CHAPTER III
GENERAL TERMS AND CONDITIONS FOR PROVISION OF THE SERVICE

III.1 CAPACITY AGREEMENTS

The Regasification Code is not an offer to the public pursuant to article 1336 of the Italian civil code and is not a promise to the public pursuant to article 1989 of the Italian civil code, but it is an invitation to the public to make offers, which shall be made in accordance with clauses 2.4.2 and 2.4.3 of chapter II.

III.2 SCOPE OF CAPACITY AGREEMENTS AND OBLIGATIONS OF THE PARTIES

III.2.1 Scope of Capacity Agreements

The scope of each Capacity Agreement shall be the provision of the Service by the Operating Company to the User, starting from the date, for the term and with respect to the amount of Subscribed Capacity specified in such Capacity Agreement, and the payment of the related Regasification Service Charge and Redelivery Service Costs by the User to the Operating Company, all subject to and in accordance with the provisions of such Capacity Agreement.

III.2.2 Parties' obligations

2.2.1 Under a Capacity Agreement, the Parties undertake the following obligations:

(a) the Operating Company must perform the Service, starting from the date, for the term and with respect to the Subscribed Capacity specified in such Capacity Agreement, all in accordance with the provisions thereof; and

(b) the User must, starting from the date, for the term and with respect to such User's Subscribed Capacity, all as specified in such Capacity Agreement:

(i) pay the Capacity Charge and Grid Capacity Charge (if and to the extent due by the Operating Company to the Transportation Company under the Transportation Contract);

(ii) in respect of any LNG quantities that such User (in its sole discretion) has delivered, or has procured the delivery of, to the Delivery Point in accordance with such Capacity Agreement and for which the Service has been rendered, accept Redelivery of the Gas or ensure that the Transportation Users as may be specified in accordance with article 13.6 of TIRG accept the Gas redelivery to the User resulting from such LNG quantities at the flow rate at which such Gas shall be Redelivered pursuant to such Capacity Agreement;

in each case save as otherwise expressly provided by this clause III.2.2.

2.2.2 If, for any reason, the User does not deliver or procure the delivery of any LNG quantities specified in the relevant Capacity Agreement to the Delivery Point, the User shall have no liability whatsoever with respect to such non-delivery, but it shall remain obliged to pay or reimburse the Operating Company:

(a) the related Capacity Charge, save where the User is relieved of such obligation in accordance with this clause III.2.2 and/or any other relevant provision of such Capacity Agreement;

(b) the related Grid Capacity Charge if and to the extent due by the Operating Company to the Transportation Company under the Transportation Contract and not otherwise recovered by the Operating Company (including recovery through the reallocation of the relevant transportation capacity to any person other than such User), and in any case subject to clause 2.2.5 of chapter III;

(c) any other related costs and/or expenses incurred by the Operating Company and charged by the Transportation Company under the Transportation Contract that is not caused by wilful misconduct or gross negligence of the Operating Company in the management of the Transportation Contract;; and

(d) any scheduling variance charges due to the Operating Company in accordance with and subject to the provisions set forth in clauses III.8.11 and III.8.12, as applicable.

2.2.3 Subject to clause 2.2.4 of chapter III, the Capacity Charge payable by the User shall be reduced in accordance with clause 8.1.1 (a)(iii)(aa) of chapter III, if the Operating Company does not provide, or would not have been able to provide, in whole or in part, the Service to such User in accordance with the provisions of the relevant Capacity Agreement.

2.2.4 Should any circumstance or event (including a Force Majeure Event) occur which has the effect of making impossible and/or unlawful, in whole or in part:

(a) the production, transportation and/or delivery to the Delivery Point of LNG pursuant to any agreement or arrangement entered into between a User and its LNG supplier(s), LNG transporter(s) or shipowner(s); and/or

(b) the Unloading of LNG at the Delivery Point or the Redelivery of Gas at the Redelivery Point due to a reduction or interruption in or unavailability of the Grid (including for reasons due to any delay or failure by the Transportation Company under the Transportation Contract, Grid maintenance),

the User shall continue to be liable to pay the relevant Capacity Charge and Grid Capacity Charge as if such circumstance or event had not occurred.

It is understood that the above provisions of this clause 2.2.4 shall not apply to the payment of the Capacity Charge:

(i) with respect to any such circumstance or event which is caused by any act or omission of the Operating Company or any employee, contractor, agent or other third party acting for it or on its behalf (it being understood that in no event shall the Transportation Company be considered as a "contractor" or a "third party acting for, or on behalf of, the Operating Company"); and

(ii) if the Operating Company would not have been able to provide, in whole or in part, the Regasification Service to such User in accordance with the provisions of the relevant Capacity Agreement even if such circumstance or event had not occurred.

2.2.5 It is understood that the amount of the Grid Capacity Charge payable by the User pursuant to clause 8.1.1(e) of chapter III shall be reduced only if, and to the extent that, the Operating Company does not provide, or would not have been able to provide, in whole or in part, the Service to such User as a result of a grossly negligent or wilful act or omission of the Operating Company or its employees, contractors, agents and/or other third parties acting for it or on its behalf (it being understood that in no event shall the Transportation Company be considered as a "contractor" or a "third party acting for, or on behalf of, the Operating Company").

III.2.3 Service Conditions

Unless the Operating Company has waived or deferred compliance with any one or more of the following conditions (to the extent such waiver or deferment is allowed under the applicable Regulations), each User must satisfy and maintain all of the following conditions (**"Service Conditions"**):

(a) the User has an unconditional sale and purchase agreement for the quantities of LNG that are the subject of the Capacity Agreement;

(b) from the start date of the Service, the User (i) has a transportation agreement to transport downstream of the Redelivery Point the quantities of Gas that are the subject of the Capacity Agreement or (ii), in the event that the User is not part of a transportation contract for the quantities of gas which are the object of the Capacity Contract, indicates one or more Transportation Users and certifies to have an irrevocable commitment to withdraw the Gas according to the comma 1 e 6 of article 13 of TIRG;

(c) the User has an agreement to transport to the Delivery Point the quantities of LNG that are the subject of the Capacity Agreement and the relevant LNG Tanker(s), its (their) crew(s) and captain(s) shall, from the start date of the Service, be in compliance with the Terminal Regulations, Maritime Regulations, the Marine Operations Manual and the LNG Tanker Vetting Procedure;

(d) the User is in compliance with the provisions of clause III.10;

(e) the User is in compliance with the provisions of clause III.11.2;

(f) where any quantity of LNG that is the subject of the Capacity Agreement is to be imported from countries outside the European Union, the User has received authorisation granted by MAP for importation of such quantity of LNG pursuant to the provisions set forth in the decree of the Italian Ministry of Industry, Trade and Crafts of the 27th of March 2001 or, in the event of such User having a LNG import contract which has a duration of less than one year, the availability of strategic storage, in accordance with article 3, sub-section II, letter (d), of the Decree, if and to the extent that such availability is required under article 3, sub-section VI of the Decree;

(g) the User possesses all other concessions, authorisations, licences, declarations of no objection (*nulla osta*) and permits necessary for the performance of all activities under, connected with and ancillary to, the Capacity Agreement;

(h) the User is in compliance with its obligations under the agreements entered into by such User with third persons, which are referred to or which relate to the matters described in paragraphs (a) (b), (c), (d), and (e) above and holds the Operating Company harmless of

any Transportation System User default indicated by the User as per article 13 of TIRG that can have direct or indirect consequences on the execution of the Capacity Agreement;

(i) the User meets the requirements necessary in order to be granted the priority established under paragraph (v) of clause 2.4.2 (a) of chapter II, as indicated in its Access Request; and

(j) the User has provided the Operating Company with the authorisation to make requests of transactions at the Snam Rete Gas System which imply the automatic acceptance by the User and/or the Transportation System Users indicated by the User according to article 13 of TIRG, in accordance with the applicable provisions according to the Snam Rete Gas network code, as well as with any other documentation required by Snam Rete Gas or other entity in this respect, it being understood that the authorisation and the other documentation shall be provided by the User and/or the Transportation System Users indicated by the User according to article 13 of TIRG, in due time in order to allow the Operating Company to provide it to Snam Rete Gas or other entity before the start of the Service.

If at any time during the term of the Capacity Agreement any User ceases to satisfy or maintain one or more of the Service Conditions, or the Transport Service Users indicated by the User as per article 13 of TIRG cease to meet or maintain one or more of the transportation service access conditions, the User shall (i) notify the Operating Company within five (5) Business Days after becoming aware of such event and (ii) use reasonable endeavours to promptly comply with or satisfy the Service Conditions that are not being maintained or satisfied and, accordingly, take all measures to ensure that the Transportation System User reasonably strives to promptly meet unmet or unmaintained transportation service conditions.

III.2.4 User's representations and warranties

2.4.1 Each User represents and warrants to the Operating Company that the following statements (**"Representations")** are true and accurate as of the date on which the Capacity Agreement is entered into:

(a) it is a company duly organised and validly existing under the laws of its country of incorporation;

(b) it has the corporate power and authority to enter into, exercise its rights and perform its obligations under such Capacity Agreement;

(c) if the Applicant is a company incorporated under the laws of Italy, the Access Request has been executed by representative(s) for such Applicant who is(are) duly empowered to execute it in the name and on behalf of such company. It is understood that in the case of attorneys in fact ("*rappresentanti negoziali*", such representatives shall have been authorised to specifically approve in writing the unfair terms ("*clausole vessatorie*") pursuant to and for the purpose of articles 1341 and 1342 of the Italian civil code and, in particular, the clause derogating the territorial competence referred to under clause I.4.2 of chapter I of this Regasification Code, which provides that *"any and all disputes arising out of or in connection with a Capacity Agreement between the Operating Company and the User which is a Party to such Capacity Agreement and/or in connection with the* Regasification Code*, other than Technical Disputes referred to in clause I.4.3, shall be subject to the Italian jurisdiction and to the exclusive competence of the Courts of Milan*";

(d) the Applicant will timely act to be able to operate at the System, unless already able at the date of the Access Request and, will duly execute and timely provide the Operating Company with, the documentation required by Snam Rete Gas or any other entity managing the System, in order for the Operating Company to be authorised to operate at the System by making requests for transactions which imply the automatic acceptance by the Users and/or the Transportation System Users indicated by the User according to article 13 of TIRG;

(e) there are no actions or proceedings pending, or to the best of such User's knowledge, threatened against or affecting such User which would have a material and adverse effect on its ability to perform its obligations under such Capacity Agreement; and

(f) the execution and performance of such Capacity Agreement by such User does not conflict with (i) any Regulation or other applicable law, regulation, administrative or judicial provision or such like which apply to such User, or (ii) any other agreement to which such User is a party, or trigger a default under any such agreement.

2.4.2 Each User undertakes that the Representations set forth in clauses 2.4.1 (a) and 2.4.1 (b) of chapter III will remain true and accurate with respect to itself until the earlier of: (i) the expiration date of the Capacity Agreement; or (ii) the date on which the Capacity Agreement is terminated or otherwise becomes not effective for any reason including the withdrawal by one of the Parties. If any of the Representations set forth in clauses 2.4.1 (a) and 2.4.1 (b) of chapter III ceases to be true and accurate before the earlier of the dates specified under paragraphs (i) and (ii) above, such User must notify the Operating Company within ten (10) Business Days after becoming aware of such event.

2.4.3 Notwithstanding any provision to the contrary herein, in no event shall a User be deemed to have breached the undertaking given under clause 2.4.2 of chapter III as a consequence of such User being adjudicated in any insolvency proceedings other than (i) the insolvency proceedings referred to in Annex A of the Regulation of the European Parliament and of the Council of 20 May 2015, n. 848/2015 which have liquidation purposes, as well as those already identified in Annex B of the European Council Regulation of 29 May 2000, n. 1346/2000; and/or (ii) the insolvency procedures provided for by the legislation of a country not indicated in Annex A of Regulation no. 848/2015, which have as their purpose the liquidation of the company subject to the relative procedure.

III.2.5 Operating Company's standard of performance

The Operating Company shall at all times act in order to maximise the safe and efficient operation of the Terminal. In doing so, the Operating Company shall at all times act (a) in compliance with the provisions of the Regasification Code, (b) in compliance with the provisions of the Transportation Contract and (c) as a Reasonable and Prudent Operator.

III.2.6 User's standard of performance

Each User shall at all times, and shall procure that any Shipowner acting for or on behalf of such User, any person supplying LNG to or on behalf of such User and any Shipowner acting for or on behalf of such supplier, and each employee, contractor, agent and any other third party acting for or on behalf of any of them shall at all times, perform such User's obligations under each Capacity Agreement to which it is a Party (a) in compliance with the provisions of the

Regasification Code and (b) as a Reasonable and Prudent Operator.

III.2.7 Refusal of changes in the Service

Notwithstanding article 1661 of the Italian civil code, but subject to the provisions of the Regasification Code, the Operating Company shall have the right to refuse any requests for changes in the performance of the Service by any User or any Applicant.

III.2.8 Performance of the Regasification Service

Subject to clause 5.1.5 and 6.1.8 of chapter III, the Operating Company shall perform the Regasification Service on the aggregate Net Unloaded LNG delivered during any given period by or on behalf of any User and shall be obligated to make available at the Cavarzere Entry Point a quantity of Gas containing an amount of energy equal to such aggregate Net Unloaded LNG less the Losses and Consumptions of the Regasification chain.

III.2.9 Performance of the Redelivery Service

2.9.1 Each User acknowledges that the Operating Company has entered into the Transportation Contract, as required by articles 3 and 6 of the ARERA Resolution no. 168 of 31 July 2006, in order to perform the Redelivery Service to the User, and/or to the Transportation System Users indicated by the User according to article 13 of TIRG.

2.9.2 In light of the above, each User (i) represents that it has reviewed the Network Codes of the relevant Transportation Companies and the form of the Transportation Contract; (ii) ratifies the execution of the Transportation Contract(s) by the Operating Company on its(their) behalf, and the Operating Company's specific written approval under articles 1341 and 1342 of the Italian civil code of the "unfair terms" ("*clausole vessatorie*") contained in the Transportation Contract, and, in particular, the provision derogating the territorial competence referred to under article 5.2.2 of chapter 19 of the network code of Snam Rete Gas and 18.6.2.2 of the network code of Infrastrutture Trasporto Gas SpA, which both provide for the exclusive competence of the Courts of Milan, and the performance of all the related activities, if any, that have been performed by the Operating Company prior to the execution of its Capacity Agreement; and (iii) irrevocably authorises the Operating Company to perform on its behalf all the further activities which are necessary or appropriate to execute under the Transportation Contract and to perform the Redelivery Service to the User, and/or to the Transportation System Users indicated by the User according to article 13 of TIRG.

2.9.3 The Operating Company shall have no liability whatsoever towards the Users with respect to the performance by the Transportation Company of its obligations under the Transportation Contract. Consequently, the Operating Company shall not be liable for any costs, losses, damages, claims and/or expenses of any kind that the Users should suffer or incur as a result of any act or omission of the Transportation Company that is not caused by wilful misconduct or gross negligence of the Operating Company in the management of the Transportation Contract.

III.3 RIGHT OF WITHDRAWAL

III.3.1 Withdrawal by Users

3.1.1 Each User shall have the right at any time to withdraw from any Capacity Agreement to which it is a Party, regardless of whether performance of the Service at that time has already started, upon giving sixty (60) Days prior written notice to the Operating Company. The withdrawal

shall be effective upon the expiry of such notice period, it being understood, however, that such withdrawal is subject to clause III.3.2 of chapter III and will be without prejudice to the accrued rights and obligations of the Parties in respect of the Service provided prior to, or which is being provided as at the effective date of such withdrawal.

