be unreasonably withheld or delayed in a case where the Notified Party has not, at the time such consent is sought, assumed the defence of the action or claim); or
- (ii) to any legal expenses being costs, charges and expenses which may result from the employment by the Seeking Party of its own legal advisers in connection with any action or claim against it after the defence of such action or claim has been assumed by the Notified Party.

(b) The User's liability in respect of the Operating Company may not in any case exceed the all-inclusive sum of two hundred million euro (€ 200,000,000) taking into account the overall liability for Losses pursuant to Clause 5.3.1.1 and loss of revenue pursuant to Clause 5.3.1.2. In the case of Losses caused by the LNG Carrier including any loss of revenue arising from such event, the Operating Company may only bring an action for compensation against the User pursuant to this Clause once a period of eight (8) months has lapsed from the date of the event caused by the LNG Carrier that gave rise to the Loss and/or loss of revenue for which it is seeking compensation and, in any case, once it has asked for compensation for such damage from the LNG Carrier and/or the owner of such LNG Carrier pursuant to article 14.1 of the Terms of Use, except where such action appear manifestly unfounded.

- (c) There may be no limitation of liability in the case of damage caused due to intent or gross negligence of the Notified Party. The burden of demonstrating the existence of intent or gross negligence lies with the Seeking Party.

### 5.3.2 Events of Default

#### 5.3.2.1 User's Events of Default

Upon occurrence of any of the following events, indicated by way of example and without limitation, , the User will be considered to be in default (**User's Default** ( )):

- (a) the User has not paid the amount due under Chapter 5.2 for a period exceeding 30 Days from the date on which such amounts fell due, and the sum has not been recovered through the Bank Guarantee and/or the User's Group's Guarantee provided by the User(s);
- (b) the User commits a material breach of its obligations under the Capacity Agreement and/or of this Regasification Code, and such breach is not capable of being cured or the User repudiates the Capacity Agreement;
- (c) the User commits a material breach of its obligations under the Capacity Agreement which is capable of being cured and such breach continues uncured ten (10) Business Days after the Operating Company gives the User notice of such breach;
- d) the User no longer meets the Service Conditions pursuant to Clause 2.1.1 and fails to remedy this discrepancy in accordance with the procedures and deadlines envisaged by the Regasification Code;
- (e) the User has committed a significant breach of its obligations envisaged by Chapter 3.1
- (f) the User shall:
  - (i) suspend payment of its debts or is unable or admits in writing its inability to pay its debts as they fall due;
  - (ii) enter into or proposes to enter into any composition or other arrangement for the benefit of its creditors generally or any class of creditors;
  - (iii) become subject to any action or any legal procedure or any other step taken (including the presentation of a petition or the filing or service of a notice) with a view to establishing:
    - (i) the User's insolvency or bankruptcy; or
    - (ii) its winding-up ("*cessazione di attività*"), dissolution ("*scioglimento*"), administration ("*procedura concorsuale*") or reorganisation ("*riorganizzazione*");
    - (iii) the appointment of a trustee, receiver, administrative receiver, liquidator, administrator or similar officer in respect of it or any of its assets,

and such action, procedure or step is not withdrawn or discharged within fourteen (14) Days after the User, in the case of paragraph (2), became subject to it or, in the case of paragraphs (1) and (3), receives formal notice thereof or in the case of paragraphs (2) or (3), such action, procedure or step is instituted by the User for the purposes of a fully solvent reorganisation;

- (iv) enters into or receives formal notice of any adjudication, order or appointment as to its winding-up, dissolution, administration or reorganisation under or in relation to any of the proceedings referred to in Clause 5.3.2; or
- (v) enters into or receives formal notice of any event or proceedings equivalent to winding-up ("*cessazione di attività*"), dissolution ("*scioglimento*"), administration ("*procedura concorsuale*") or reorganisation ("*riorganizzazione*") (by whatever name known) under the laws of any applicable jurisdiction which has an effect equivalent or similar to any of the events specified in Clause 5.3.2.
- (g) any breach of the obligations arising from the Capacity Agreement that may cause damage to the Operating Company.

An event or circumstance described in Clause 5.3.2.1(a) shall not constitute a User's Default if such event or circumstance was caused by an Operating Company's Default .

### **5.3.2.2 Operating Company's Events of Default**

Subject to Clause 5.3.2.2(b), the occurrence of any one of the following events, indicated by way of example and without limitation, constitutes an event of default with respect to the Operating Company (**Operating Company's Default**):

- (a) the Operating Company fails to pay the amounts due to the User in accordance with the provisions of Chapter 5.2 for a period exceeding 30 Days from the date on which such amounts fell due;
- (b) the Operating Company has applied for a scheme of arrangement pursuant to articles 160 *et seq.* of Royal Decree no. 267 of 16 March 1942, or for a judicial moratorium pursuant to articles 187 *et seq.* of Royal Decree no. 267 of 16 March 1942;
- (c) any breach of the obligations arising from the Capacity Agreement that may cause damage to the User.

An event or circumstance described in Clause 5.3.2.2(a) above shall not be considered an Operating Company's Default if such event or circumstance was caused by a User's Default.

## **5.3.3 Right of Withdrawal and Termination**

### **5.3.3.1 Withdrawal by the User**

With the exception of cases of Force Majeure envisaged by Clause 5.3.4 and without prejudice to other specific provisions contained in this Regasification Code, the Continuous Capacity User may, subject to the provisions of Clause 5.3.4.4, withdraw from the Capacity Agreement at its own discretion, giving the Operating Company written notice at least one hundred and eighty (180) Days before the withdrawal takes effect. In the event of a withdrawal, the Continuous Capacity User will pay the Operating Company 80% of the Charges that would have been due to the Operating Company for the remaining duration of the Capacity Agreement for which the right of withdrawal has been exercised. Payment of such amounts to the Operating Company will constitute a condition of validity and effectiveness of the withdrawal itself

### **5.3.3.2 Termination**

- (a) Upon the occurrence of an Operating Company's Default or a User's Default, as the case may be, the non-defaulting Party may, to the extent permitted by Applicable Law and unless, in the case of the default envisaged by Clause 5.3.2.1.f, termination is prohibited by mandatory provisions of the country in which the User resides or has its registered office, terminate the Capacity Agreement by giving notice to the other Party.
- (b) Either Party may terminate the Capacity Agreement by giving notice to the other Party in accordance with Clause 5.3.4.8.
- (c) The notice shall specify in reasonable detail:
  - (i) the Operating Company's Default ; or
  - (ii) the User's Default; or
  - (iii) that the termination is a termination for prolonged Force Majeure in accordance with Clause 5.3.4.8,
  - (iv) as the case may be, the party giving rise to the termination. The Capacity Agreement shall automatically terminate upon the date on which notice is properly served pursuant to the notice provisions set out in Clause 5.4.5 or on a later date as specified in the notice.