3.1.2 The right to withdraw from a Capacity Agreement granted to a User pursuant to this clause III.3.1 shall be without prejudice to the right of a User to seek judicial termination (*risoluzione*) of a Capacity Agreement under Italian law in the event of a failure by the Operating Company to comply with its obligations thereunder.

III.3.2 Payment upon User withdrawal

3.2.1 If a User exercises its right to withdraw from a Capacity Agreement to which it is a Party pursuant to clause III.3.1, then pursuant to and for the purposes of article 1671 of the Italian civil code and without prejudice to clauses 3.2.3 and 3.2.4 below, such User must pay to the Operating Company, on the effective date of the withdrawal,

(a) an amount equal to the Net Present Value (as at the effective date of the withdrawal) of the aggregate Capacity Charge that would have been payable by such User in the absence of such withdrawal, from the effective date of the withdrawal for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the aggregate quantity of LNG corresponding to the remaining Subscribed Capacity under such Capacity Agreement throughout such remaining term, plus

(b) an amount equal to the Net Present Value (as at the effective date of the withdrawal) of the aggregate Grid Capacity Charge that would have been payable by such User in the absence of such withdrawal, from the effective date of withdrawal for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the remaining aggregate quantities of Gas which were to be Redelivered to such User, throughout the remaining term of such Capacity Agreement, net of any portion of such Grid Capacity Charge that is not and will not become due and payable to the Transportation Company following such withdrawal.

3.2.2 The amounts referred to in (a), (b) above will be calculated on the basis of the *Cqs* and Grid Capacity Charge respectively which are applicable to the withdrawing User as at the effective date of the withdrawal, regardless of the fact that any review or recalculation of the *Cqs*, the Grid Capacity Charge would or may have taken place at any time during the remaining term of such Capacity Agreement. The Parties acknowledge that the determination of the amounts set out in this clause III.3.2 has been reasonably made with due regard given to: (i) the investment costs borne by the Operating Company for the construction of the Terminal; (ii) the obligations that the Operating Company has assumed under the Transportation Contract on behalf of and for the benefit of the User; and (iii) the effect of the User's withdrawal on the achievement of the Operating Company's economic interests.

3.2.3 Should the Subscribed Capacity which has become available as a result of the withdrawal of a User pursuant to clause III.3.1 above and in relation to which such User has made payments to the Operating Company pursuant to letters (a) and (b) of clause 3.2.1 above be subsequently reallocated to another User in whole or in part, the Operating Company shall reimburse the original User the discounted amounts that such User has paid the Operating Company with respect to such reallocated Foundation Capacity and/or Non-Foundation Capacity pursuant to letters (a) and (b) of clause 3.2.1 above, as soon as the Operating Company has reallocated such Foundation Capacity and/or Non Foundation Capacity to the new User.

3.2.4 Should the transportation capacity which has become available as a result of the withdrawal of a User pursuant to clause III.3.1 above and in relation to which such User has made a payment to the Operating Company pursuant to letter (c) of clause 3.2.1 above be subsequently reallocated to another User in whole or in part, the Operating Company shall reimburse the original User the discounted amounts that such User has paid the Operating Company with respect to such reallocated transportation capacity, as soon as the Operating Company has reallocated such transportation capacity.

III.4 TITLE to LNG

III.4.1 Title to LNG

The Operating Company has no title to the LNG delivered by or on behalf of such User to the Delivery Point. The User agrees to indemnify, defend, and hold the Operating Company harmless in respect of any costs, losses, damages, claims and/or expenses of any kind suffered or incurred by the Operating Company and arising from any liens, charges, encumbrances and/or adverse claims which may be made by third persons for any reason in respect of such LNG.

III.4.2 No transfer of title in LNG or resultant Gas

Subject to clause III.6.2, delivery of LNG to the Delivery Point by or on behalf of a User will not cause any transfer to the Operating Company of any title in such LNG or resultant Gas and the Operating Company shall have custody of such LNG or resultant Gas until the Cavarzere Entry Point only for the purpose of carrying out the Service.

III.4.3 Right to co-mingle

Each User authorises the Operating Company to co-mingle the LNG which is delivered to the Terminal by or on behalf of such User with the LNG of other Users in the storage tanks of the Terminal and to co-mingle the resultant Gas prior to the Redelivery Point.

III.5 QUANTITY AND QUALITY OF LNG

5.1.1 Quantity and quality at the loading port

In order to facilitate the Unloading, each User shall furnish to the Operating Company, as soon as reasonably possible after each loading of an LNG cargo to be Unloaded, but in no event less than twenty-four (24) hours prior to issuance of the relevant Notice of Readiness, a certificate setting forth the quantities, the Gross Heating Value, mol composition analysis, Wobbe Index, and the loading temperature and pressure of the LNG to be Unloaded.

5.1.2 Quality at the Delivery Point

Subject to the following provisions of this clause 5, the quality of LNG delivered by or on behalf of a User to the Operating Company at the Delivery Point shall comply with the LNG Quality Specifications.

Notwithstanding the foregoing, if the Gross Heating Value of LNG to be Unloaded by any User is higher than the limits set forth in the LNG Quality Specifications by reason of Boil-off occurring during a delay in Unloading an LNG Tanker of more than forty-eight (48) hours after

the Notice of Readiness has been tendered within its Scheduled Arrival Range in accordance with clause IV.2.5, which delay is due to any reason other than those specified in clause 3.8.1 of chapter IV, such LNG shall be deemed to have met the LNG Quality Specifications regarding the Gross Heating Value for all purposes of this Regasification Code. In particular, without limiting the generality of the foregoing, (i) the Operating Company shall endeavour to accept and Unload such LNG, it being understood that clause 5.1.5 of chapter III shall not apply with respect to the Unloading of such LNG and (ii) in the event that the Operating Company is unable to accept and Unload such LNG, the Operating Company shall indemnify and hold the User harmless from any costs and/or expenses directly incurred by such User as a result of its inability to accept and Unload the LNG.

5.1.3 Determination of quantity and quality of LNG at the Delivery Point

The quantity and quality of LNG delivered by or on behalf of a User to the Operating Company at the Delivery Point shall be determined in accordance with the following:

(a) Tank gauge tables of LNG tankers: such User shall furnish to the Operating Company a certified copy of tank gauge tables for each tank of each LNG Tanker as described in Annex (j).

(b) Gauging and measuring LNG volumes: the quantity of LNG Unloaded shall be determined by gauging the LNG in the tanks of the LNG Tanker immediately before and after Unloading net of any quantity of Boil-off used by the LNG Tanker during the Unloading as fuel in accordance with Directive 2005/33/EC. Gauging the liquid in the tanks of the LNG Tanker and the measuring of liquid temperature, vapour temperature and vapour pressure in each LNG tank, any quantity of Boil-off used by the LNG Tanker and the trim and list of the LNG Tanker shall be performed, or caused to be performed, by such User before and after Unloading. The Operating Company shall have the right to witness and verify such gauging and measuring. Copies of gauging and measurement records shall be furnished to the Operating Company and, in the absence of manifest error, shall be conclusive. Gauging devices shall be selected, and measurements shall be effected, in accordance with Annex (j).

(c) Samples for quality analysis: representative samples of the LNG shall be obtained by the Operating Company as provided in Annex (j), with one sample being provided to such User.

(d) Quality analysis: the samples referred to in paragraph (c) above shall be analysed by the Operating Company in accordance with Annex (j), in order to determine the molar fraction of the hydrocarbons and other components in the sample.

(e) Operating procedures: such User, at no cost to the Operating Company, may procure that all measurement, gauging and analysis conducted pursuant to paragraphs (b), (c) and (d) above are witnessed and verified by an independent surveyor approved by the Operating Company. The Operating Company shall maintain and publish on the Electronic Communication System a list of its approved independent surveyors. For this purpose, the Operating Company shall provide such User the analysis schedule with respect to paragraph (d) above. If such surveyor is not present at the time the measurements, gauging and analysis are to be conducted, such operations and computations will nevertheless be carried out without delay. The results of such surveyor's verifications shall be made available promptly to the Operating Company.

All records of measurement, gauging and analysis and the related computation results shall be preserved by the Operating Company and kept available to such User for a period of no less than three (3) years after such operations and computations have been completed.

(f) LNG energy quantity: the Net Unloaded LNG shall be calculated by the Operating Company according to the procedure set forth in Annex (j) and may be verified by the independent surveyor appointed in accordance with paragraph (e) above.

(g) Verification of tank measurement system: such User shall provide to the Operating Company a copy of an independently certified certificate of accuracy with respect to all cargo measurement devices on such LNG Tanker which has been issued within five (5) years prior to the commencement of Unloading.

(h) Verification of accuracy and correction of errors: permissible tolerances of measuring devices shall be as described in Annex (j). The inaccuracy of any such measuring device exceeding such permissible tolerances shall require (x) the correction of recordings and computations made on the basis of those recordings, as required to correct all errors which occurred during the period in which the inaccuracy of such device exceeded such permissible tolerances or, if such period cannot be determined, the period conventionally agreed by such Parties, and (y) the adjustment of such device. In the event that the period mentioned under point (x) above is not agreed by the relevant Parties, the related correction shall be made for each Unloading of LNG made during the last half of the period from the date of the most recent calibration of the inaccurate device to the date on which such inaccuracy is detected.

5.1.4 Unloading of Off-Spec LNG

If the quality features of any LNG to be Unloaded, which are notified or procured to be notified by a User to the Operating Company in any notice served pursuant to clause IV.2.1:

(a) do not comply with the LNG Quality Specifications, the Operating Company shall use all reasonable endeavours to accept and Unload such Off-Spec LNG. If, notwithstanding the use of all reasonable endeavours by the Operating Company, the Operating Company reasonably believes that it will be unable to perform the Service, then the Operating Company may refuse such Off-Spec LNG and instruct that the relevant LNG Tanker not be Unloaded, by giving notice to such User within twelve (12) hours after receipt of the above notice; or

(b) comply with the LNG Quality Specifications, but upon Unloading and testing of such LNG at the Terminal such LNG does not comply with the LNG Quality Specifications, the Operating Company shall (i) promptly give notice thereof to the User; and (ii) use all reasonable endeavours to accept and continue Unloading of such Off-Spec LNG. If, notwithstanding the use of all reasonable endeavours by the Operating Company, the Operating Company reasonably believes that it will be unable to perform the Service, then the Operating Company may refuse such Off-Spec LNG and stop the Unloading by giving notice to such User. In addition, the User shall have the right to stop at any time the Unloading of such Off-Spec LNG by giving notice to the Operating Company.

5.1.5 User's liability in relation to Unloading of Off-Spec LNG

Subject to clause 5.1.2, second paragraph, point (i) of chapter III, in the event that any Off-Spec

LNG is Unloaded by or on behalf of a User with or without the acceptance of the Operating Company, such User shall indemnify and hold the Operating Company harmless from any costs and/or expenses directly incurred by the Operating Company to:

(a) restore, repair, or replace any part of the Terminal that is damaged as a result of the Unloading of such Off-Spec LNG; and

(b) satisfy or settle valid third party claims that are brought against the Operating Company as a result of the Unloading of such Off-Spec LNG, provided that the Operating Company, before satisfying or settling any such claim, shall consult with such User and shall take into due consideration any comments of such User in relation to the defence of any such claim.

The Operating Company shall use all reasonable endeavours to minimize the costs and expenses referred to in this clause 5.1.5. Save as expressly described in this clause 5.1.5, the User shall incur no further liability to the Operating Company with respect to such Off-Spec LNG.

If any Off-Spec LNG is refused by the Operating Company in the circumstances described in this clause 5.1.5, the User shall continue to be liable to pay to the Operating Company the Capacity Charge and the Grid Capacity Charge in respect of such Off-Spec LNG.

III.6 QUANTITY, QUALITY AND PRESSURE OF GAS

III.6.1 Redelivery of Gas

6.1.1 Making Gas available at the Cavarzere Entry Point

Pursuant to clause III.2.2, the Operating Company undertakes to make available at the Cavarzere Entry Point, in accordance with the Gas Redelivery Procedure, Gas that complies with the Gas Quality Specifications.

6.1.2 Acceptance of Gas

Considering that the Gas will be injected by the Operating Company into the Grid at the Cavarzere Entry Point on behalf of the Users, the Parties agree that the Gas transmitted by the Operating Company to the Cavarzere Entry Point shall be deemed to be (a) accepted by and in the custody of the User for all purposes of the law and the Regasification Code if such Gas is accepted by the Transportation Company, or (b) rejected by the User for all purposes of the law and the Regasification Code if such Gas is rejected by the Transportation Company. For the purposes of this Regasification Code, Gas shall be deemed to be accepted by the Transportation Company if it has crossed the Cavarzere Entry Point.

6.1.3 Gas Redelivery Procedure

The Operating Company shall Redeliver and the User shall take the Redelivery of Gas, or ensure that the Transportation Users indicated according to article 13 of TIRG accept the Redelivery of Gas, in accordance with the Gas Redelivery principles below and the Transportation Contract and as specified in the applicable Capacity Agreement, of one hundred per cent (100%) of the quantity of Gas determined pursuant to clause III.2.8.

Gas Redelivery principles shall comply with the provisions contained in the TIRG and the guidelines of the "Technical Relation" of the ARERA Resolution no. 167 of 1 August 2005, which provides that "the gas redelivery rules among users shall provide a flat redelivery profile

in the month, so as to ensure continuity of supply to continuous users, who have capacity for a single unloading per month "and the Transportation Contract.

The Redelivery Service consists of two main activities: scheduling the quantity of Gas to be Redelivered to the User at the Redelivery Point and determine the final amount of Gas Redelivered to the User each Day for the previous Day.

The provisional and final amount of Gas Redelivered to the Users (or to the Transportation Service Users indicated by the User in accordance with article 13.6 of the TIRG as applicable), shall be determined as follows.

a) Continuous User and Transportation Service Users

i) Redelivery Program Proposal determination

By 23rd (twenty-third) Day, or the following Business Day if the 23rd (twenty-third) is not a Business Day, of the Month M previous to the start of Month M+1, the Operating Company will provide each Continuous User with the Redelivery Program Proposal according to a Redelivery profile as flat as possible.

To Redelivery Programme Proposal will be applied provisions of Annex (k) ("Procedure for the definition of the Redelivery Program Proposal").

The Redelivery Program Proposals, based on applicable Three-Months Schedule, highlight the quantity of Gas (expressed in energy, GJ and/or kWh) the Operating Company plans to make available at the Redelivery Point to that User or to the Transportation Service Users indicated by the User, in favour of which allocate the related Gas quantities in accordance with article 13.6 of the TIRG every Day of the Month M+1, M+2 and M+3.

The same provisions provided for in this paragraph shall apply mutatis mutandis if the User has expressed his preference for the Bimonthly Redelivery Program.

ii) Redelivery Program determination

The User may request changes to the Redelivery Program Proposal related to the Month M+1 or to the Bimonthly Redelivery Period no later than the fourth Business Day prior to the Month M according to the article 11.4 of TIRG.

To the amendments of the Redelivery Programme Proposal requested within the fourth Business Day prior to the Month M will be applied the provisions as set forth in article 6.1.4 of chapter III.

Such requests, if accepted by the Operating Company, will constitute the Redelivery Programs that will be the basis for the nominations to the Transportation Company for each User for each Day D of the Month M+1.

Within the third Business Day prior to the beginning of the month M+1, the Operating Company shall communicate to each User their Redelivery Programs.

iii) Adjusted Redelivery Program determination

The Redelivery Program is subject to be changed on a daily basis by the Operating Company (and will be indicated as "Adjusted Redelivery Program"), to take into account all the events mentioned in the Regasification Code, including:

- Early or late arrivals of LNG Tankers;
- Rescheduling of planned Discharges;
- Differences between the quantities of LNG expected to be Unloaded during the Month and the actual quantities Unloaded;
- Scheduling of Unloading Slots during the Month;
- Terminal and/or Grid capacity reductions;
- The need for a sufficient inventory in the Terminal tanks to receive the next LNG Tanker;
- Changes in the expected quantities of Terminal Use Gas and Lost Gas;
- Any operational requirement resulting from the offer of the Temporary Storage Service for the Peak Shaving Service.

The allocation of Unloading Slots to Spot Capacity Users during the Month following the Infra-annual Subscription Procedure referred to in chapter II paragraph 2.4.2 (b) letter (i) cannot be a cause of change of the Redelivery Program of the Continuative Users of the same Month.

To the Adjusted Redelivery Program shall apply the provisions of the next article 6.1.4 chapter III.

The Adjusted Redelivery Program will be the basis for nomination to the Transportation Company.

The Operating Company will communicate the Adjusted Redelivery Programme:

- due to changes related to the exercise of the option under article 6.1.4 letter (g) of chapter III, no later than 17:00 hours of each Day D-2 for the Day D;
- due to changes related to the exercise of the option under article 6.1.4 letter (g) of chapter III in the case of Spot Capacity allocation, no later than the fourth Day before the start of the Scheduled Arrival Range of the relevant Slot.

iv) Adjusted Redelivery Programme following requests for Additional Services determination

The Redelivery Programs/Adjusted Redelivery Programs shall be modified following the request of Additional Services by the User and its confirmation by the Operating Company in accordance with article 3.7.1 of chapter II and Annex (o).

To the Adjusted Redelivery Programme following requests for Additional Services will be applied the provisions referred to in article 6.1.4. letter n) chapter III and Annex (o).

b) Spot Capacity Users

The Operating Company will propose a Spot Redelivery Programme, indicating the quantity of Gas that will be Redelivered each Day D of the related Spot Redelivery Period, as defined in the relevant Spot Capacity Contract, to each Spot User (or to Transportation Contract Users indicated by the Spot User to which

Redeliver the amount of Gas in accordance with article 13.6 of the TIRG) taking into account all relevant factors (including those listed in the Spot Capacity Agreement). The Spot Capacity Users shall provide the Operating Company their preferences in time to send the nominations to the Transportation Company. If such preferences are not compatible with the technical, operational and commercial constraints under the Regasification Code, the Operating Company will consider the initial Spot Redelivery Programme Proposal for the nominations to the Transportation Company.

The Spot Redelivery Programme will be changed on a daily basis by the Operating Company (and it will be indicated as "Adjusted Spot Redelivery Programme") to take into account these events are referred to in the Regasification Code, including:

- Early or late arrivals of LNG Tankers;
- Rescheduling of planned Discharges;
- Differences between the quantities of LNG expected to be Unloaded during the Month and the actual quantities Unloaded;
- Scheduling of Spot cargoes during the Month, if the Spot Redelivery Programme foresees the Redelivery also in the Month following the Spot Capacity allocation;
- Terminal and/or Grid capacity reductions;
- The need for a sufficient inventory in the Terminal tanks to receive the next LNG Tanker;
- Changes in the expected quantities of Terminal Use Gas and Lost Gas;
- Any operational requirement resulting from the offer of the Temporary Storage Service for the Peak Shaving Service.

The allocation of Unloading Slots to Spot Capacity Users during the Month following the Infra-annual Subscription Procedure referred to in chapter II paragraph 2.4.2 (b) letter (i) cannot be a cause of change of the Redelivery Program of the Continuatives Users of the same Month
To the Adjusted Spot Redelivery Programme shall apply the provisions referred to in next article 6.1.4. of chapter III.

The Adjusted Spot Redelivery Programme will be the basis for nomination to the Transportation Company.

The Operating will communicate the Adjusted Spot Redelivery Programme due to changes related to the exercise of the option under article 6.1.4 letter (g) of chapter III:

- no later than the fourth Day before the start of the Scheduled Arrival Range of the Spot Capacity, in case of Spot Capacity allocation;
- no later than 17:00 of each Day D-2 for the Day D, in all other cases.

The Spot Redelivery Programme/Adjusted Spot Redelivery Programme shall be modified following the request for Additional Services by the Spot Capacity and its confirmation by the Operating Company in accordance with article 3.7.1 of chapter II and Annex (o).

To the Adjusted Spot Redelivery Programme following the requests for Additional Services will be applied the provisions referred to in article 6.1.4. of chapter III.

c) Final Daily Redelivery Profile determination

If there are differences between the total quantity of Gas expected to be Redelivered for all Users and the total amount of Gas Redelivered by the Operating Company for the Day D, the Operating Company determines the Final Daily Redelivery Profile for each User in accordance with art. 6.3 of ARERA Resolution n. 297/2012 as pro-rata on the respective Redelivery Programs/Adjusted Redelivery Programs/Adjusted Redelivery Programs following requests for Additional Services/Spot Redelivery Programs/Adjusted Spot Redelivery Programme /Adjusted Spot Redelivery Programs following requests for Additional Services, in compliance with the specific operational agreements between the Operating Company and the Balancing Operator, in accordance with article 4 of the Integrated Balancing Text (Testo Integrato del Bilanciamento) referred to in ARERA Resolution n. 312/2016/R/gas.
The Final Daily Redelivery Profile is binding for the User and corresponds to the amount of Gas used by Snam Rete Gas for the preparation of the balancing equations under chapter 9 of the Snam Rete Gas' Network Code.

6.1.4 Principles of the Gas Redelivery Procedure

The Gas Redelivery Procedure is based upon the following principles:

(a) subject to subparagraphs (i) and (j) below, the Operating Company shall Redeliver Gas, and each Continuous User shall take Redelivery of Gas, or ensure that the Transportation Users indicated according to article 13.6 of TIRG accept the Redelivery of Gas each Day on as constant a basis as possible ("*con un profilo quanto più regolare possibile*") over the duration of any given Month, save for the case where the relevant Users request otherwise in the presence of operational flexibilities in the Redelivery ("*in presenza di flessibilità operative nella Riconsegna*") according to the comma 4 of article 11 of TIRG.

(b) The Operating Company, in order to activate the Gas Advance Operation, on the basis of the Three-Months Schedule for the next month M+1 and of the Spot Program, proceeds as follows:

1. Sort the Users in Compensated or Compensator Users for each Day of the Month M+1;

2. Calculate for each User classified as Compensated User, the total amount of the Gas Advance Operation converting to GJ and/or kWh the quantity of Gas to be advanced increased of the Gas quantity to be Redelivered in the 3 (three) Days following the ETA of the LNG Tanker scheduled to be discharged.

The Operating Company, in the name and on behalf of its Compensated and Compensator Users, will provide to the Balancing Operator, through the registration of sale transactions at PSV from the Compensated User to the Compensator User, the breakdown of the quantities of Gas to be Redelivered for the Gas Advance Operation in favor of:

i) The Continuous Users by 23rd (twenty-third) Day of each Month, or the following Business Day if the 23 (twenty- third) of the Month is not a Working day;

ii) Spot Capacity Users in time for the Gas Redelivery

if they have adequate guarantees according to the article III.10.5, by the deadline for the communication of the Three-Months preferences or, for Spot Users, by the signature date of the Spot Capacity Contract.

In case the Compensated User does not have the adequate financial guarantees referred to in article III.10.5 as reported by PSV, the Gas Redelivery Period for the same User will start from the completion of the Discharge.

In case of changes to the scheduled arrival of the LNG Tankers during the Month M+1 that modify the quantity of Gas Advance Operation, the Operating Company will change the sales transactions previously registered at the PSV. In case the User does not have the adequate financial guarantees referred to in article III.10.5, the Gas Redelivery Program will be amended accordingly and, if necessary, the Redelivery will be done by the completion of the Discharge.

In the event that the Compensated User does not return all or part of the Gas received in advance by the Compensator User, the Operating Company will partially cancel or not cancel as the case may be the previously recorded transactions at the PSV in order to ensure the return of the Gas is received in advance,.

Except for information disclosed by PSV, it is intended that the Operating Company guarantees the confidentiality of commercially sensitive information (such as, for example, the identity of the involved Users) relating to the Gas Advance Operation.

(c) It is understood that should the Operating Company allocate Spot Capacity, it may change the Monthly Redelivery Program or Adjusted Monthly Redelivery Program for Continuous Users and define a new Adjusted Monthly Redelivery Program. Except for cases of wilful misconduct or gross negligence, the Operating Company shall not be liable for the definition of the Adjusted Redelivery Program. The allocation of Unloading Slots during the Month to Spot Capacity Users following the Infra-annual Subscription Procedure referred to in chapter II paragraph 2.4.2 (b) letter (i) cannot be a cause of change of the Redelivery Program of the Continuative Users of the same Month. .

(d) To the changes required by the User to the Redelivery Program Proposal for the Month M+1 or to the Bimonthly Redelivery Period no later than the fourth last Business Day of the Month M, the following provisions shall apply:

i) the Operating Company will implement the requested changes only in case an agreement with all Users requesting these changes is found; and

ii) each Party shall use all reasonable endeavors to reach an agreement pursuant to and for the purposes of paragraph (i);

(e) the volumes Redelivered to the Continuous Users or, if applicable, to the Transportation User/s indicated according to article 13.6 of TIRG during or a given Bimonthly Redelivery Period shall be based upon: (i) the inventory of LNG in the Terminal tanks at the beginning of the Month; (ii) the minimum level of LNG to be maintained in the Terminal tanks at the end of that Month and (iii) the volumes of LNG Unloaded by the relevant Continuous User in that Month, taking into account the maintenance requirements of the Terminal and of the Grid and (iv) the qualification, if applicable, of Compensated User;

(f) the Operating Company shall Redeliver to Spot Users, and Spot Users shall take Redelivery, or ensure that the Transportation System User/s indicated according to article

13.6 of TIRG accept the Redelivery of Gas, in accordance with the Spot Redelivery Programme and over the duration of the Spot Redelivery Period. The Spot Redelivery Period shall start, subject to the operational constraints of the Operating Company (i) during the Day after the Day when Unloading commences or (ii) in advance of the Scheduled Arrival Range of Discharge if the Spot Capacity Users shall require and have adequate guarantees under article III.10.5;

(g) the Operating Company shall have the option to change the quantity of Gas to be Redelivered to the User or, if applicable, to the Transportation System User/s indicated according to article 13.6 of TIRG if necessary to effectively manage the volume of LNG in the Terminal, taking into account expected Unloadings of LNG and expected rates of Redelivery of Gas. In the exercise of such option, Operating Company shall use all reasonable endeavours to limit such changes and meet, as much as possible, the Users' requests. If Users have conflicting preferences, the Operating Company will change the quantity of Gas to be Redelivered according to the pro rata allocation of the respective Redelivery Programs. The Operating Company will communicate to each User any potential modification to the Redelivery Programs by17:00 hours of each Day d-2 for Day d, giving an indication of reasons for which the Redelivery Programme has been modified, in accordance with article 6.1.3 of Chapter III;

(h) The Operating Company is entitled to modify the amount of Gas to be Redelivered to a User or, if applicable, to the User or to the Transportation Service Users as specified under article 13.6 of the TIRG in the cases which, for any reason not dependent on the Operating Company, and except for the force majeure cases under article III.7 of Chapter III, reductions of regasification capacity shall occur. If doing so, the Operating Company shall promptly give notice to each User. Without prejudice to the responsibilities and obligations provided in the Regasification Code, in case of changes to the Users' Redelivery Programs or, if applicable, to the Transportation Service Users as indicated in accordance to article 13.6 of the TIRG, the Operating Company will Redeliver the Gas quantities related to these reductions in a non-discriminatory way, provided that the Operating Company will use all reasonable effort in order to satisfy, as much as possible, the Users requests. If Users have conflicting preferences, the Operating Company will modify the Gas quantity to be Redelivered according to the *pro rata* allocation on the respective Redelivery Programs;

(i) according to the provisions in the relevant Capacity Agreement, Transportation Contract and any other applicable regulation or provision published by Snam Rete Gas in the network code, the Operating Company shall communicate, through daily or multi-daily transactions with the System, the Gas quantities that will be injected on a daily basis at the Cavarzere Entry Point on behalf of each User or, if applicable, of the Transportation User/s indicated as per article 13.6 of TIRG and shall inform the User or, when applicable, the Transportation User/s indicated according to article 13.6 of TIRG of the Redelivered Gas volumes to that User on each Day;

(j) the User shall be responsible and shall hold the Operating Company harmless in respect of any costs, losses, damages, claims and/or expenses of any kind incurred by the Operating Company and charged by the Transportation Company under the Transportation Contract, unless such costs, losses damages claims and/or expenses are the consequence of a grossly negligent or wilful act or omission of the Operating Company;

(k) to the extent that any User's actual Unloaded volumes of LNG differ, in terms of timing and/or quantity, from those expected to be Unloaded according to the most recent Three

(3) Month Schedule, including for reasons of late or early arrivals of LNG Tankers, each User shall have its Redelivery of Gas adjusted, as specified at point g) of this paragraph. The Operating Company will make any reasonable effort in order to minimize the impact for other Users and satisfy, as much as possible, its Users' requests. If Users have conflicting preferences, the Operating Company will modify the quantity of Gas to be Redelivered according to the pro rata allocation on their respective Redelivery Programme/Adjusted Redelivery Programme/Adjusted Redelivery Programme following requests for Additional Services /Spot Redelivery Programme/Adjusted Spot Redelivery Programme/Adjusted Spot Redelivery Programme following requests for Additional Services as the case may be. In the event that the User has indicated the Transportation System Users in accordance with article 13.6 of TIRG the provisions of this paragraph shall apply *mutatis mutandis* to the latter;

(l) in the case of a reduction in the ability of the Operating Company to Redeliver Gas as a consequence of an action of a User or a failure by a User to perform any of its obligations under the relevant Capacity Agreement, such User shall have its Redelivery of Gas curtailed first, and then, if still necessary after the quantity of Gas to be Redelivered to such User has been reduced to zero (0), the other Users shall have their Redelivery of Gas curtailed pro-rata based upon the volume of Gas of the Redelivery Programme/Adjusted Redelivery Programme of the User for the Day, as advised pursuant to clause 6.1.4 (f) and (g) of chapter III. In the case of a reduction in the ability of Operating Company to Redeliver Gas for reasons other than those described above, the quantity of Gas Redelivered for each User will be adjusted as indicated at points (g) and (h) of this paragraph. The Operating Company will try to satisfy, as much as possible, the Users' requests. If Users have conflicting preferences, the Operating Company will modify the quantities of Gas to be Redelivered according to the pro rata allocation on the respective Redelivery Programs. In the event that the User has indicated the Transportation System Users in accordance with article 13.6 of TIRG the provisions of this paragraph shall apply mutatis mutandis to the latter;

(m) should any User's actual Unloaded volumes of LNG differ, in terms of timing and/or quantity, from those expected to be Unloaded according to the most recent Three (3) Month Schedule, including for reasons of late or early arrivals of LNG Tankers or of failure to deliver, the Operating Company shall not be responsible for any costs, losses, damages, claims and/or expenses of any kind which are suffered or incurred by Users and Transportation System Users if indicated by the User according to article 13.6 of TIRG, or third parties, including any claims made by other Users for penalties charged by the Transportation Company or storage companies for Gas nomination adjustments, except for the case where such costs, losses, damages claims and/or expenses are directly referable to the wilful or grossly negligent failure by the Operating Company to timely operate during the sessions at the System in accordance with clause 6.1.4 (f) of chapter III;

(n) In case of request of Additional Services by a User and the Operating Company confirmation pursuant to article 3.7.1 of Chapter II and Annex (o), the User Redelivery Programme will be consequently modified in the same day D and/or in the following Days as a result of the use of the Flexibility Service and/or Temporary Storage Service, and such modification will be reported in the "Adjusted Redelivery Programme following requests for Additional Services/Spot Adjusted Redelivery Programme following requests for Additional Services". In no case the "Adjusted Redelivery Programme following requests for Additional Services"/Spot Adjusted Redelivery Programme following requests for Additional Services" can modify the Redelivery Programme of the User/s who do not have requested the Additional Services.