### **5.3.3.3 Waiver of Italian civil code rights**



The User expressly waives (i) its right to request the termination of the agreement due to supervening excessive onerousness envisaged by article 1467 Italian Civil Code since it accepts the risky nature of the Capacity Agreement, (ii) its right to withdraw from the Capacity Agreement envisaged by article 1660 Italian Civil Code in the event that, in order to implement the Regasification Service, it is necessary to make variations thereto and (iii) its right to request a review of the price envisaged by article 1664 Italian Civil Code in the event that, due to unforeseeable circumstances, there has been a variation of the Regasification Service Charges.

#### **5.3.3.4 Non-retrospective nature of the withdrawal and the termination in respect of existing rights**

Subject to Clause 5.3.3.5, the withdrawal, termination or expiry of the Capacity Agreement will be without prejudice to the rights and obligations of the Parties that may have accrued prior to the date of termination or expiry and any rights and obligations of the Parties expressly stated or otherwise intended to survive termination or expiry including any continuing confidentiality obligations under Clause 5.4.4 and the obligation of the User to pay the Charges.

#### **5.3.3.5 User's Inventory**

If the User's Inventory is greater than zero upon termination of or withdrawal from the Capacity Agreement or in the case of transfer or release and subsequent allocation of the whole regasification capacity envisaged by Capacity Agreement, then to the extent necessary until the User's Inventory is reduced to zero subject to the User's obligations under Clause 3.4.2, the Operating Company shall redeliver the LNG envisaged by the User's Inventory through a redelivery profile determined by the Operating Company so as to ensure that the User's Inventory is reduced by such amount as is necessary to ensure that, after having complied with its obligations under Clause 3.4.2, the User's Inventory is equal to zero and that in no circumstances shall the redelivery profile of other Users be adversely affected by such arrangements. The User shall ensure that its share, if any, of the Minimum Inventory is immediately transferred to the other Minimum Inventory Users and shall indemnify and hold harmless the Operating Company from and against any and all Loss arising out of or in connection with any failure to do so. Otherwise, the Operating Company will redeliver to the User the LNG envisaged by the Minimum Inventory through a redelivery profile determined by the Operating Company so as to ensure that the User's Minimum Inventory is reduced to zero and that in no case will such operations have an adverse impact on the redelivery profile of the other Users.

#### **5.3.4 Force Majeure**

##### **5.3.4.1 Definition of Force Majeure**

**Force Majeure** or **Force Majeure Event** means any event or circumstance, or any combination of events and/or circumstances, the occurrence and/or effect of which:

- (a) is beyond the reasonable control of the interested Party and which a Reasonable and Prudent Operator or a Reasonable and Prudent User, as the case may be, could not have avoided or prevented; and
- (b) causes or results in either Party (the **Affected Party**) being unable to perform (in whole or in part) or being delayed in performing any of its obligations owed to the other Party under the Capacity Agreement,

but, for the avoidance of doubt, the following events or circumstances shall in no case constitute Force Majeure:

- (i) in relation to the Operating Company or the User as the case may be, the breakdown or failure of plant or equipment of the Terminal or the LNG Carrier, where applicable, caused by normal wear and tear or by a failure properly to maintain such plant or equipment, in each case in accordance with the standards of a Reasonable and Prudent Operator or Reasonable and Prudent User, as the case may be;
- (ii) a Party's inability to finance its obligations under the Capacity Agreement or the unavailability of funds to pay amounts, when due; or
- (iii) changes in a Party's market factors, default of payment obligations or other commercial, financial or economic conditions.

- iv) in relation to the User, any event, fact or circumstance that has occurred outside the perimeter of the Terminal delineated by the Delivery Point and the Redelivery Point.

#### 5.3.4.2 Examples of Force Majeure

Subject to Clause 5.3.4.1, Force Majeure will include (the list shall be considered by way of example and limitation):

- (a) natural disasters or environmental conditions such as lightning, earthquake, volcanic eruption, hurricane, tornado, storm, fire, flood, landslide, soil erosion, subsidence, perils of the sea, washout, epidemic or other acts of God;
- (b) an act of the public enemy or terrorists or war declared or undeclared, threat of war, blockade, revolution, riot, insurrection, civil commotion, demonstration, sabotage or acts of vandalism;
- (c) strikes or any other industrial action or labour disputes involving, including indirectly, the Affected Party or its contractors, subcontractors, agents or employees thereby significantly affecting their ability to comply;
- (d) ionising radiation or contamination by radioactivity from any nuclear gas or nuclear waste, from the combustion of nuclear gas, radioactive toxic explosion or other hazardous properties or any explosive, nuclear assembly or nuclear component thereof;
- (e) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds, articles falling from aircraft or the impact of satellites or aircraft or parts thereof;
- (f) Change in Law, or the failure to obtain, suspension or revocation of any Authorisation;
- (g) the breakdown or failure of, freezing of, breakage or accident to, or the necessity for making repairs or alterations to any facilities, plant or equipment or part thereof;
- (h) any failure, restriction, constraint (including where caused by planned or unplanned maintenance in connection with the National Transmission System) or discontinuance of the National Transmission System which prevents or restricts:
  - (i) the Operating Company from injecting Gas into the National Transmission System at the Redelivery Point; and/or
  - (ii) the User from accepting redelivery of Gas at the Redelivery Point; and/or
  - (iii) the Operating Company from accepting LNG due to a lack of Ullage in the storage tanks at the Terminal.

#### 5.3.4.3 Performance during Force Majeure

(a) Subject to Clauses 5.3.4.4 and 5.3.4.6, when and to the extent that performance of an Affected Party's obligations under the Capacity Agreement is prevented or delayed by any circumstances of Force Majeure:

- (i) such obligations of the Affected Party under the Capacity Agreement shall cease for such period; and
- (ii) it will not be considered to be in breach or default of any such obligations under the Capacity Agreement.

(b) Where the Affected Party is the Operating Company and the circumstances of Force Majeure result only in a partial reduction in its ability to provide the Regasification Service to any or all Users, the Operating Company shall allocate its remaining capability to provide the Regasification Service to the Users, such that where the Force Majeure Event is:

- (i) due to the User's default, then the principles in Clause 3.4.1.10 shall apply; or
- (ii) not due to the default of the User, the Continuous Regasification Services shall be reduced pro rata in accordance with the Users' Percentage Shares.

(c) To the extent that an Affected Party has claimed relief for Force Majeure and is thereby relieved from performing any of its obligations under the Capacity Agreement, the other Party shall be released from and shall not be considered to be in default to the extent it is unable to perform any of its corresponding obligations.

#### **5.3.4.4 User's rights and obligations**

- (a) The User shall continue to pay the sums owed in relation to the Charges for the Regasification Service, Adjustments and Transportation Service Charges during the period of Force Majeure where the User is the Affected Party;
- (b) if the Operating Company is the Affected Party with reference to the event of Force Majeure envisaged by Clause 5.3.4.2h), the User shall continue to pay the Regasification Service Charges, the Adjustments and the Transportation Service Charges even during any period of Force Majeure. It being understood that the Transportation Service Charges shall be due until such time and to the extent to which they are requested by SRG from the Operating Company.
- (c) In the event that the Operating Company is the Affected Party, for the entire duration of such period and until the declaration of Force Majeure is revoked, the User's liability for the payment of the Regasification Service Charges, Adjustments, Transportation Service Charges for the service affected by the event will be reduced in proportion to the actual provision of the Regasification Service

#### **5.3.4.5 Procedure for declaring a Force Majeure event**

When claiming relief for a Force Majeure event, the Affected Party shall:

- (a) as soon as reasonably possible after the occurrence of the event or circumstance (or combination of events or circumstances) causing the failure to perform its obligations, notify the other Party of the occurrence of Force Majeure;
- (b) within ten (10) Business Days thereafter, provide a report giving reasonable details of the Force Majeure Event including the place thereof, the reasons why its obligations under the Capacity Agreement were and, if applicable, continue to be affected, the services affected and, if applicable, likely to be affected (in the case of the Operating Company) and, to the extent known or ascertainable, an estimate of the period of time required to rectify the circumstances causing the failure; and
- (c) keep the other Party informed, on an ongoing basis, of the status of the event or circumstances giving rise to such Force Majeure, the actions being taken under Clause 5.3.4.7 .

#### **5.3.4.6 Revocation of declaration of a Force Majeure event**

At any time during the period of Force Majeure, the Affected Party may elect not to claim any further relief from liability under Clause 5.3.4 by giving the other Party notice of such election.

#### **5.3.4.7 Rectification of Force Majeure**

Subject to the Parties' termination rights under Clause 5.3.4.8, from the declaration of a Force Majeure event under Clause 5.3.4.5 and for so long as such event is continuing and such declaration has not been revoked, the Affected Party shall take all steps reasonably necessary in accordance with the standards of a Reasonable and Prudent Operator (where the Operating Company is the Affected Party) or a Reasonable and Prudent User (where the User is the Affected Party) to restore its ability to perform its obligations under the Capacity Agreement, provided that the Affected Party shall not be required:

- (a) to breach, or to take any action that may lead to a breach of, any of its contractual obligations to third parties; nor
- (b) to settle any labour dispute, except in such manner as it shall in its own judgement consider fit.

#### **5.3.4.8 Termination for prolonged Force Majeure**

- a) If the Operating Company has given notice, through one or more declarations, of one or more events, including consecutive and not concurrent events, which constitute cases of Force Majeure and such Force Majeure situation has continued (and the Operating Company has not revoked its declaration(s) of Force Majeure under Clause 5.3.4.6) for an overall period of twenty-five percent (25%) of the duration of the Capacity Agreement signed by the User and in any case not less than two hundred and forty (240) Days, following such period either Party may terminate the Capacity Agreement by giving notice to the other Party in accordance with Clause 5.3.3.2, unless the Operating Company has declared a Force Majeure event due to suspension or revocation of any Authorisation which is attributable to acts or omissions of any member of the User's Group, in such case the User may not terminate the Capacity Agreement.

- (b) In the event that a User exercises its right to terminate the Capacity Agreement pursuant to Clause 5.3.4.8a) above, such User shall pay: an amount equal to the current net value (on the effective date of the termination) of the Transportation Service Charge that would have been due by such User in the event that the Capacity Agreement had not been terminated, starting from the effective date of the termination for the remaining duration (i.e. until the date of expiry indicated in such Capacity Agreement). The amount envisaged by this point c) will be calculated on the basis of the Transportation Service Charge applicable to such User on the effective date of such termination, without taking into consideration any adjustments or variations of the Transportation Service Charges that would or could have occurred at any time during the remaining duration of the Capacity Agreement.
- c) In the event that the regasification capacity that has become available following the User's exercise of its right to terminate the Capacity Agreement pursuant to this Clause 5.3.4.8 and in relation to which such User has made the payments to the Operating Company envisaged by Clause 5.3.4.8b) is subsequently reallocated, in whole or in part, to another User, the Operating Company will repay the original User the amounts of the Transportation Service Charge that such User has paid the Operating Company in relation to such reallocated regasification capacity as soon as the Operating Company has reallocated such regasification capacity to the new User.

## Chapter 5.4 - GENERAL PROVISIONS

### 5.4.1 Applicable Law

The Regasification Code and the relationship between the Parties shall be governed by and interpreted in accordance with Italian Law, provided that the statutory rules governing international purchase (CISG 1980) shall be excluded.

### 5.4.2 Dispute Resolution

Any matter or dispute or difference of whatever nature howsoever arising under, out of or in connection with the Capacity Agreement and/or Regasification Code (together referred to as a **Dispute**) between the Parties shall be referred to the AEEGSI where an arbitration procedure will be activated in accordance with the procedures that will be determined through the regulation envisaged by article 2, paragraph 24, letter b), of Law no. 481 of 14 November 1995, in the event that such arbitration procedure is directly applicable to the Parties including without their consent. Until such time as such regulation is issued and such procedure may be accessed by the Parties, any Disputes will be regulated by the dispute resolution procedure set out in this Clause 5.4.2.

#### 5.4.2.1 Reference to representatives

(a) Where a Dispute between the Parties has not been resolved by amicable discussions, each Party may serve notice on the other Party setting out the material particulars of the Dispute and requiring that the dispute resolution provisions set out in this Clause 5.4.2.1 shall apply to resolve the Dispute (**Notice of Dispute**). The Party serving a Notice of Dispute, shall include in the Notice of Dispute the name and relevant qualifications of its senior representative that it has appointed to negotiate and settle the Dispute. The other Party shall within five (5) Business Days of the receipt of such Notice of Dispute (the **Date of Receipt**) appoint and notify the other Party of the name and relevant qualifications of its duly authorised senior representative who is appointed to negotiate and settle the Dispute.