6.1.5 Redelivery of the Gas quantities related to the Peak Shaving Service

The Redelivery of the Gas quantities related to the Peak Shaving Service is done by the Operating Company in favour of the following subjects:

(a) to the Balancing Operator, in the period between 1 January and 31 March each Year, if the latter requests in writing to the Operating Company, pursuant of any Regulation, the Redelivery of Gas made available by the User for the purpose the Peak Shaving Service. The Operating Company will ensure the Redelivery to the Balancing Operator of a quantity of Gas equal to (i) the minimum quantity fixed by the Operating Company on the basis of the technical - operational conditions of the Terminal as posted on the Electronic Communication System of the Operating Company, or (ii) the amount of Gas indicated by the Balancing Operator in its request as long as it is less than the minimum quantity referred to in (i). If the Balancing Operator requires the Redelivery of a quantity of Gas higher than the minimum quantity above, the Operating Company will assess from time to time its request on the basis of the technical – operational conditions of the terminal; and

(b) to the User in accordance with the terms of the Gas Redelivery referred to in articles 6.1.3 and 6.1.4 of Chapter III as of April 1 of each Year, for a quantity of Gas equal to that made available by the User for the purposes of the Peak Shaving Service net of (i) the quantities of Gas Redelivered to the Balancing Operator according to the previous paragraph and (ii) the quantities of Gas related to the Losses and Consumptions of the Regasification chain according to article III.6.2.

It's understood that the Redelivery of the quantities of Gas related to the Peak Shaving Service can not affect or change the amount of Gas planned for the Redelivery to each Continuous and/or Spot User.

6.1.6 Determination of quantity, quality and pressure of Gas

(a) The quantity, quality and pressure of Gas Redelivered to the Users shall be determined in accordance with the procedures established by the Transportation Company for the Grid, which are reflected in Annex (h).

(b) Upon request of a User, the Operating Company shall allow such User to have access to:

(i) the Gas metering equipment owned, operated and maintained by the Operating Company, at reasonable hours and at a frequency consistent with the testing and inspection program of the Transportation Company, and at such User's sole risk and expense, for the purposes of: inspection; taking samples of Gas; being present during tests for determining the quantity, quality and pressure of the Gas Redelivered and during the cleaning, installing, changing, repairing, inspecting, calibrating or adjusting of such metering equipment; and

(ii) the records and charts relating to the measurement of the quantity, quality and pressure of Gas Redelivered, together with any related calculations.

(c) All measurement records made by the Operating Company pursuant to this clause 6.1.5 and the related computation results shall be preserved by the Operating Company and kept available to the relevant User for a period of no less than one (1) year after such

measurement and computations have been completed. All measurement records made by the Transportation Company and the related computation results shall be preserved by the Transportation Company and kept available to the relevant User as set forth in the Transportation Contract.

(d) Permissible tolerances of measuring devices owned, operated and maintained by the Operating Company shall be as described in Annex (j). The inaccuracy of any such measuring device exceeding such permissible tolerances shall require (x) the correction of recordings and computations made on the basis of those recordings, as required to correct all errors occurred during the period in which the inaccuracy of such device exceeded such permissible tolerances or, if such period cannot be determined, the period conventionally agreed by such Parties, and (y) the adjustment of such device. In the event that the period mentioned under point (x) above is not agreed by the relevant Parties, the related correction shall be made with respect to the Gas Redelivered during the last half of the period from the date of the most recent calibration of the inaccurate device to the date on which such inaccuracy is detected. Permissible tolerances of measurement devices under the operation and control of the Transportation Company shall be as described in the Transportation Contract.

(e) In the event of inaccuracies of the Gas metering equipment which give rise to reconciliations to the definitive balance of the Users made by the Transportation Company, pursuant to the applicable provisions of the relevant Network Code, unless such inaccuracies are due to the gross negligence or wilful misconduct of the Operating Company, the Operating Company shall not have any liability towards the Users, or the Transportation System Users if indicated by the User according to article 13.6 of TIRG, and shall only be required to perform the activities mentioned under letter (d) above and make the necessary invoicing adjustments pursuant to clause 8.1.4of chapter III.

(f) All Gas measuring equipment that is used at the Terminal pursuant to this clause 6.1.5 shall be owned, operated and maintained by the Operating Company, unless otherwise required or imposed by any Regulation.

(g) The Operating Company shall estimate the gain or loss associated with measurement uncertainty on a regular basis and such gains or losses shall be considered as gains or losses in the quantity of Gas and/or LNG specified in clause II.1.1 (n).

6.1.7 Off-Spec Gas

If, for any reason, the Operating Company makes available Off-Spec Gas at the Cavarzere Entry Point for Redelivery to a User:

(a) the Operating Company must promptly notify such User and the Transportation Company; and

(b) if any quantity of such Off-Spec Gas is rejected by the Transportation Company:

(i) the Capacity Charge payable by such User will be reduced pursuant to clauses 8.1.1 (a)(iii)(bb) of chapter III; and

(ii) the Grid Capacity Charge payable by the User pursuant to clause 8.1.1 (d) of chapter III shall be reduced if, and to the extent that, the Off-Spec Gas was made available at Cavarzere Entry Point as a result of a grossly negligent or wilful act

or omission of the Operating Company or its employees, contractors, agents and/or other third parties acting for it or on its behalf.

6.1.8 Limitation of liability for Off-Spec Gas

Except in the case of gross negligence or wilful misconduct on the part of the Operating Company, the Parties agree that the Operating Company's sole and exclusive liability in relation to Off-Spec Gas shall be the remedies given pursuant to clause 6.1.6 (b)(i) of chapter III.

The Operating Company shall have no liability whatsoever with respect to Gas that is lost downstream of the Cavarzere Entry Point and User shall only have recourse to those remedies set forth in the transportation agreement of the relevant User and/or deriving from the Transportation Contract with a possible direct action against the Transportation Company.

III.6.2 Losses and Consumption of the Regasification chain

(a) Losses and Consumption of the Regasification chain means the quantity of LNG and/or Gas used by the Operating Company as fuel and for other purposes necessary for maintaining base Terminal operations and for the provision of the Regasification Service, including the quantities of Gas which are typically lost (i) through valves within the Terminal during normal operations and (ii) during maintenance of the Terminal, but excluding the quantity of Gas and/or LNG provided in clause II.1.1(i) of chapter II

(b) To cover Losses and Consumption of the Regasification chain a contribution in kind, equal to a percentage value of the Net Unloaded LNG delivered, shall be paid by the Users; such percentage value is defined by the ARERA during the approval process of the tariff proposal of the Terminal Operator as from time to time updated according to article 9 of Annex A of the ARERA Resolution n–474/2019/R/Gas and subsequent amendments, and shall be published on the Electronic Communication System.

(c) Each User shall transfer to the Operating Company title to such part of its LNG that is required to be used to cover Losses and Consumption of the Regasification chain at no cost to the Operating Company and in the quantities determined by the ARERA pursuant to clause III.6.2 (b).

III.7 FORCE MAJEURE

III.7.1 Meaning of Force Majeure

Force Majeure means any event or circumstance beyond the reasonable control of the Party claiming such Force Majeure, which could not be prevented by due care of a Reasonable and Prudent Operator and reasonable expense, which has the effect of making performance by such Party of its obligations under its Capacity Agreement, in whole or in part, impossible and/or unlawful ("**Force Majeure**" or "**Force Majeure Event**").

III.7.2 List of Force Majeure Events

Subject to clause III.7.1, Force Majeure shall include the following:

(a) war (whether declared or undeclared), civil war, acts of terrorism, riot, civil disturbance, blockade, insurrection;

(b) acts of God, explosion, fire, flood, atmospheric disturbance, lightning, storm, typhoon, tornado, earthquake, landslide, soil erosion, subsidence, washout or epidemic;

(c) any change in a Regulation or other applicable laws, regulations, administrative or judicial provisions or such like, or coming into effect of a new Regulation or other applicable laws, regulations, administrative or judicial provisions or such like, excluding any that concern tax;

(d) any refusal, revocation, cancellation, or non-renewal of any authorisation, permit, licence and/or concession required by the Affected Party to perform its obligations under the relevant Capacity Agreement;

(e) loss of, damage to, or any failure of all or part of the Terminal or of the Grid;

(f) strikes lockouts and other forms of industrial action, except in cases of conflict within the company, declared on occasions which are not the negotiation of collective agreement; and

(g) any condition or situation which presents an imminent threat of loss or damage to any property, or of danger to the life or health of any person.

III.7.3 Relief for Force Majeure

7.3.1 Should a Force Majeure Event occur, the Party affected by such Force Majeure Event (the "**Affected Party**") shall be relieved of its obligations under the Capacity Agreement to which it is a Party other than: (i) the obligation to make payments when due; (ii) subject to clause III.2.2, the obligation of the User to pay the Capacity Charge, the Grid Capacity Charge and any other related costs and/or expenses charged by the Transportation Company under the Transportation Contract; and (iii) the obligations set out in clause III.7.4, for as long as and to the extent that the performance of its obligations is rendered impossible and/or unlawful by such Force Majeure Event, and the other Party shall be relieved of its corresponding obligations under the Capacity Agreement to the same extent.

7.3.2 If, as a consequence of a Force Majeure Event that gives rise to a reduction in the Capacity Charge payable by a User pursuant to clause III.2.2, Laytime for an LNG Tanker used by or on behalf of such User exceeds a total duration of forty-eight (48) hours, then such User shall be (i) entitled in its sole discretion to stop Unloading and/or to divert such LNG Tanker, provided that this can be done safely, and (ii) relieved from the payment of the Capacity Charge with respect to the quantity of LNG that was scheduled to be Unloaded but was not Unloaded by such LNG Tanker.

III.7.4 Action to be taken on Force Majeure

Should any Force Majeure Event occur, the Affected Party shall:

(a) promptly give notice to the other Party, by stating:

(i) the date, hour and place where the claimed Force Majeure Event has occurred;

(ii) a detailed description of the claimed Force Majeure Event;

(iii) the effects of the claimed Force Majeure Event; and

(iv) the programme that the Affected Party intends to implement to remedy the Force Majeure Event and resume normal performance of its obligations under the relevant Capacity Agreement; and

in addition to paragraphs (i) through (iv) above, where the Affected Party is the Operating Company:

(aa) the estimated period during which performance of the Service will be suspended or reduced due to the Force Majeure Event;

(bb) the Service that the Operating Company reasonably expects will not be performed or will only be partially performed during the period for which the Force Majeure Event and its effects are estimated to last; and

(cc) the list of Unloading Slots that the Operating Company reasonably expects it will be able to accommodate during the period for which the Force Majeure Event and its effects are estimated to last, established in accordance with clause 3.7.1 of chapter II;

(b) upon the expiry of each consecutive thirty (30) Day period following service of the notice pursuant to paragraph (a) above, update the information described in paragraph (a) above by notifying the other Party the following:

(i) the developments in the situation;

(ii) the actions being taken to remedy the Force Majeure Event and its effects; and

(iii) the date on which it is reasonably expected that such Force Majeure Event and its effects will end;

(c) use all reasonable endeavours (including the incurrence of reasonable expenditure) to overcome the Force Majeure Event and minimise where possible its effects on the performance of such Affected Party's obligations;

(d) allow or procure the other Party, its employees, contractors, agents and/or other third party representatives (each acting for or on behalf of such other Party and with its specific approval), upon giving reasonable prior notice and at such other Party's sole risk and expense, to have access to the Terminal and/or any other place where the Force Majeure Event has occurred (to the extent that it is within the reasonable control of the Affected Party to do so), in order to check and assess the duration and effects of the Force Majeure Event, provided that such access would not present a danger to the life or health of any person; and

(e) promptly give written notice to the other Party when the Affected Party is again able to perform its obligations under the relevant Capacity Agreements and shall thereupon promptly resume performance of its obligations thereunder.

III.7.5 Termination for extended Force Majeure

7.5.1 If any single Force Majeure Event substantially or totally impairs performance by the Affected Party of its obligations under its Capacity Agreement for a continuous period of time equal to: (i) thirty-six (36) months or more in the case of a Foundation Capacity Agreement with a Total Term equal to or greater than twenty (20) Years; or (ii) twelve percent (12%) of the Total Term in the case of a Capacity Agreement then either Party shall have the right to terminate the Capacity Agreement by giving written notice to the other Party.

7.5.2 If the termination right granted pursuant to clause 7.5.1 of chapter III is exercised by a User, then such User shall pay:

(a) an amount equal to the Net Present Value (as at the effective date of termination) of the aggregate Grid Capacity Charge that would have been payable by such User in the absence of such termination, from the effective date of termination for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the remaining aggregate quantities of Gas which were to be Redelivered to such User, throughout the remaining term of such Capacity Agreement, net of any portion of such Grid Capacity Charge that is not and will not become due and payable to the Transportation Company following such termination. Should the transportation capacity relating to the quantities of Gas which were to be Redelivered to such User and for which such User has made a payment to the Operating Company pursuant to this clause 7.5.2 (a) be subsequently reallocated to another User in whole or in part, the Operating Company shall reimburse the original User the discounted amounts that such User has paid the Operating Company with respect to such reallocated transportation capacity as soon as the Operating Company has reallocated such transportation capacity and the related Grid Capacity Charge to a new User ; and

(b) in the event that the termination right is exercised on account of a Force Majeure Event which, in accordance with clause 2.2.4 of chapter III, does not reduce the Capacity Charge payable by such User

(i) an amount equal to the Net Present Value (as of the effective date of the termination) of the aggregate Capacity Charge that would have been payable by such User in the absence of such termination, from the effective date of termination for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the remaining aggregate quantities of LNG which were to be Unloaded under such Capacity Agreement throughout such remaining term and, if it is a Foundation Capacity User

The amounts referred to in (a) and (b) above will be calculated on the basis of the *Cqs*, and the Grid Capacity Charge respectively which are applicable to the terminating User as at the effective date of the termination, regardless of the fact that any review or recalculation of the *Cqs*, or the Grid Capacity Charge would or may have taken place at any time during the remaining term of such Capacity Agreement. The Parties acknowledge that the determination of the amounts set out in this clause 7.5.2 has been reasonably made with due regard given to (i) the investment costs borne by the Operating Company for the construction of the Terminal; (ii) the obligations that the Operating Company has assumed under the Transportation Contract; and (iii) the effect of the User's termination on the achievement of the Operating Company's economic interests.