(b) The representatives shall meet within ten (10) Business Days after the Date of Receipt of the Notice of Dispute and shall attempt to resolve the Dispute and produce a written document setting out the terms of any settlement reached.

(c) If the representatives so decide they may jointly suggest that the Dispute be referred to mediation. If the Parties agree, then the Dispute shall be mediated in Milan in accordance with the Centre for Dispute Resolution (**CEDR**) Model Mediation Procedures and the mediator shall be nominated by CEDR.

#### 5.4.2.2 Failure by representatives to resolve the Dispute

If the Dispute is not resolved by the representatives appointed pursuant to Clause 5.4.2.1 or by mediation pursuant to Clause 5.4.2.1(c) (as evidenced in either case by the signing of binding written terms of settlement) within fifteen (15) Business Days after the Date of Receipt of the Notice of Dispute (or such longer period as may be mutually agreed in writing by the Parties), then Clauses 5.4.2.3 and 5.4.2.4 shall apply as appropriate.

#### 5.4.2.3 Expert determination

The provisions of this Clause 5.4.2.3 shall apply between the parties to a Dispute in circumstances where the Capacity Agreement or the Regasification Code (including, by way of example, pursuant to Clause 5.2.2.5) provide that the Dispute be referred to and resolved by an Expert appointed under this Clause 5.4.2.3 or where the parties to the Dispute agree that the Dispute may be referred to and determined by an Expert:

(a) If a Dispute has not been resolved in accordance with Clauses 5.4.2.1 and 5.4.2.2 within fifteen (15) Business Days after the Date of Receipt of the Notice of Dispute (or such longer period as may be mutually agreed in writing by the Parties), then any party to a Dispute which is to be referred to and resolved by an Expert may give notice of reference of the Dispute to an Expert to each other party to the Dispute (setting out the material particulars of the Dispute and the issues to be resolved and a statement of the relief claimed) (**Notice of Expert Determination**).

(b) If the identity of the Expert cannot be agreed by the parties to the Dispute within five (5) Business Days of the receipt of the Notice of Expert Determination, including in relation to the requirements of impartiality and independence of the latter, the parties to the Dispute agree that the

Expert shall be appointed by the International Centre for Expertise in accordance with the provisions for the appointment of experts under the Rules for Expertise of the International Chamber of Commerce (the **Rules for Expertise of the ICC**). The Secretariat of the ICC International Centre for Expertise shall appoint an individual with the appropriate education, experience and qualifications to resolve the Dispute and who is generally recognised by the relevant industry as an expert in the field or fields of expertise relevant to the Dispute, to act as the Expert for the purposes of resolving the Dispute.

(c) The Expert will determine its own procedure including instructing professional advisors (if necessary) to assist the Expert in reaching its decision (the **Expert Determination**). This would apply whether or not the Expert is appointed by the ICC or whether or not the Expert determination proceedings are administered by the ICC.

(d) As soon as practicable but in any case not later than ten (10) Business Days following the Expert's appointment, the parties to the Dispute shall submit to the Expert written representations in respect of the Dispute, together with all supporting documentation, information and other data, which representations shall be copied simultaneously to each party to the Dispute.

(e) The parties to the Dispute shall co-operate with the Expert and comply with reasonable requests made by the Expert in connection with the conduct of the Expert Determination.

(f) The Expert may at any time, and in its absolute discretion, request information from any of the parties to the Dispute and may make such other enquiries as the Expert may deem necessary for determining such Dispute.

(g) All information submitted by a party to the Expert (and/or made available to any professional advisers appointed by the Expert in the course of the Expert Determination) in relation to the Dispute shall be and remain confidential (and shall be treated as such by the Expert and any such professional advisers appointed by the Expert), except that copies of all such information and data shall be supplied simultaneously to the other party or parties to the Dispute and such information and data shall be treated as confidential by each party to the Dispute; provided that (where more than one User is party to the Dispute) any such User may request the Expert to establish arrangements which shall allow the determination to proceed on the basis that certain commercially sensitive information is not disclosed by one such User to another User. The Expert shall consider such request but shall not be required to give effect to it.

(h) The Expert determination process is private and confidential except in relation to enforcement or if required by law or for disclosure to advisors appointed by the Expert (on the basis that such parties are subject to the same confidentiality obligations).

(i) All proceedings before the Expert shall be conducted in Italian and all documents submitted in connection with such proceedings shall either be in the same language or, if in another language, accompanied by a certified translation.

(j) The Expert shall resolve the Dispute in such manner as the Expert shall in its absolute discretion see fit, including by making, if it deems appropriate, settlement proposals to be assessed by the parties of the Dispute and shall deliver its determination (which shall include the reasons therefore) in writing within twenty (20) Business Days of the Expert's appointment (or such longer period as may be mutually agreed by the parties to the Dispute and the Expert). If the Expert has not delivered its determination within such period and a party to the Dispute has issued a Notice of Arbitration under Clause 5.4.2.4(a)(iv) the Expert determination proceedings shall cease. Save as provided in Clause 5.4.2.3n), any decision of the Expert shall be final and binding on the parties to the Dispute.

(k) The Expert's determination shall be delivered in its capacity as an Expert and not as an arbitrator and, without prejudice to Clause 5.4.2.3n) the provisions of Clause 5.4.2.4 shall not apply to either the Expert Determination or the procedure by which it is reached.

(l) Where a Dispute has arisen due to a Change in Law or Change in Tax and the Dispute has been referred to an Expert, the Expert shall have the power to set aside, for the purposes of the issue of the Expert's Determination, the provisions of the Regasification Code, the Capacity Agreement or the Terminal Manuals which it deems incompatible with the supervening Change in Law or Change in Tax. The Operating Company will assess at its discretion whether due to the Change in Law or Change in Tax it is necessary to amend the Regasification Code, Capacity Agreement or Terminal Manuals .

(m) The costs of the procedure to resolve or settle any Dispute shall be borne equally by each of the parties to the Dispute unless otherwise agreed by the parties involved.

(n) The parties to the Dispute shall implement the Expert's determination within five (5) Business Days of it being received by them or within such other time as the parties to the Dispute may agree, provided always that where a Party alleges fraud or serious and manifest error and/or where a Party does not agree with the Expert Determination issued pursuant to Clause 5.4.2.3(l), then that Party may commence arbitration proceedings within ten (10) Business Days of the Expert Determination being received by that Party (by referring the Dispute to arbitration in accordance with Clause 5.4.2.4), failing which the decision of the Expert shall be final and binding on the parties to the Dispute.

(o) None of the parties to the Dispute shall call the Expert as a witness, consultant, arbitrator or expert in any litigation or arbitration in relation to the Dispute and the parties to the Dispute and the Expert shall agree as a condition of its appointment that the Expert shall not act in any such capacity without the written agreement of the parties to the Dispute.

(p) The provision of Clause 5.4.2.7 shall apply in relation to joinder of any Related Dispute subject to an Expert determination process.

#### 5.4.2.4 Arbitration

(a) A Party may, by notice in writing to the other Party (**Notice of Arbitration**) require a Dispute to be finally settled by arbitration if:

- (i) a Dispute that is not required to be resolved by Expert Determination has not been resolved in accordance with Clauses 5.4.2.1 and/or 5.4.2.2 within fifteen (15) Business Days after the Date of Receipt of the Notice of Dispute (or such longer period as may be mutually agreed in writing by the Parties); or
- (ii) a Party alleges fraud or serious and manifest error in relation to an Expert determination in accordance with Clause 5.4.2.3(n); or
- (iii) a Party does not agree with the determination made by the Expert in accordance with Clauses 5.4.2.3(j);
- (iv) a Dispute is to be, or has been, referred to an Expert but no determination has been made within the time limits specified in Clause 5.4.2.3(j); or
- (v) a Dispute has arisen due to a Change in Law or Change in Tax and one Party does not agree to refer such Dispute to an Expert,

such arbitration to be conducted in accordance with the International Arbitration Rules of the Chamber of National and International Arbitration of Milan by three arbitrators (the **Tribunal**) appointed in accordance with those Rules. The seat of the arbitration shall be in Milan, Italy. The language of the arbitration shall be Italian. The governing law of the arbitration shall be Italian law. The Tribunal shall have the power to make such orders as to costs as it sees fit.

(b) The award of the Tribunal shall be final and binding from the day it is made.

(c) Save as provided in Clause 5.4.2.6 and in article 829 Italian Code of Civil Procedure, the Parties hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any national court.

(d) The Parties undertake to keep confidential all awards in any arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings that is not otherwise in the public domain save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

#### 5.4.2.5 Performance to continue during the Dispute

Performance of the Capacity Agreement, to the fullest extent possible, shall continue during any dispute resolution proceedings in accordance with this Clause 5.4.2. No payment due or payable by any Party in accordance with the Capacity Agreement shall be withheld on account of a pending reference to any such Dispute resolution procedure.

#### 5.4.2.6 Right to injunctive relief

The provisions of this Clause 5.4.2 are without prejudice to the right of a Party to request at any time injunctive relief in summary proceedings (*decreto ingiuntivo*) as well as interim cautionary measures (*provvedimenti cautelari*) before the competent court.

#### 5.4.2.7 Joinder and consolidation

(a) In this Clause 5.4.2.7 **Related Agreement** means any other Capacity Agreement between the Operating Company and a User in relation to the provision of the Regasification Service.

(b) In this Clause 5.4.2.7 **Related Dispute** means any dispute under any Related Agreement, which raises substantially the same or connected factual and/or legal issues as any Dispute under the Capacity Agreement.

(c) If a Dispute arises under the Capacity Agreement at any time after the commencement of Related Dispute under a Related Agreement, the Parties agree that, on the written notice of any Party to the other Party, the Parties shall consider whether the Dispute which has since arisen may best be dealt with in consolidated arbitration proceedings together with the proceedings in respect of the Related Dispute. Should the Parties agree that the Dispute should be so determined, the Parties shall seek consent to join the Dispute and the Related Dispute from the Tribunal already appointed to hear the Related Dispute, and from the other parties involved in the Related Dispute (the **Existing Tribunal** and the **Existing Dispute Parties**). If permission for joinder is granted by the Existing Tribunal and the Existing Dispute Parties, the Parties and the Existing Dispute Parties shall agree in writing that their Dispute and Related Dispute shall be determined by way of consolidated arbitration proceedings under the reference of the Existing Tribunal which is already appointed to hear the Related Dispute. For this purpose the Parties agree to adhere to and consent to be bound by the arbitration agreement applicable to the Related Dispute and the International Arbitration Rules of the Chamber of National and International Arbitration of Milan.

(d) If a Related Dispute arises under a Related Agreement at any time after the commencement of a Dispute under the Capacity Agreement, the Parties agree that, on the written notice of any Party to the Related Dispute to the Parties, that such parties shall be allowed to join the arbitral proceedings in respect of the Existing Dispute where the Tribunal which is already appointed to hear the Existing Dispute considers it appropriate to agree to such joinder and consolidation of disputes.

(e) In the event that there is any Dispute between the Parties as to whether a dispute is a Related Dispute for the purposes of this Clause 5.4.2.7, such Dispute shall be resolved by the Tribunal which is already appointed in respect of the Dispute or Related Dispute, as the case may be.

(f) The Parties waive any and all rights to object to any award made by any Tribunal, whether appointed under the Capacity Agreement or under a Related Agreement, if that objection is based on the exercise of the joinder and consolidation provisions of this Clause 5.4.2.7.

(g) Each of the Parties hereby undertakes to comply with any award of any Tribunal, whether appointed under the Capacity Agreement or under a Related Agreement, without delay. Subject to article 829 Italian Code of Civil Procedure, the Parties also waive their right to any form of appeal or recourse to a court of law or other judicial authority on any question of fact or law.

(h) The Parties agree that any award issued by any Tribunal, whether appointed under the Capacity Agreement or under a Related Agreement, shall be final and binding on the Parties as from the date it is made. Without prejudice to Clause 5.4.2.4(a), the Tribunal may make any award in relation to the costs of the Dispute and Related Dispute as it sees fit which shall be final and binding upon the Parties.

(i) If there is a Related Dispute subject to an Expert determination process then the provisions referred to in Clauses 5.4.2.7(a) to (h) (inclusive) shall apply, *mutatis mutandis*, in relation to the Expert determination process save that references to arbitration or arbitral proceedings shall be construed as references to Expert determination or Expert determination proceedings, references to Tribunal shall be construed as references to the Expert.