7.5.3 Should the Subscribed Capacity which has become available as a result of the exercise by a User of the termination right granted pursuant to clause 7.5.1 above and in relation to which such User has made payments to the Operating Company pursuant to point (i) of letter (b) of clause 7.5.2 be subsequently reallocated to another User in whole or in part, the Operating Company shall

reimburse the original User the discounted amounts of Capacity Charge that such User has paid the Operating Company with respect to such reallocated Foundation Capacity and/or Non-Foundation Capacity pursuant to point (i) of letter (b) of clause 7.5.2 above as soon as the Operating Company has reallocated to a new User such Foundation Capacity and/or Non Foundation Capacity.

7.5.4 In the event that the Operating Company exercise the right to terminate the Capacity Agreement under Article 7.5.1 above, the Operating Company shall not pay any damages to the Users and / or any third party.

III.7.6 Exclusivity of Force Majeure provisions

The Parties acknowledge and agree that this Regasification Code contains a complete regulation of all aspects relating to Force Majeure and that therefore articles 1463, 1464, and 1672 of the Italian civil code shall not apply to any Capacity Agreement.

III.7.7 Force majeure declared by the counterparties of import contracts

7.7.1 In accordance with the provisions of article 14, comma 2, of TIRG, by "events which have led to force majeure declarations by the counterparties of import contracts" it is intended any event, act, fact or circumstance – not attributable to party declaring such force majeure – which renders totally or partially impossible the Unloading of LNG by or on behalf of the User at the Terminal, and which was not possible to prevent or overcome using the diligence of a Reasonable and Prudent Operator.

7.7.2 As soon as a User becomes aware of the occurrence of a force majeure event indicated under clause 7.7.1 above, it shall promptly give notice to the Operating Company and to the Regulatory Authority for for Energy Networks and Environment by sending a self-certification, in the form available on the Electronic Communication System, containing an indication of:

(a) the expected reduction of LNG quantities;

(b) the expected duration of the event;

(c) the actions undertaken to limit the effects of the event on the LNG Unloadings;

(d) the actions undertaken to make available to other Users the Subscribed Non-Foundation Capacity which would not be used.

7.7.3 It is understood that the preceding clauses 7.7.1 and 7.7.2 are set forth for the sole purposes of clause II.2.7.

III.8 INVOICES, PAYMENT AND CAPACITY MAKE-UP

III.8.1 Invoicing by the Operating Company

8.1.1 After the expiry of each Month (the "**Invoice Month**"), the Operating Company will deliver to each User invoice(s) as soon as the elements that allow its/their determination are available, the amounts of which shall be determined as follows:

(a) *Cqs Charge*. As *Cqs* charge, the product of *Cqs* and the monthly invoiced quantity ("**Monthly Invoiced Quantity**") less any reductions for Capacity Make-Up pursuant to clause 8.10.2 of chapter III. The Monthly Invoiced Quantity shall be the greater of the Quantity Unloaded and the Quantity Scheduled or Released, less the Monthly Adjustment, where:

(i) the **"Quantity Unloaded"** means the aggregate Net Unloaded LNG that was Unloaded by or on behalf of such User for all Unloading Slots ending within the Invoice Month as determined by the most current User's Three (3) Month Schedule (independent of whether such LNG was Unloaded before, during or after the Invoice Month);

(ii) the **"Quantity Scheduled or Released"** shall mean the sum of:

– the quantity of LNG that was scheduled to be Unloaded by or on behalf of such User during all Unloading Slots ending within the Invoice Month as determined by the most current User's Three (3) Month Schedule; and

– the quantity of LNG, if any, corresponding to such User's Released Capacity in the Invoice Month based upon the relevant Release Declaration, to the extent such Released Capacity has not been subscribed by any other User or has not been reclaimed by such releasing User pursuant to clause II.2.6 (c).

(iii) the **"Monthly Adjustment"** shall mean the sum of:

(aa) pursuant to clause 2.2.3 and subject to 2.2.4 of chapter III, any quantity of LNG that was scheduled for Unloading during an Unloading Slot ending in the Invoice Month for which the Operating Company did not provide, or would not have been able to provide, in whole or in part, the Service in accordance with the provisions of the relevant Capacity Agreement;

(bb) any quantity of LNG corresponding to the quantity of Off-Spec Gas made available at the Cavarzere Entry Point pursuant to clause 6.1.6 (b) of chapter III and the Losses and Consumption of the Regasification chain associated with such off Spec Gas;

(cc) any quantity of Excess Boil-off determined pursuant to clause IV.3.9;

(dd) any quantity of LNG that was scheduled to be Unloaded during an Unloading Slot ending within the Invoice Month but that was not Unloaded by or on behalf of such User under the circumstances specified in clause 7.3.2 of chapter III; and

(ee) any portion of Subscribed Capacity for which an Unloading Slot was cancelled by such User following an Unloading Slot Unavailability Period pursuant to clause 3.7.3 of chapter II.

In case of Infra-Annual Capacity subscription through auction procedures pursuant to article 2.4.2. (b) α) the Cqs is replaced by the *pay as bid* allocation price offered by the User.

(b) *Cets charge*. As *Cets* charge, the product between Cets and the amount of Net Unloaded LNG by the User in the invoicing Month.

(c) *Bimonthly Redelivery Program Charge*. The charge for the storage in the Month M of the volume of Gas expected to be Redelivered in the Month M+1 of the Bimonthly Redelivery Period will be calculated on the basis of the following formula:

CBOUltra = Cqs x 0.05% x (Volumes of the Bimonthly Redelivery Programme in M+1 x (number of Days in storage in M)

(d) *Demurrage*. Any Demurrage that: (i) has been paid by the Operating Company to any User(s) during the Invoice Month; and (ii) such User is obliged to repay to the Operating Company pursuant to clause 3.8.2 (b) of chapter IV;

(e) *Grid Capacity Charge*. The Grid Capacity Charge charged by the Transportation Company to the Operating Company with respect to the Invoice Month m, defined as the amount of transportation capacity attributable to each User k for the Month m, will be calculated according to the following formulas:

$$\text{Grid Capacity Charge}^{k}{}_{m} = \alpha * CP^{E}{}_{GNL} * \beta^{k} - \text{Quota}^{k}{}_{ADD}$$

$$\text{Quota}^{k}{}_{ADD} = \max(0; \Sigma^{k}\beta^{k} - SO^{MAX}) * \alpha * CP^{E}{}_{GNL} * \frac{\beta^{k}}{\Sigma^{k}\beta^{k}}$$

Where:

α represents the multiplier coefficient applicable by Snam Rete Gas in case of transportation capacity booked on a less than one year basis.

$CP^{E}{}_{GNL}$ = Monthly Capacity fee charged by the Transportation Company with reference to the Redelivery Point.

β_k = the maximum between [SO^{MAX} * (Subscribed Capacity ^{k} / Terminal Capacity)] and the transportation capacity allocated according to AEEG Resolution n. 168/06 and Resolution ARG/gas 2/10 for the Redelivery Service to the same User

$\Sigma^{k}\beta^{k}$ represents the sum, during the Month m, of all k Users'β^{k}

SO^{MAX} = Maximum Daily Send Out as published on the Operating Company's Electronic Communication System (www.adriaticlng.it)

If a User becomes owner of Released Capacity or not used capacity as of paragraph II.2.6, in the calculation of the Grid Capacity Charge it will be considered the relevant multiplier coefficient consistent with the duration of the Released Capacity or not planned capacity.

Without prejudice to the obligations referred to in article 8.1.1 of chapter III, in the event that a User of Non-Foundation Subscribed Capacity releases all or part of such Subscribed Capacity as part of the Annual Subscription Process referred to in article 2.4.2 a) of chapter II, the transportation capacity allocated pursuant to art. 8.4 of the TIRG for the Redelivery Service to the same User will be consequently redefined to an extent equal to the send out corresponding to the Capacity Released by that User.

In the event that the transportation capacity charge charged by the Transportation Company

with respect to the Invoice Month is reduced for any reason, the Operating Company shall make adjustments to the Grid Capacity Charge payable by the respective Users based on the facts and circumstances related to such reduction of capacity charge. Furthermore, the Grid Capacity Charge payable by the User shall be reduced in the cases contemplated under, and pursuant to, clauses 2.2.5, 6.1.6 (b) and 6.1.7 (a) of chapter III and IV.3.9.

Cost of bank guarantees. Any substantiated costs and/or expenses incurred by the Operating Company to set-up any bank guarantees required under, or to enter into, the Transportation Contract, it being understood that each User shall be charged only a pro-rata portion of such costs and/or expenses determined on the basis of its Subscribed Capacity compared to the total Subscribed Capacity of all Users.

(f) *Other charges*. Any other substantiated costs and/or expenses, attributable to the User and to the Transport System Users, as applicable, and charged by the Transportation Company to the Operating Company under the Transportation Contract that are not caused by wilful misconduct or gross negligence of the Operating Company in the management of the Transportation Contract.

(g) *Additional service fees.* If the User and/or the Transportation System User, as the case may be, request additional services as per article II.3.7. Fees for additional services are listed below:

- Service subscription fee (CSS) on an annual or monthly basis, that provides access to the competitive auction procedures for the allocation of the Flexibility Services and Temporary Storage Services; and
- Activation fee for the Temporary Storage Service; and
- Fee for the provision (CRF e CRS) of the selected service, Flexibility Service or Temporary Storage Service as the case may be defined by the outcome of the Auction Procedures as referred to in Annex (o).

Specifically:

Flexibility service fees = CSS+ CRF

Temporary Storage Service fees = CSS + CBO + CRS

Where:

CSS = Flexibility and/or Temporary Storage Service subscription fee on annual or monthly basis, expressed in Euro as published by the Operating Company on the Electronic Communication System.

CRF = Redelivery fee for the Flexibility Service expressed in Euro/MWh and defined according to transparent and non-discriminatory auction procedures, as better described in Annex (o) and calculated on the absolute value of the (i) Redelivery Program Variation of the Flexibility volumes effectively rendered on the Day D or (ii) of the Gas exchange at PSV, as published by the Operating Company on the Electronic Communication System within a dedicated Portal.

It is understood that the Operating Company will invoice the CSS in any case and thus this fee will not be reimbursed if the Flexibility Service is not rendered, due

to Terminal technical operating and/or commercial constraints as better described in Annex (o).

CBO = Cqs x 0,05% x (Volumes in Temporary Storage) x (number of Temporary Storage Days)

The CBO fee will be paid by the User following a request for Temporary Storage Service.

CRS = Redelivery fee for temporary storage determined, expressed in Euro and calculated on the absolute value of the Redelivery Program Variation of the volumes requested in Redelivery from temporary storage on the Day D, as published by the Operating Company on the Electronic Communication System.

It is understood that if the User who was allocated Temporary Storage Service does not request Redelivery (and consequently LNG will be regassified at the end of Temporary Storage Service according to Annex k in the Regasification Code) the Operating Company will not invoice the CRS Flexibility fee.

8.1.2 The invoice shall show detailed calculations with respect to each of the amounts invoiced pursuant to clause 8.1.1 above. In addition, the invoice shall specify the following:

(a) **"Monthly Make-Up Quantity"**, which shall be equal to (i) the Quantity Scheduled or Released, less the Monthly Adjustment, less the Quantity Unloaded, if the result of such operation is greater than zero, or (ii) zero if such result is not greater than zero;

(b) **"Monthly Make-Up Euro"**, which shall be the Monthly Make-Up Quantity multiplied by the *Cqs* applicable in that Invoice Month;

(c) the updated Capacity Make-Up Balance which shall be the Capacity Make-Up Balance from the prior Invoice Month, if any, plus the Monthly Make-Up Euro from the current Invoice Month less any invoice reductions for Capacity Make-Up in the current Invoice Month pursuant to clause 8.10.2 of chapter III.

8.1.3 The Operating Company shall have the option to issue one or more separate invoices for the various components referred to in letters (a) through (f) of clause 8.1.1 of this chapter.

8.1.4 With specific reference to the Grid Capacity Charge should the Operating Company, in accordance with the terms of the Transportation Contract, receive invoices from the Transportation Company associated with the correction of errors contained in previously issued invoices which have already been charged back by the Operating Company to one or more Users pursuant to clause 8.1.1 of chapter III, the Operating Company will issue additional invoices to the relevant Users, in the form of credit notes or additional invoices.

III.8.2 Due date for invoices

Each invoice delivered pursuant to clause 8.1.1 of chapter III shall become due and payable by the User twenty (20) Days after the date on which such User receives the invoice.

III.8.3 Payment Instructions

8.3.1 All payments pursuant to a Capacity Agreement shall be made in Euro save for payments of any Demurrage, which will be made in USD.

8.3.2 Any payments shall be credited by the appropriate due dates by wire transfer to the bank accounts as designated by the Operating Company without any discount associated with the transfer of moneys and at the expense of the User, except that any expenses charged by the Operating Company's bank with respect to such payments shall be borne by the Operating Company.

8.3.3 The bank account shall be nominated by Operating Company in a notice to the User. Such nomination shall remain in effect unless changed by notice signed by a duly authorized representative of the Operating Company.

III.8.4 Suspension of payment of invoices

Except in the case of any material manifest error in an invoice, pursuant to and for the purposes of article 1462 of the Italian civil code, a Party shall not be entitled to 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.

III.8.5 Default interest

If payment of any invoiced amount is delayed beyond the due date, then default interest must be paid by the relevant Party to the other Party for every Day of delay from and including the Day following the payment due date up to and including the Day on which payment is actually made, at an interest rate of EURIBOR (as in effect on the Day following the payment due date and as in effect on the first Day of every Month thereafter) plus two per cent (2%). If the default interest so determined exceeds the limit determined by the *Ministero dell'Economia e delle Finanze* pursuant to law no. 108 of 7 March 1996, such default interest shall be payable at the maximum rate permitted by Italian law.

III.8.6 Adjustment of Errors

8.6.1 If an error is found by either Party in the amount shown due in any invoice delivered pursuant to clause 8.1.1 of chapter III, and a notice of claim in respect of that error is given to the other Party within one hundred and ten (110) Days following the date of issuance of such invoice, the Operating Company shall issue a statement of adjustment as soon as reasonably practicable after the error is detected. Any adjustment between the User and the Operating Company in respect of the error, together with interest on the amount of such adjustment from and including the Day following the payment due date of the original invoice up to and including the Day on which payment of the amount of such adjustment is actually made, at an interest rate of EURIBOR (as in effect on the Day following such payment due date and as in effect on the first Day of every Month thereafter) plus one per cent (1%), shall be paid:

(a) in the case of an error that would result in an adjustment in favour of the Operating Company, within ten (10) Days of the User receiving the statement of adjustment; and

(b) in the case of an error that would result in an adjustment in favour of the User, within ten (10) Days after Operating Company has sent the statement of adjustment.

8.6.2 Any invoice delivered pursuant to clause 8.1.1 of chapter III which is not disputed in accordance with clause 8.6.1 of chapter III shall be deemed as finally accepted by the Parties except as provided for in clauses 5.1.3 (h) and 6.1.5 (d) of chapter III.

8.6.3 If an error in the amount of the Grid Capacity Charge provided on the invoice is caused by the Transportation Company, the User or Users involved may act directly against the Transportation Company.