#### 5.4.2.8 Time limit for claims

Unless and to the extent required by Applicable Laws, no Party shall be entitled to refer any Dispute to an Expert or to refer any Dispute to arbitration or otherwise bring any claim, action or proceedings against the other Party under or in connection with the Capacity Agreement (and any such claim, action or right to bring proceedings shall lapse and be waived and cancelled in such circumstances) unless a Notice of Expert Determination or a Notice of Arbitration has been issued in respect of such



Dispute in accordance with the provisions of Clauses 5.4.2.3(a) or 5.4.2.4(a), as the case may be, on or before the date falling twelve (12) months after the later to occur of:

- (a) the date on which the circumstances giving rise to such Dispute first occurred; or
- (b) if later the date upon which the Party seeking to bring a claim in respect of the Dispute becomes aware or could reasonably have been expected to have become aware of the circumstances giving rise to such Dispute.

#### **5.4.3 Compliance with Laws, Authorisations and the Transportation Agreement**

During the term of the Capacity Agreement each Party undertakes not to act in a manner which, to its knowledge, shall result in:

- (a) the non-compliance with, a risk of amendment or withdrawal of any Authorisation;
- (b) a breach of any Applicable Law or the terms of any applicable Authorisation; or
- (c) a breach of the Transportation Agreement,

#### **5.4.4 Confidentiality**

##### **5.4.4.1 Confidentiality**

For the term envisaged by Clause 5.4.4.3, each of the Parties shall:

- (a) keep confidential the terms of the Capacity Agreement and all information, whether in written or any other form, which has been or is from time to time disclosed to it by or on behalf of the other Party to the Capacity Agreement in confidence or which by its nature ought to be regarded as confidential (**Confidential Information**); and
- (b) procure that its directors, officers, employees and representatives and those of its Affiliates or shareholders keep secret and treat as confidential all such Confidential Information.

##### **5.4.4.2 Permitted disclosures**

Clause 5.4.4.1 does not apply to information:

- (a) which, after the date of the Capacity Agreement, becomes published or otherwise generally available to the public, except in consequence of a wilful or negligent act or omission by the recipient Party in contravention of the obligations in Clause 5.4.4.1;
- (b) disclosed by a Party to its Affiliates or shareholders provided that (i) such disclosure is made for purposes pertaining to the Capacity Agreement, (ii) such Affiliates and shareholders have signed, prior to disclosure, an undertaking of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1 and that (iii) such disclosure does not breach any provision of the Applicable Law;
- (c) disclosed to the recipient Party by a third party who is entitled to divulge such Confidential Information and who is not under any obligation of confidentiality in respect of such Confidential Information;
- (d) disclosed to the extent required by any Applicable Law or by any Competent Authority to whose rules the Party making the disclosure or any Affiliate is subject provided that the Party disclosing the Confidential Information shall notify the other Party of the Confidential Information to be disclosed (and of the circumstances in which the disclosure is alleged to be required) as early as reasonably possible before such disclosure shall be made and shall take all reasonable action to avoid and limit such disclosure;
- (e) which has been collected and processed by the recipient Party independently and without any breach of the Applicable Law unless it has been collected in the performance of activities envisaged by the Capacity Agreement or by the implementation of the Capacity Agreement;
- (f) disclosed to a proposed bona fide transferee or assignee of the whole or part of the disclosing Party's interest under the Capacity Agreement, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;

- (g) disclosed to a party interested in acquiring a holding in the corporate capital of the disclosing Party, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;
- (h) disclosed to a bank, other financial institution or bond investors or underwriters or any party in relation to a potential securitization in connection with efforts by that Party or an Affiliate to obtain funds, or to document any loan to or security granted by that Party or an Affiliate or in connection with any bond issue or securitization, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;
- (i) to the extent that the Confidential Information is properly and reasonably required by any adviser, auditor, consultant, expert, contractor or subcontractor who is employed or retained by (or whose employment or retention is being considered by) that Party or by the bank or other financial institution or entity referred to in Clause 5.4.4.2h) and whose function requires them to have the Confidential Information, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;
- (j) disclosed to a supplier or potential supplier of LNG that is to be Unloaded into the Terminal for purposes reasonably necessary for such supply, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;
- (k) to the extent that the Confidential Information is properly and reasonably required by any Party to resolve a dispute or disputes arising in connection with the provision and/or receipt of the Regasification Service at the Terminal, subject to the undertaking of an obligation of confidentiality essentially equivalent to that envisaged by Clause 5.4.4.1;
- (l) disclosed to any applicable tax authority to the extent required by a legal obligation;
- (m) disclosed, subject to the consent of the other Party (which may not be unreasonably withheld), to the extent reasonably required to assist the settlement of the disclosing Party's tax affairs or those of any of its shareholders or any other person under the same control as the disclosing Party;
- (n) which the Recipient Party can prove that the Confidential Information was already known to it before its receipt from the disclosing Party; or
- (o) disclosed by a Party with the prior approval of the other Party, which approval shall not be unreasonably withheld or delayed.

#### **5.4.4.3 Duration of confidentiality**

The provisions of this Clause 5.4.4 shall survive any termination or expiry of the Capacity Agreement or transfer by the User of all of the User's rights and obligations under the Capacity Agreement for a period of ten (10) years after such termination, expiry or transfer.

#### **5.4.5 Notices**

##### **5.4.5.1 Serving of Notices**

Except as otherwise provided in the Terminal Manuals, any notice to be given by one Party to the other Party under or in connection with the Capacity Agreement shall be in writing and in accordance with the requirements of Clause 5.4.5. Such notice may be served in the forms and by the means of communication envisaged by the Capacity Agreement and in each case marked for the attention of the relevant person specified in the Capacity Agreement (or as otherwise notified from time to time in accordance with Clause 5.4.5.2). Any notice so served by hand, fax, courier or certified electronic mail shall be deemed to have been duly given:

- (a) in the case of delivery by hand, pre paid recorded delivery, special delivery, registered post or courier, when delivered; or
- (b) in the case of fax and/or by e-mail, at the time of transmission,

provided that in each case where delivery by hand, by fax, by e-mail, pre-paid recorded delivery, special delivery, registered post or courier, occurs after 18:00 hours on a Business Day or on a Day which is not a Business Day, service shall be deemed to occur at 09:00 hours on the next Business Day.

##### **5.4.5.2 Changes to notice details**

A Party may notify the other Party of a change to its name, relevant addressee, address, fax number or certified email address and such notice shall only be effective on the fifth Business Day following the delivery of the notice regarding the changes or, if later, on the date expressly indicated in the notice regarding the changes.

#### 5.4.5.3 Language

(a) All notices and other documents delivered under or in connection with the Capacity Agreement shall be in the Italian language or, if required by Applicable Law in any other language, accompanied by a translation into Italian.

(b) Subject to Clause 5.4.5.3a), in the event of any conflict between the Italian wording of any notice and the wording of any notice in any other language, the Italian text shall prevail, unless a notice or document is required by Applicable Law to be in another language in which case that other language shall prevail.

#### 5.4.6 Third Party Rights

The Capacity Agreement is not intended to provide rights to third parties to enforce or rely on any of its provisions.

#### 5.4.7 Severability

If any provision of the Capacity Agreement shall be found by any Competent Authority to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of the Regasification Code and/or Capacity Agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect.

#### 5.4.8 Management of service emergencies

In order to deal with emergency situations (including fire, leakage of liquids or flammable gas) which may interfere with the operation of the Terminal, and which may have effect on the safety of persons, property, or the environment, the Operating Company has adopted an internal emergency plan.

In light of the legal status of the Ship Owner of the Terminal and of the technical/operational management activities assigned to it, responsibility for the implementation of the internal emergency plan and the activation of the external emergency plan lies with the latter.

The internal emergency plan which sets out the actions that the personnel of the Ship Owner of the Terminal are to take during emergency situations, is in accordance with the provisions set out in Legislative Decree no. 105/2015 (Seveso III), and in accordance with Presidential Decree no. 435 of 8/11/1991 (SOLAS), EU Regulation no. 336 of 15/02/2006 in relation to the management system in accordance with the IMO Code

##### 5.4.8.1 Service Emergencies

The emergency events that are covered in the internal emergency plan may be the following:

**Emergency:** an anomalous and dangerous occurrence, arising from internal or external causes, that calls for immediate action in order to prevent damage to people, environment and the Terminal.

**Accident:** any undesired event that may cause damage to people, environment and/or the Terminal.

**Major Incident:** an occurrence such as an emission, fire, or large-scale explosion resulting from a series of uncontrollable events, and which could constitute a serious danger to human health and/or the environment, whether immediate or future, inside or outside the Terminal, and involving one or more dangerous substances.

##### 5.4.8.2 Objectives of the interventions

The emergency procedures provide details of the staff present on the Terminal and on land with regard to the suitable measures to be adopted for each type of emergency. The objectives of the internal emergency plan are:

- a) to monitor and report the incident so as to minimise its effects and limit any damage to persons, the environment and property;

- b) to take any necessary steps to protect persons and the environment from the consequences of a major incident;
- c) inform to an adequate degree the staff on board and the Competent Authorities;
- d) return the situation to normal and, if necessary, proceed with a remediation of the environment following the incident in question.

#### 5.4.8.3 Levels of emergency of the internal emergency plan

The internal emergency plan envisages the following levels of alarm:

a) **General alarm:** such alarm shall be given for any emergency situation and indicates immediate danger to human life, the Terminal, its machinery, the cargo or the environment. The situations that cause such type of alarm are, by way of example, listed below:

- Person (s) overcome by asphyxia;
- Collision;
- Helicopter crash;
- Pollution
- Major Incident

(b) **Fire:** such alarm must be given in case of fire on board the Terminal;

c) **Man Overboard:** such alarm must be given when someone has fallen into the sea;

d) **Abandon ship** implies a situation which can no longer be controlled and which will give rise to "ABANDON SHIP" wherefore the crew and visitors have to be summoned to the life boat muster stations and abandon the Terminal.

e) **Release of Methane Gas and toxic substances**

f) **Pollution**

g) **ISPS Code** (The International Ship and Port Facility Security Code)

The alarm system utilizes 7 different sound alarms for the relevant emergencies, each of which has a different tone and frequency.

The end of the state of emergency is declared by the Terminal Manager

**Available documentation:** The technical documentation, useful for dealing with and resolving the emergency situation (such as the procedures for the safe operation and the restarting of the facilities) is available in the central control room.

#### 5.4.8.4 Communications in case of emergency

In case of emergency, in addition to activating the procedures to resolve the emergency, the Terminal Manager or his/her deputy will make the following communications:

- informing the O&M-Contractor's person in charge on land, who is responsible for contacts with third parties (Operating Company and Competent Authorities) of the emergency;
- informing the Harbour Master of Livorno of the emergency;
- informing the support ships (the LNG guardian and, if necessary, the tugs) of the emergency;

- informing Snam Rete Gas and the LNG Carrier (if present) of the emergency.

The O&M- Contractor's person in charge on land is responsible for organising the emergency on land and communicating with the Operating Company and the Competent Authorities, if necessary activating the external emergency plan.

In case of a Major Incident, the Operating will send all the written communications required and envisaged by Legislative Decree no. 105/2015 (Seveso III).

#### **5.4.8.5 Information in relation to emergencies**

The Operating Company will keep track of a various fundamental details of such emergencies, such as:

- type of emergency;
- date/time of the event;
- description of the component of the facility affected by the emergency;
- any recorded emissions of gas/LNG;
- description of the event and its causes;
- the entity requesting the intervention (third parties and O&M-Contractor);

The Operating Company shall provide the AEEGSI by 31<sup>st</sup> December of each year with a summary note containing the main information regarding the service emergencies which took place at the Terminal during the previous Gas Year.

#### **5.4.9 Administrative liability**

The User acknowledges that it is aware of Legislative Decree 8 June 2001 no. 231, as subsequently amended, concerning the administrative liability of legal persons, the provisions of the Operating Company's Organisational Model, including the Ethics and Conduct Code and the contents of the Value Chart, of the major incidents prevention policy and the Operating Company's HSEQ Policy (also available on the website) in relation to the activities envisaged by this Regasification Code and with which the User agrees to fully comply.

In particular the User undertakes to act in compliance with the aforementioned Ethics and Conduct Code and with the Organisational Model, to the extent that they are applicable, and to act in such a way that there will be no risk that the Operating Company may be sanctioned pursuant to the Legislative Decree 231/2001, it being clear that full compliance with the provisions stated therein is essential to the Operating Company

## **SECTION 6: WORKS REQUIRED AT THE TERMINAL AND AMENDMENT OF THE REGASIFICATION CODE**

This Section sets the procedures to be followed for (i) executing the any works required at the Terminal and (ii) for the revision of the Regasification Code. The Terminal Manuals may be amended unilaterally by the Operating Company without involving any third party.

### **Chapter 6.1 – REQUIRED WORKS OF THE TERMINAL**

#### **6.1.1 Required works of the Terminal following a Change in Law**

(a) If any Change in Law shall reasonably necessitate the execution of any works or the taking of any action on or in relation to the Terminal or any part of it (**Required Works**), the Operating Company acting as a Reasonable and Prudent Operator shall give notice to the User setting out details of the Change in Law.