III.8.7 No deduction of taxes; liability for Maritime Charges

Each User shall procure that the Operating Company receives the Regasification Service Charge, the Redelivery Service Costs and the Additional Charges payable by such User and any other payments which may be payable by such User under its Capacity Agreement, free of any deductions on account of any taxes and charges of any kind whatsoever, including Maritime Charges for which such User shall be liable. Any Maritime Charges paid by the Operating Company, in respect of the LNG delivered by or on behalf of a User, will increase the amount of the Additional Charges payable by such User and, therefore, shall be invoiced to such User following the incurrence of such Maritime Charges.

III.8.8 Adjustments to the applicable tariffs

Any adjustments to payments of the Regasification Service Charge provided for by any Regulation shall be made in an invoice submitted following the effective date of such Regulation, subject to and in accordance with the terms of such Regulation.

III.8.9 Annual Reconciliation Calculation

8.9.1 The Operating Company shall deliver to each User, as soon as practical (a) after the end of each Thermal Year and (b) upon the expiry of the relevant Capacity Agreement, a statement which shall specify the annual reconciliation amount of Capacity Charge, due by such User to the Operating Company as determined pursuant to the following formula (**"Reconciliation Statement"**):

$$SQ = SC – AIQ – AA + RU$$

Where:

SQ = the shortfall quantity of LNG from which the amount due by such User to the Operating Company shall be calculated;

SC = the amount of Subscribed Capacity under the relevant Capacity Agreement with respect to the relevant Thermal Year or period, as may have been modified pursuant to any provision of the relevant Capacity Agreement;

AIQ = the sum of the Monthly Invoiced Quantities for the relevant Thermal Year or period;

AA = the sum of the Monthly Adjustments for the relevant Thermal Year or period plus any quantity of LNG associated with an Unloading Slot for which the Operating Company failed to schedule within the period of time specified in clause 3.3.2 of chapter II or clause 3.2.3 of chapter II;

RU = the round-up carried over from the previous Reconciliation Statement, if any, as

determined in accordance with this clause III.8.9.

If, after applying the formula above, SQ is a negative number, SQ shall be deemed to be zero (0) for the purpose of the Reconciliation Statement.

If, after applying the formula above, SQ is a positive number but is less than the largest quantity of Net Unloaded LNG from any LNG Tanker of such User in such Thermal Year, then SQ shall be considered as round-up (in accordance with the formula above) and carried forward to the Reconciliation Statement for the following Thermal Year or period. In such case, SQ shall be deemed to be zero (0) for the purpose of the then current Reconciliation Statement. This paragraph shall not apply to the Reconciliation Statement associated with the expiry of a Capacity Agreement.

Following calculation of SQ pursuant to the formula above, the amount due by such User to the Operating Company pursuant to the Reconciliation Statement shall be determined pursuant to the following formula:

$$SP = -Cqs \times MSQ$$

Where:

SP = the amount due by such User to the Operating Company;

MSQ = the quantity of LNG determined in accordance with the first formula set out in this clause III.8.9 unless deemed to be zero (0) pursuant to the provisions of this clause 8.9.1.

The Reconciliation Statement shall show detailed calculations (in accordance with the formulae above) with respect to the amount specified therein. If SP is a positive amount, the Operating Company will also send to such User, together with the Reconciliation Statement, an invoice for the annual reconciliation amount of Capacity Charge (Cqs) specified in such Reconciliation Statement.

8.9.2 Prior to sending an invoice to a User pursuant to clause 8.9.1 of chapter III, the Operating Company shall update the Capacity Make-Up Balance of such User, by adding to it the amount specified in such invoice.

III.8.10 Capacity Make-Up

If, at any time, the Capacity Make-Up Balance of a User is greater than zero (0), such User may submit a request to the Operating Company to apply all or part of such Capacity Make-Up Balance against utilisation of Terminal Capacity according to the process described below (**"Capacity Make-Up"**).

8.10.1 Subscription for Capacity Make-Up

Any User may request as Capacity Make-Up (i) Available Capacity or Spot Capacity by submitting an Access Request in accordance with the procedures set forth by clauses 2.4.2 and 2.4.3 of chapter II and (ii) Unsubscribed Foundation Capacity or Released Foundation Capacity by submitting a written request to the Operating Company, provided that such User has scheduled all of its Subscribed Capacity and has not released any of such Subscribed Capacity under the relevant Capacity Agreement for the Year for which it is submitting such request.

The Operating Company shall process any Access Request for Available Capacity or Spot Capacity as Capacity Make-Up in accordance with the procedures set forth by clauses 2.4.2 and 2.4.3 of chapter II. The Operating Company will use reasonable endeavours to accommodate any request to use Unsubscribed Foundation Capacity as Capacity Make-Up, subject to such request being received by the Operating Company no more than sixty (60) days prior to the beginning of the Unloading Slot(s) associated with such Unsubscribed Foundation Capacity.

8.10.2 Capacity Make-Up invoices

In the event that a User has been granted any Capacity Make-Up:

(a) the amount for the Capacity Charge in the invoice issued pursuant to clause 8.1.1 of chapter III shall be reduced by the lesser of (i) the then current Capacity Make-Up Balance and (ii) the Capacity Charge related to the quantity of LNG which is the object of such Capacity Make-Up;

(b) the amount for the Redelivery Service Costs in the invoice issued pursuant to clause 8.1.1 of chapter III shall not be adjusted;

(c) subject to clause 8.10.3 of chapter III, the Capacity Make-Up Balance will be adjusted by deducting the part of the Capacity Make-Up Balance applied against the amount for the Capacity Charge pursuant to paragraph (a).

8.10.3 Failure to Unload Capacity Make-Up LNG

If a User does not Unload any quantity of LNG which is the object of Capacity Make-Up, then the Capacity Make-Up Balance will not be adjusted pursuant to clause 8.10.2 (c) of chapter III, provided that such User has used all reasonable endeavours to Unload such quantity of LNG.

8.10.4 No Capacity Make-Up following the end of a Capacity Agreement

If at the expiry of, withdrawal by either Party from, or termination of a User's Capacity Agreement the Capacity Make-Up Balance with respect to such Capacity Agreement is greater than zero (0), such User will not be entitled to any extension of such Capacity Agreement for the purpose of recovering the related outstanding Capacity Make-Up, nor will it be entitled to claim or recover any compensation for loss of such outstanding Capacity Make-Up.

III.8.11 Charges for scheduling variance applicable to Continuous Users

8.11.1 Scheduling variance charges with respect to the LNG volumes scheduled during Month *M-1* and Unloaded during Month *M*

Should a User’s aggregate Net Unloaded LNG during a Thermal Year be lower than the aggregate LNG volumes scheduled for Unloading during such Thermal Year, the Operating Company will apply and the User shall pay a charge for scheduling variance as determined in accordance with the formulas below, it being understood that such charge shall be payable by such User only if and to the extent it is due to the Operating Company under applicable Regulations. Formula 1 determines whether a charge for scheduling variance is due and Formula 2 determines the amount of such charge, if applicable.

Formula 1

$$IF:(PQ-AQ)>(0.10*PQ),$$

Where:

PQ = Aggregate annual scheduled quantities of LNG (m^3) set forth in Month *M-1* in each of the Three (3) Month Schedules applicable during the relevant Thermal Year;

AQ = Aggregate Net Unloaded LNG (m^3) during the relevant Thermal Year,

then Formula 2 shall apply.

Formula 2

$$SVC(€)=4.5\times[(PQ-AQ)-(0.10\times PQ)],$$

Where:

$SVC(€)$ = Scheduling Variance Charge (Euro).

8.11.2 Failure to Unload due to Force Majeure Events

Should any non-delivery of LNG that was scheduled to be Unloaded by or on behalf of the relevant Continuous User be caused by a Force Majeure Event or any failure by the Operating Company to provide in whole or in part the Service, then, provided that such User has complied with its obligations pursuant to clause III.7.4 (if applicable), the volume of LNG which was not Unloaded due to the above circumstances shall not be taken into account in calculating the annual variance charges of such User pursuant to the two formulas in clause 8.11.1 above.

III.8.12 Charges for scheduling variance applicable to Spot Capacity

8.12.1 Calculation of scheduling variance charges

(a) Should the Net Unloaded LNG by a Spot User be lower than the volume of LNG corresponding to the Spot Capacity subscribed under the relevant Spot Capacity Agreement by more than ten percent (10%), the User shall pay a scheduling variance charge. Such charge shall be equal to 4.5 Euro/m^3 of LNG multiplied by the difference between the variance and ten percent (10%) of the volume of LNG subscribed under the Spot Capacity Agreement.

(b) Should the Net Unloaded LNG of a Spot User be higher by more than ten percent (10%) of the volume of LNG corresponding to the Spot Capacity subscribed under the relevant Spot Capacity Agreement such Spot User shall pay, in addition to the Regasification Service Charge payable on the additional volumes of Net Unloaded LNG, a charge equal to ten percent (10%) of the *Cqs*, calculated on such difference.

8.12.2 Failure to Unload due to Force Majeure Events

Should any non-delivery of LNG that was scheduled to be Unloaded by or on behalf of the

relevant Spot User be caused by a Force Majeure Event or any failure by the Operating Company to provide in whole or in part the Service, then, provided that such Spot User has complied with its obligations pursuant to clause III.7.4 (if applicable), it shall be relieved of its obligation to pay the variance charges envisaged under clause 8.1.2 (a) above.

III.8.13 Invoicing of scheduling variance charges

The Operating Company shall issue an invoice with respect to any scheduling variance charges due by a User pursuant to clauses 8.11.1 and 8.12.1 above. Such invoice shall be paid by the relevant User in accordance with the provisions applicable to the payment of invoices as set forth in this Regasification Code.

III.8.14 Invoicing of Losses and Consumption of the Regasification chain

With regard to the amounts of Gas to cover the Losses and Consumption of the regasification chain, pursuant to letter b) of article III.6.2, the User shall issue each Month an invoice subject to VAT debiting the Operating Company for a conventional price for the transfer of Gas equal to the arithmetic average of the Average Remuneration Price of each Day D of the Month preceding the invoicing Month, valued in Euro/Kwh and rounded to the sixth decimal place. The Operating Company shall debit back the User by issuing an invoice subject to VAT for the same amount indicated in the above mentioned User's invoice

III.9 TAXES, DUTIES AND CHARGES ON THE GAS

III.9.1 Fiscal Compliance

Except as otherwise provided for by the Regulations or by any other applicable laws, regulations, administrative or judicial provisions or such like, all tax returns, filings and/or other formalities of a fiscal or administrative nature required to be made pursuant to any Regulation (including any returns, filings and/or formalities concerning the importation of LNG and/or the injection of the Gas into the Grid) or pursuant to any other applicable law, regulation, administrative or judicial provision of such like, will be borne by and be the responsibility of each User.

III.9.2 Liability for tax obligations

The Operating Company has the right to seek compensation against the User for any and all tax and/or administrative liability deriving from omitted, late and/or untrue declarations, returns and/or failure to fulfill administrative or fiscal obligations that are under the responsibility of the User.

The Operating Company shall not be liable for any delays in the execution of the scheduled Unloading and the following caused by a delay in the performance of customs fulfillments.

No Party will be liable (either as principal debtor or as jointly liable debtor) for any fiscal liability of the other Party.

III.9.3 Payment of duties, and taxes (including VAT)

Any duty and/or tax arising or imposed under Italian law, laws of the European Union or under any law of any other state (including VAT) in relation to (a) any LNG of a User, (b) the Service

(but excluding, for the avoidance of doubt, any corporation or similar taxes on the revenues or profits of the Operating Company), (c) any LNG regasified for or on behalf of a User, and/or (d) any Gas resulting from Regasification which is transmitted to the Redelivery Point, will be borne by such User, which will keep the Operating Company indemnified in respect of any such duties and taxes.

9.3.1 Value Added Tax

To any compensation relating to and/or resulting from the application of this Regasification Code, the Operating Company will apply VAT in accordance with the rules in force at the time.

9.3.2 Excise duty on natural gas

The consumptions of natural gas on the Terminal are not considered subject to excise duty, being outside the scope of excise duty .

9.3.3 Additional Regional tax on natural gas

The additional regional duty (or the substitute tax) on natural gas does not apply as consumptions of natural gas are outside the scope of excise duty.

III.9.4 Administrative Documentation

In compliance with current legal requirements the results of the qualitative analyses on natural gas, carried out on the Terminal, are available to the competent Customs Offices.

All the documentary evidence related to the import of User's natural gas, including the filing of documents, shall be the exclusive responsibility of the User.

III.10 GUARANTEES

III.10.1 Financial security for User's obligations

In accordance with the terms of this Regasification Code, the Operating Company will provide the Service only to Users that provide and maintain adequate financial security for their respective obligations under the Capacity Agreement to which they are a Party for the term of such Capacity Agreement. For this purpose, upon submission of an Access Request (or, as the context may require, in clauses III.10.1 (b), III.10.1 (c) and III.10.1 (d), and in cases of participation to the Infra-Annual Capacity subscription procedure referred to in chapter II paragraph 2.4.2 b), prior to entering into a Capacity Agreement with the Operating Company), the Applicant must provide to the Operating Company:

(a) written evidence in a form and substance satisfactory to the Operating Company that the credit rating of the Applicant with reference to its long term unsecured and unguaranteed debt is not less than at least one of the following ratings:

  (i) BBB- issued by S&P; or
  (ii) Baa3 issued by Moody's; or
  (iii) BBB issued by Fitch Ratings

(b) if the requirements of clause III.10.1 (a) are not met by the Applicant (or were met by the Applicant at the time of submission of its Access Request but subsequently ceased to be

met prior to such Applicant entering into a Capacity Agreement with the Operating Company in respect of such Access Request), but such requirements are met by such Applicant's Parent Company, a First Demand Parent Company Guarantee issued by the Applicant's Parent Company; or

(c) if:

(i) the requirements of clause III.10.1 (a) are not met by the Applicant (but may have been met by the Applicant's Parent Company at the time of submission of the Applicant's Access Request but such Parent Company subsequently ceased to be the Parent Company of the Applicant prior to the Applicant entering into a Capacity Agreement with the Operating Company in respect of such Access Request); and

(ii) no company directly or indirectly controls the Applicant for all legal purposes of article 2359, sub-section I, number (1) of the Italian civil code, but the requirements of clause III.10.1 (a) are met by any person that directly or indirectly owns shares in the Applicant,

at the option of the Applicant, a guarantee issued by any such person referred to in paragraph (c)(ii) above in favour of the Operating Company and on terms which are no less favourable to the Operating Company than those of any First Demand Parent Company Guarantee, and if any such guarantee is provided, the provisions of this Regasification Code relating to First Demand Parent Company Guarantees and Parent Companies that issue the same will apply with respect to such guarantee and its issuer *mutatis mutandis*; or

(d) if:

(i) the requirements of neither clause III.10.1 (a) are met by the Applicant nor clause III.10.1 (b) are met by the Applicant's Parent Company (or were met by the Applicant's Parent Company at the time of submission of the Applicant's Access Request but subsequently ceased to be met prior to such Applicant entering into a Capacity Agreement with the Operating Company in respect of such Access Request); and

(ii) clause III.10.1 (c) does not apply,

an irrevocable and unconditional undertaking from an Approved Issuing Institution to issue a First Demand Guarantee upon a Capacity Agreement being entered into between such Applicant and the Operating Company, such undertaking being in the form set out in Part I of Annex (b). Upon a Capacity Agreement being entered into between the Applicant and the Operating Company, the Applicant shall promptly serve upon the Approved Issuing Institution the notice referred to in such undertaking and shall procure that the Approved Issuing Institution issue such First Demand Guarantee in accordance with the terms of such undertaking.

III.10.2 First Demand Parent Company Guarantee

10.2.1 Credit downgrade of a User

If an Applicant meets the requirements of clause III.10.1 (a) and such Applicant becomes a User, or at any time after an Applicant becomes a User such User meets the requirements of clause

III.10.1 (a), but at any time thereafter such User ceases to meet such requirements, then within ten (10) Business Days after ceasing to satisfy such requirements, the User must provide to the Operating Company a First Demand Parent Company Guarantee (provided that such User's Parent Company meets the requirements of clause III.10.1 (b)), or failing which a First Demand Guarantee.

10.2.2 Credit upgrade of a User

If a User has provided a First Demand Parent Company Guarantee but at any time during the term of the Capacity Agreement to which such User is a Party such User meets the requirements of clause III.10.1 (a), then the Operating Company will promptly release the First Demand Parent Company Guarantee and shall promptly return the original of the latter to the said Parent Company.

10.2.3 Change of control of a User

If a User has provided a First Demand Parent Company Guarantee but at any time during the term of the Capacity Agreement to which such User is a Party such User's Parent Company ceases to be the Parent Company of that User, then the User shall provide to the Operating Company within ten (10) Business Days after the cessation a replacement First Demand Parent Company Guarantee from its new Parent Company (provided that such new Parent Company meets the requirements of clause III.10.1 (b)), or failing which a First Demand Guarantee. In such event, the Operating Company shall promptly release the previous First Demand Parent Company Guarantee and shall promptly return the original of the latter to the said Parent Company. In the event of any conflict or inconsistency between the provisions of this clause and clause 10.3.1 of chapter III, the provisions of this clause 10.2.3 will prevail.

III.10.3 First Demand Guarantee

10.3.1 Credit downgrade of a User's Parent Company

If a First Demand Parent Company Guarantee is provided to the Operating Company by an Applicant pursuant to clause III.10.1 (b) and such Applicant becomes a User, or at any time after an Applicant becomes a User a First Demand Parent Company Guarantee is provided to the Operating Company by such User pursuant to clause 10.2.1, 10.2.3 or 10.3.2 (b) of chapter III, but at any time during the term of the Capacity Agreement to which such User is a Party:

(a) the Parent Company which has given such First Demand Parent Company Guarantee on behalf of the User ceases to meet the requirements of clause III.10.1 (b); or

(b) such First Demand Parent Company Guarantee becomes invalid or unenforceable or is due to expire within fifteen (15) Business Days,

then within ten (10) Business Days of any of the events or circumstances described in paragraphs (a) and (b) above, the User must provide to the Operating Company a First Demand Guarantee, and must in addition maintain the First Demand Parent Company Guarantee save where it is wholly invalid or unenforceable or it expires.

10.3.2 Credit upgrade of a User or the User's Parent Company

If a User has provided a First Demand Guarantee but at any time during the term of the Capacity Agreement to which such User is a Party:

(a) such User meets the requirements of clause III.10.1 (a), then the Operating Company shall promptly release the First Demand Guarantee and shall promptly return the original of the latter to the Approved Issuing Institution; or

(b) the User's Parent Company meets the requirements of clause III.10.1 (a) but the User does not, then the User shall provide to the Operating Company a First Demand Parent Company Guarantee, and upon doing so the Operating Company shall promptly release the First Demand Guarantee and shall promptly return the original of the latter to the Approved Issuing Institution.

III.10.4 Replacement of and calls on First Demand Guarantee

10.4.1 If a User provides a First Demand Guarantee to the Operating Company pursuant to clause 10.2.1, 10.2.3 or 10.3.1 of chapter III, but at any time during the term of the Capacity Agreement to which such User is a Party:

(a) any bank or other credit institution that issued such First Demand Guarantee ceases to be an Approved Issuing Institution; or

(b) such First Demand Guarantee becomes invalid or unenforceable or is due to expire within fifteen (15) Business Days,

then within ten (10) Business Days of any of the events or circumstances described in paragraphs (a) and (b) above, the User must replace such First Demand Guarantee, by providing to the Operating Company a new First Demand Guarantee for an amount equal to the amount available to be called under the previous First Demand Guarantee immediately prior to the occurrence of the relevant event or circumstance described in paragraph (a) or (b) above.

10.4.2 Where a call is made by the Operating Company on a First Demand Guarantee provided to the Operating Company by a User pursuant to this clause III.10, then within ten (10) Business Days of such call being made the User shall procure that:

(a) such First Demand Guarantee is reinstated, or is replaced by another First Demand Guarantee with an expiry date no earlier than that of the First Demand Guarantee under which the call was made, in either case for the full amount that was available to be called thereunder immediately before the call was made; or

(b) such First Demand Guarantee is maintained for the remaining amount available to be called and an additional First Demand Guarantee is provided with an expiry date no earlier than that of the First Demand Guarantee under which the call was made and for an amount which is no less than the amount of the call.

III.10.5 Gas Advance Operation guarantee

It is required to the Users, in order to be part of the Gas Advance Operation, to be qualified as Compensated Users, to maintain the required capacity of their guarantees to cover the system towards the User as of Chapter 5 of the Network Code and reintegrate them promptly if the same are not enough to record sales transactions at the PSV. The Operating Company is allowed to record, in the name and on behalf of its Users, the above mentioned transactions at the PSV.
It is understood that if the Users does not have the necessary capacity of its guarantees for the execution of the Gas Advance Operation, the Redelivery will take place starting from the

completion of the discharge of its own LNG Tanker.
In the event the guarantee becomes not enough, the Balancing Operator shall promptly notify the Operating Company and the latter will

i) give prompt notice to the Compensated User and
ii) modify the Redelivery Program of the relevant Compensated User accordingly.

The Operating Company will never be responsible towards the Compensated Users, Compensator Users and/or third parties in case the Balancing Operator does not make such notification through the PSV.
The Operating Company, in order to execute the Gas Advance Operation, is authorized to record a transaction at PSV, in the name and on behalf of the Compensated Users in favour of the Compensator Users, aimed at ensuring the respect of the Redelivery Programme. The recorded transaction is multi-day transaction with effect from the third day following the arrival of the LNG Tanker and ending the last day of the next month M+1.
In the case the deliveries planned by the Compensated User are carried out in compliance with the LNG delivery schedule, the Operating Company within the starting date of the previously recorded transaction will cancel it.
In the case a planned delivery of the Compensated User is not made in compliance with the LNG delivery schedule, the Operating Company will provide to partially cancel or not cancel the transaction previously recorded, if the failure of LNG delivery schedule by the Compensated User is such that, by changing at incontestable Operating Company's discretion, the Compensated User's Redelivery Programme by the day when such non-compliance is notified, it is not possible for the Compensated User to give back the amount of Gas advanced by the Compensator.
Users expressly agree that the Operating Company will enter, cancel or modify transactions referred to in this paragraph and they verify them in a timely manner. On the basis of information made available by the Balancing Operator, the Users will immediately notify the Operating Company about possible errors and keep the Operating Company harmless from any consequences resulting from the inaccuracies in inserting, cancelling and/or modifying the transactions.

III.10.6 Signing authorities

Each Applicant and each User providing a First Demand Parent Company Guarantee or, as the case may be, a First Demand Guarantee pursuant to this clause 10 will at the same time provide to the Operating Company, or procure the provision of, reasonable evidence that such guarantee has been issued and authorised by the appropriate representative(s) of the Parent Company or Approved Issuing Institution, as the case may be.

III.10.7 Application of clause 10 to Spot Capacity Applicants and Users

Except as provided in paragraph 5 of this article III.10, upon request by the relevant Applicant for, or User of, Spot Capacity, the Operating Company has the discretion to waive the requirement that such Applicant or User, as the case may be, provide and maintain financial security pursuant to this clause III.10.

III.11 INSURANCE

III.11.1 Operating Company insurance

The Operating Company must have an insurance policy with an Approved Insurance Company in compliance with the requirements of Annex (d) (the **"Terminal Insurance Policy"**), which shall be in effect from the date that it first becomes obliged to provide the Service under a

Capacity Agreement until the date it ceases to be obliged to provide the Service under any Capacity Agreement. Upon the request of a User, the Operating Company shall provide reasonable evidence of its compliance with the requirements of this clause III.11.1.

III.11.2 User insurance

Each User must have an insurance policy with an Approved Insurance Company in compliance with the requirements of Annex (d) (the **"User Insurance Policy"**), which shall be in effect from the date it is supposed to first receive the Service under the Capacity Agreement to which it is a Party until the expiry date of such Capacity Agreement. Upon the request of the Operating Company, the User shall provide reasonable evidence of its compliance with the requirements of this clause III.11.2.

III.12 EXCHANGES OF SUBSCRIBED CAPACITY AND TRANSFERS OF SUBSCRIBED FOUNDATION AND REGULATED CAPACITY

III.12.1 Exchanges of Subscribed Capacity

12.1.1 Any Capacity User (the "**First Exchanging User**") shall have the right to exchange any part of its Subscribed Capacity with corresponding Subscribed Capacity of another User (the "**Second Exchanging User**") provided that the exchange is performed in accordance with the provisions described below.

12.1.2 In order to effect an exchange of Subscribed Capacity, both the First Exchanging User and the Second Exchanging User shall send to the Operating Company their respective requests for acceptance of exchange (using the form published by the Operating Company on the Electronic Communication System), indicating:

(a) the volume of LNG, expressed in cubic metres of LNG with an indicative energy value in MJ and/or di equivalent in kWh;

(b) the relevant Unloading Slots, which must have a duration compatible with quantity to be discharged object to the exchanged with an indication of the specific dates if the exchange relates to Unloading Slots in relation to which the Annual Unloading Schedule or the Three (3) Month Schedule have already been provided by the Operating Company pursuant to clauses 3.2.3 or 3.3.2 of Chapter II; and

(c) the number of berthing;

which they propose to exchange.

12.1.3 The requests for acceptance of exchange shall be received by the Operating Company on days 16 (sixteenth) and 17 (seventeenth) Day of the Month preceding the beginning of the first Month of the first Unloading Slot object of the exchange of the Subscribed Capacity.

12.1.4 The requests for acceptance of exchange shall be irrevocable and shall contain a statement pursuant to which the First Exchanging User and the Second Exchanging User acknowledge that the exchange shall become effective only upon acceptance by the Operating Company. The Operating Company shall be entitled to reject a request for acceptance of exchange in the following cases:

(a) either the request of the First Exchanging User or the request of Second Exchanging User

is not received by the Operating Company within the deadlines indicated under clause 12.1.3 above;

(b) the requests for acceptance of exchange of the First Exchanging User and of the Second Exchanging User contain information which are contradictory and/or incomplete;

(c) the First Exchanging User or Second Exchanging User does not hold the Subscribed Capacity that is the object of the exchange according to their respective Capacity Agreements;

(d) the First Exchanging User and the Second Exchanging User do not fulfil all the Service Conditions specified under clause III.2.3 with respect to the portions of Subscribed Capacity being exchanged;

(e) at the date when the Operating Company receives the requests for acceptance of exchange, the First Exchanging User and/or the Second Exchanging User are in breach of any of the provisions of the Regasification Code which would entitle the Operating Company to terminate the relevant Capacity Agreement pursuant to clause III.13.1.

12.1.5 Within two Business Day(s) from the expiry of the deadlines indicated under clause 12.1.3 above, the Operating Company shall communicate to the First Exchanging User and the Second Exchanging User:

(a) the acceptance of the proposed exchange of Subscribed Capacity by returning a copy of the requests duly signed for acceptance by the Operating Company; or, in the event that one or more grounds for rejection set forth in clause 12.1.4 occur,

(b) the refusal of the request for acceptance of exchange, with an indication of the ground(s) for the non-acceptance.

Upon acceptance of a proposed exchange by the Operating Company, the Subscribed Capacity of the First Exchanging User and of the Second Exchanging User under the respective Capacity Agreements and, if applicable, the term of any such Capacity Agreements shall be considered amended in accordance with the information provided by such Parties pursuant to clause 12.1.2.

12.1.6 In case of exchange of Foundation Capacity, the exchange is subject to the criteria provided in article 2, sub-section 3, letter k) of the MAP decree of 11 April 2006.

III.12.2 Transfers of Subscribed Foundation Capacity

12.2.1 A Foundation Capacity User shall have the right to transfer ("*cedere*") to other persons ("*soggetti*") any portion of the Foundation Capacity subscribed by it under any Capacity Agreement to which it is a Party provided that:

(a) the transfer complies with the criteria referred to under article 2, sub-section 3, letter k) of the MAP decree of 11 April 2006;

(b) the person to which the Subscribed Foundation Capacity is being transferred:

(i) provides to the Operating Company the information and statements to be included in Access Requests as set forth in clause 2.4.5 of chapter II;

(ii) provides to the Operating Company the documentation as set forth in clause 2.4.6 of chapter II;

(iii) fulfils the Access requirements as set forth in clause 2.4.4 of chapter II; and

(c) the Foundation Capacity User provides the Operating Company with a copy of the authorisation by the MSE to transfer the relevant Subscribed Foundation Capacity pursuant to article 8 of the MAP decree of 11 April 2006, it being understood that such authorisation shall not be required in the event of "non-systematic spot transfers of Foundation Capacity aimed at optimising the use of Terminal" ("*cessioni di capacità esentata spot di tipo non sistematico finalizzate all'utilizzo ottimale del Terminale*".

III.12.3 Transfers of Subscribed Regulated Capacity

12.3.1 Each User of the Capacity Agreement ("*Utente Cedente*") shall have the right to transfer to another User or entity other than the User ("*Soggetto Cessionario*") any part of the Subscribed Regulated Capacity according to the Capacity Agreement to which it is party, provided that the transfer is carried out in accordance with the procedures described below.

12.3.2 In order to carry out the transfer of the Regulated Subscribed Capacity, the Soggetto Cessionario shall:

a) provide to the Operating Company the information and statements that should be included in the Access Request as required by article 2.4.6 of Chapter II;

b) provide to the Operating Company the documentation provided for in article 2.4.6 of Chapter II;

c) meet the access requirements provided for in article 2.4.4 of Chapter II;

12.3.3 The request for the acceptance of the transfer of the Regulated Subscribed Capacity shall be sent to the Operating Company, filled and signed by the Utente Cedente and Soggetto Cessionario using the form published by the Operating Company on the Electronic Communication System, indicating:

a) The LNG volume expressed in LNG cubic meters with an energetic value expressed in MJ and or the equivalent in kWh;

b) The relevant Unloading Slots, with an indication of the specific dates if the transfer is related to Unloading Slots which have been part of the Annual and or Three Months Plan already communicated by the Operating Company according to article 3.2.3 or 3.3.2 of Chapter II, and

c) the number of berthings which are object of the transfer;

12.3.4 The request for the acceptance of the transfer shall be notified to the Operating Company by 17:00 hours of the 16th (sixteenth) Day of the Month preceding the beginning of the first Month of the first Unloading Slot that is object of the Subscribed Capacity Transfer.