(b) The Operating Company shall be entitled to carry out Required Works at such time and in such manner as it may determine, subject to compliance with the following. The Operating Company shall:

- (i) where reasonably practicable, carry out the Required Works between 1 April and 30 September (inclusive);
- (ii) carry out the Required Works as soon as reasonably practicable;
- (iii) carry out or procure the carrying out of the Required Works following preparation of a works programme in accordance with the standards of a Reasonable and Prudent Operator; and
- (iv) notify the User of the anticipated date, from time to time on which any modification of the Terminal as a result of the Required Works is to be commenced and commissioned.

## **Chapter 6.2 – AMENDMENT OF THE REGASIFICATION CODE**

### **6.2.1 General principles**

The proposed amendments to the Regasification Code are prepared by the Operating Company, published for consultation with interested parties are then forwarded to the AEEGSI together with the opinion of the Consultation Committee in order to verify compliance with the criteria for drafting such Regasification Code and with general objectives relating to the access and use of LNG regasification plants.

Proposed amendments may also be prepared by the Operating Company as the result of amendment requests received from authorised parties according to the procedure described below.

The proposals for the amendment of the Regasification Code shall be prepared by the Operating Company pursuant to article 15, section 2, of AEEGSI's Resolution no. ARG/gas 55/09 of 7 May 2009. In order to consult with interested parties, OLT shall publish the proposed amendments on its website.

### **6.2.2 Requests for amendments to the Regasification Code**

#### **6.2.2.1 Authorised parties**

Parties authorised to submit requests for amendments to the Regasification Code change requests are as follows:

- (a) Users, either individually or collectively;
- (b) storage and transport enterprises;
- (c) and associations of distribution companies, limited to the areas of the Regasification Code which impact them directly.

#### **6.2.2.2 Submitting an amendment request**

Pursuant to AEEGSI's Resolution ARG/gas No. 55/09, amendment requests may be submitted to the Operating Company at any time during the Gas Year.

The amendment request must include a description of the main elements of the required change on the basis of which the Operating Company, if the proposed change is accepted, shall develop a proposed amendment to the Regasification Code.

#### **6.2.2.3 Admissibility requirements**

In order to be declared admissible by the Operating Company, each amendment request must:

- (a) be submitted by an authorised party in accordance with paragraph above;
- (b) be accompanied by information regarding the applicant (company, registered office, etc.) and at least one contact person (name, telephone number, fax number, e-mail, etc.) who can be contacted in relation to the change request in question;

(c) indicate the reasons why the Applicant believes that the change should be accepted, providing, if the request is submitted by the parties referred to in paragraph above, elements demonstrating their direct involvement in the subject area of the change request;

(d) include any relevant documentation (analysis, reporting, etc.) to support the request.

#### **6.2.2.4 Declaration of admissibility**

The Operating Company shall verify that the amendment request complies with the requirements of paragraph. In the event that one or more of these requirements have not been met, the Operating Company shall inform the applicant of the inadmissibility of the request, indicating which elements are not compliant, by the third business day following receipt of the change request. The applicant is entitled to submit a new change request including the additional elements required.

The change request is considered admissible if the Operating Company does not comment on it within 3 Business Days of receipt.

#### **6.2.2.5 Evaluation of the change request**

The Operating Company shall analyse and evaluate the amendment request based on the following criteria:

(a) consistency of the changes with the regulatory framework and the principles of the Regasification Code;

(b) ways in which the changes will improve the functionality of the Regasification Code;

(c) operational implications for the LNG regasification activity in terms of technical complexity, adjustment timelines and estimated cost.

During the evaluation phase, the Operating Company may request additional information and/or clarification from the Applicant. If the evaluation is successful, by the end of the 20th day following receipt of the amendment request referred to in paragraph above the Operating Company shall publish the amendment request on its website and shall draft a proposed amendment to the Regasification Code.

By the same deadline, the Operating Company, where it considers that the amendment request should not be submitted for consultation, shall make it available to the AEEGSI, along with an explanation as to why the Operating Company decided not to submit it for consultation and informing the Applicant of same.

The proposals for amendment shall:

(d) contain a brief description of the nature of the amendment, indicating the grounds on which the Operating Company bases its decision to adopt the amendment;

(e) indicate the clauses and Sections/Chapters of the Regasification Code which are affected by the proposal, together with the amendments to be made to the text of the Regasification Code;

(f) be accompanied by any documentation (analysis, reports, etc.) which support the need for adopting the proposed amendment;

(g) indicate a date on which the proposed amendment should become effective.

The Operating Company shall also assign to each proposal a reference number and it will register the proposal in the relevant registry, which shall be kept at the registered office of the Operating Company and be available for consultation by anyone who requests to do so.

#### **6.2.2.6 Consultation on the proposed amendment**



The Operating Company shall file the proposals for amendment with the consultation committee in accordance with article 3 of AEEGSI's Resolution no. ARG/gas 55/09 of 7 May 2009.

Contemporaneously with the filing of the proposal for amendment with the Consultation Committee, the Operating Company shall publish the proposal for amendment on the its web site, in order to enable all interested parties to formulate their own comments on the proposal.

The proposed amendment prepared by the Operating Company in accordance with the decrees, resolutions or other measures issued by the competent authority will be published on its website within 15 (fifteen) days from the publication of the measure unless the measure itself does not provide a different deadline.

Operating Company may propose amendments at any time of the Gas Year.

The consultation period lasts:

- (a) 45 (forty five) days, or
- (b) 30 (thirty) days if the proposed amendment prepared by the Operating Company in accordance with decrees, resolutions or other measures issued by the competent authority, unless the measure provides a deadline

#### **6.2.2.7 Filing with the AEEGSI of the proposal for amendment**

Within 20 (twenty) days from the end of the process described above, the Operating Company, in order to allow the compliance assessment and pursuant to the provisions of article 3.7 of AEEGSI's Resolution no. ARG/gas 55/09, shall file with the AEEGSI:

- (1) the proposed amendments of the Regasification Code, as possibly modified in order to take into account the opinions and comments received during the course of the consultation process;
- (2) the related opinions and notices formulated or sent by the Consultation Committee;
- (3) a report illustrating how those opinions and notices have been taken into account.

(a) The above deadline is reduced to 10 (ten) days if the proposed amendment prepared by the Operating Company is in response to decrees, resolutions or other measures issued by the Competent Authority.

(b) The proposals filed with the AEEGSI will be published by the Operating Company on its web site.

(c) Operating Company publishes the updated code on its web site within 10 (ten) days of the publication of the update on the website of the AEEGSI.