12.3.5 The request for acceptance of the transfer shall be irrevocable and shall contain the statement whereby the Utente Cedente and the Soggetto Cessionario agree that the transfer will become effective only in the moment in which the Operating Company accepts it. The Operating Company shall be entitled to reject a request for acceptance of the transfer in the following cases:

a) The request for the transfer acceptance is not received by the Operating Company within the deadline provided for in article 12.3.4 above;

b) The request for the transfer acceptance contains contradictory and/or incomplete information;

c) the Utente Cedente is not the owner of the Subscribed Capacity which is being sold to under the relevant Capacity Agreement;

d) the Utente Cedente does not meet all the requirements for the requested service under article III.2.3 with respect to the portions of Subscribed Capacity to be sold;

e) the Soggetto Cessionario does not meet all the requirements in article 12.3.2 above;

f) the Utente Cedente doesn't meet any of the provisions of the Regasification Code at the date on which the Operating Company receives the request for acceptance of the transfer, which entitle the Operating Company to terminate the relevant Contract for the Capacity under article III.13.1.

12.3.6 Within 2 (two) Business Days from the deadline set at article 12.3.4 above, the Operating Company shall notify the Utente Cedente and Soggetto Cessionario:

a) the acceptance of the Subscribed Capacity transfer, sending a copy of its request signed by the Operating Company for acceptance, indicating that the Soggetto Cessionario assumes for all purposes the status of User;

b) the refusal of the transfer acceptance request, in the event that one or more reasons for refusal provided for in article 12.3.5 have occurred, indicating the reason(s) for non-acceptance.

12.3.7 From the time the proposed transfer under paragraph a) of article 12.3.6 is accepted, the Soggetto Cessionario, assuming for all purposes the qualification of User, take over all the obligations related to the Utente Cedente and becomes responsible towards the Operating Company for the obligations arising from the Regulated Capacity Contract for the provisions of the service which it is party, in relation to the Regulated Capacity transferred.

12.3.8 Any refusal of acceptance of the transfer by the Operating Company in accordance with paragraph (b) of article 12.3.6 above, implies that the Utente Cedente retains the rights and obligations related to the Regulated Capacity Contract in its entirety, as stipulated under article 2.4.2 of Chapter II.

III.13 TERMINATION

III.13.1 Termination by the Operating Company

Any Capacity Agreement may be terminated by written notice from the Operating Company to the relevant User pursuant to article 1456 of the Italian civil code, if any of the following events occur:

(a) at any time following the payment due date of an invoice the Operating Company notifies such User that payment of such invoice has not been received in full and payment is not received by the Operating Company within ten (10) Business Days after the date that the Operating Company gave such notice, provided that such User has not disputed, postponed or suspended the payment of such invoice pursuant to clause; or

(b) any failure by such User, due to any act or omission of such User, to maintain and/or to continue to satisfy one or more of the Service Conditions and such failure to maintain and/or to continue to satisfy one or more of the Service Conditions is not remedied within twenty (20) Business Days from the date on which the User ceases to maintain and/or to continue to satisfy the Service Conditions, provided that:

(i) such twenty (20) Business Day period shall run simultaneously with any other remedy period in this Regasification Code (including the remedy periods in clause III.10 of chapter III) for a failure to maintain and/or to continue to satisfy any Service Condition; and

(c) any of the Representations are not true and accurate as of the date on which the relevant Capacity Agreement is entered into; or

(d) subject to clause 2.4.3 of chapter III, any breach by such User of the undertaking given in clause 2.4.2 of chapter III.

III.13.2 Withdrawal by the Operating Company

The Operating Company shall have the right to withdraw (*recesso*) from any Capacity Agreement if any of the following events occur, each being a legitimate reason for withdrawal by the Operating Company:

(a) the User is adjudicated in or otherwise subject to any bankruptcy or insolvency proceedings (be it judicial, administrative or voluntary), except in the case where the Capacity Agreement is taken over by the bankruptcy or insolvency administrator pursuant to applicable law;

(b) the liquidation, dissolution or winding-up for any reason whatsoever, or closing down of the business activity of the User, or the admission in writing by the User of its inability to pay, or the suspension by the User of the payment of, its debts generally as they fall due;

(c) any judgment or other decision of any competent judicial or administrative authority is issued against the User which has a material and adverse effect on such User's ability to perform its obligations under its Capacity Agreement; or

(d) the execution and performance of the Capacity Agreement by the User:

(i) is in conflict with (I) any Regulation or other applicable law, regulation, administrative or judicial provision or such like which apply to such User; or (II) any other agreement to which such User is a party, or trigger a default under any such agreement; and

(ii) such conflict or default has a material and adverse effect on such User's ability to perform its obligations under its Capacity Agreement.

III.13.3 Accrued rights

The termination of, or withdrawal from, any Capacity Agreement (whether pursuant to this Regasification Code or otherwise) shall be without prejudice to the accrued rights and obligations

of the Parties in respect of the Service provided prior to, or which is being provided as at, the date of such termination or withdrawal, as the case may be.

III.13.4 Waiver of Italian civil code rights

Without prejudice to any provision of any relevant Capacity Agreement, each User waives its rights under articles 1467, 1660 and 1664 of the Italian civil code.

III.14 LIABILITY

III.14.1 Limitation of liability

a) Limitation of liability of the Operating Company to the Foundation Capacity User

Without prejudice to clause 6.1.8 of chapter III and clause 3.8.2 of chapter IV, the Operating Company shall not be liable for any costs, losses, damages, claims and/or expenses suffered or incurred by any User of Foundation Capacity or its employees, contractors, agents and/or other third parties acting for it or on its behalf which are caused, directly or indirectly by reason of any failure to perform or performance by the Operating Company or by any employee, contractor, agent or other third party acting for it or on its behalf, of any of the obligations of the Operating Company under any Capacity Agreement, except where and to the extent that any such costs, losses, damages, claims and/or expenses result from wilful misconduct or gross negligence on the part of the Operating Company or its employees, contractors, agents and/or other third parties acting for it or on its behalf. For the avoidance of doubt, it is understood that (i) in no event shall the Transportation Company be considered a "contractor", "agent" or "third party" acting for or on Operating Company's behalf for purposes of this Regasification Code and; (ii) the Operating Company shall not be liable for any costs, losses, damages, claims and/or expenses suffered or incurred by any User of Foundation Capacity or its employees, contractors, agents and/or other third parties acting for it or on its behalf which are caused, directly or indirectly by reason of any failure to perform or performance by the Transportation Company or its employees, contractors, agents and/or other third parties acting for it or on its behalf of any of the obligations of the Transportation Company under the Transportation Contract.

b) Limitation of liability of the Operating Company to the Non-Foundation Capacity User and of the Non-Foundation Capacity User to the Operating Company

The liability for any damages arising from or related to the execution or the failure, partial or delayed performance of the obligations under a Non-Foundation Capacity Agreement is expressly limited to gross negligence and wilful misconduct.

c) The User releases and holds the Operating Company harmless of every and any cost, loss, damage, claim and/or expense incurred or sustained in the event of full or partial failed acceptance of Redelivered Gas to the User or to the Transportation System Users indicated by the User as per article 13.6 of TIRG.

III.14.2 Payment upon Operating Company termination

14.2.1 If a Capacity Agreement is terminated pursuant to clause III.13.1 (regardless of whether any of the events specified in clause III.13.2 have occurred with respect to the User under such Capacity Agreement) then such User must pay, as liquidated damages (*penale*), to the Operating Company,

on the effective date of the termination,

(a) an amount equal to the Net Present Value (as at the effective date of the termination) of the aggregate Capacity Charge that would have been payable by such User in the absence of such termination, from such effective date for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the remaining aggregate quantities of LNG which were to be Unloaded under such Capacity Agreement throughout such remaining term, plus

(b) an amount equal to the Net Present Value (as at the effective date of termination) of the aggregate Grid Capacity Charge that would have been payable by such User in the absence of such termination, from such effective date for the remaining term (being until the expiry date specified in such Capacity Agreement), calculated by reference to the remaining aggregate quantities of Gas which were to be Redelivered to such User, throughout the remaining term of such Capacity Agreement, net of any portion of such Grid Capacity Charge that is not and will not become due and payable to the Transportation Company following such termination.

14.2.2 The amounts referred to in (a), (b) and (c) above will be calculated on the basis of the *Cqs* and the Grid Capacity Charge respectively which are applicable to the User who is Party to the terminated Capacity Agreement, as at the effective date of the termination, regardless of the fact that any review or recalculation of the *Cqs* or the Grid Capacity Charge would or may have taken place at any time during the remaining term of such Capacity Agreement. The Parties acknowledge that the determination of the amounts set out in this clause III.14.2 has been reasonably made with due regard given to (i) the investment costs borne by the Operating Company for the construction of the Terminal; (ii) the obligations that the Operating Company has assumed under the Transportation Contract; and (iii) the effect of the User's default on the achievement of the Operating Company's economic interests. Pursuant to and for the purposes of article 1382 of the Italian civil code, the payment of such amount by the User will be the only remedy that the Operating Company has against such User in the case of termination pursuant to clause III.13.1 of chapter III, except for the Operating Company's rights under clauses III.4.1, 5.1.5, 6.1.4 (g), 6.1.4 (i)of chapter III, III.9.2, III.14.3 and III.14.5 and clause 3.8.2 (b) of chapter IV.

14.2.3 Should the Subscribed Capacity which has become available as a result of the termination of a Capacity Agreement pursuant to clause III.13.1 and in relation to which the relevant User has made payments to the Operating Company pursuant to letter (a) of clause 14.2.1 above be subsequently reallocated to another User in whole or in part, the Operating Company shall reimburse the original User the discounted amounts of the Capacity Charge that such User has paid the Operating Company with respect to such reallocated Foundation Capacity and/or Non-Foundation Capacity pursuant to letter (a) of clause 14.2.1 above as soon as the Operating Company shall reallocate Foundation Capacity and/or Non Foundation Capacity to the new User.

14.2.4 Should the transportation capacity which has become available as a result of the termination of a Capacity Agreement pursuant to clause III.13.1 and in relation to which the relevant User has made a payment to the Operating Company pursuant to letter (b) of clause 14.2.1 above be subsequently reallocated to another User in whole or in part, the Operating Company shall reimburse the original User the discounted amounts of the Grid Capacity Charge that such User has paid the Operating Company with respect to such reallocated transportation capacity as soon as the Operating Company has reallocated such transportation capacity to another User.

III.14.3 User indemnity for Damaging Events

(a) Each User must indemnify and hold the Operating Company harmless in respect of any costs, losses, damages, claims and/or expenses (including legal fees) of any kind suffered or incurred by the Operating Company as a result of any loss of, damage to or failure of all or part of the Terminal which is caused by the acts or omissions of:

(i) such User;

(ii) any Shipowner acting for or on behalf of such User or for or on behalf of the person specified in paragraph (iv) below;

(iii) any member of the LNG Tanker crew acting for or on behalf of such Shipowner and/or User;

(iv) any person supplying LNG to or on behalf of such User;

(v) any employees, contractors, agents and/or other third parties acting for or on behalf of any person specified in paragraphs (i) to (iv) inclusive above,

(each instance of loss of, damage to or failure of all or part of the Terminal which is caused by the acts or omissions of any of the persons identified in paragraphs (i) to (v) inclusive above being a "**Damaging Event**" and a User that is responsible for such Damaging Event, by way of the above indemnity, being a "**Damaging User**").

(b) In addition to its obligations under clause III.14.3 (a), and without prejudice to the provisions of clauses 6.1.4 (f) and 6.1.4 (i) of chapter III, each Damaging User must indemnify and hold the Operating Company harmless in respect of any loss of or reduction in any Capacity Charge which would otherwise have been payable to the Operating Company by any User, including the Capacity Charge which otherwise would have been payable by the Damaging User, had such Damaging Event not occurred. For these purposes, until the effects of the Damaging Event are cured and the functioning of the Terminal is returned to the level that it was at immediately prior to the occurrence of the Damaging Event, the Capacity Charge will be calculated as if such Damaging Event had not occurred.

(c) Any Damaging User that is also a Shipowner hereby expressly waives any right to the Shipowner's limited liability as provided for under articles 7 and 275 of the Italian navigation code or any other applicable provisions of law.

III.14.4 No actions amongst Users

Each User waives any right to take action against any other User or against any employees, contractors, agents or other third parties (including any Shipowner) acting for or on behalf of such other User who, by their acts or omissions, directly or indirectly, cause any reduction or suspension in the performance of the Service, except where any such reduction or suspension has arisen as a result of gross negligence or wilful misconduct on the part of such other User or of any of its employees, contractors, agents or other such third parties (including any Shipowner acting for or on behalf of such other User).

III.14.5 Environmental indemnity from Users

Except in case of gross negligence or wilful misconduct of the Operating Company, Users of Foundation Capacity and/or, as appropriate, the User of Non-Foundation Capacity, but for the

latter only in case of wilful misconduct and/or gross negligence,, must indemnify and hold the Operating Company harmless in respect of any costs, losses, damages, claims and/or expenses of any kind which may be suffered or incurred by the Operating Company which arise as a result of any (a) claim against the Operating Company in respect of a breach by such User of any Regulation relating to the Environment or to health and safety in the work place, (b) claim by any person in respect of any loss or liability incurred by that person as a result of any breach by such User of any Regulation relating to the Environment or to health and safety in the work place, and (c) contamination of the Environment caused by any act or omission of such User. References in this clause III.14.5 to a User shall be deemed to include the persons specified in clauses III.14.3 (a) from (ii) to (v) inclusive.

III.15 COMPLAINTS

III.15.1 Inspections of the Service

Upon obtaining the Operating Company's prior written consent, which cannot be unreasonably withheld or delayed, a reasonable number of User's designated representatives may from time to time inspect the operations at the Terminal, as long as such inspection occurs from 9:00 hours to 18:00 hours on any Business Day. Any such inspection shall be at the sole risk, cost and expense of the User, and shall comply with all applicable provisions of the Terminal Regulations. The User's right to inspect and examine the Terminal shall be limited to verifying the performance of the Service by the Operating Company and the compliance by the Operating Company with its obligations under the applicable Capacity Agreement.

III.15.2 Complaints

Subject to clause III.8.6 of chapter III, any complaint about the performance of the Service must be notified by a User to the Operating Company within thirty (30) Business Days after the earlier of (a) the date on which the User first had knowledge of the occurrence of the event that has given rise to the complaint and (b) the date on which the User should have had knowledge (acting diligently) of the occurrence of such event.

III.15.3 Supporting documentation for complaints

The User must enclose with any notice sent to the Operating Company pursuant to clause III.15.2 of chapter III all documentation which is reasonably necessary to establish the soundness of its claims.

III.15.4 Restriction on bringing complaints

No User shall be entitled to file complaints or bring any proceedings concerning performance of the Service in respect of any LNG (or resultant Gas) once the corresponding resultant Gas has been accepted by the Transportation Company in accordance with the provisions of clause 6.1.2 of chapter III.

III.16 DOMICILE AND NOTICES

III.16.1 Service of notices

Except as otherwise specified herein or otherwise agreed in writing between the Parties, any communication or notice relating to the Capacity Agreement shall be:

(a) sent by letter with a return receipt (with a copy of such letter sent by fax and/or email), or, to the extent allowed under Italian law and adopted by the Operating Company, by certified email (*posta elettronica certificata*), to the following addresses:

(i) for the Operating Company, to the contact details specified and published on its Electronic Communication System, provided that the Operating Company shall notify all Users of any modification in this respect;

(ii) for a User, to the contact details specified in the relevant Capacity Agreement, provided that the User shall notify the Operating Company of any modification in this respect; and

(b) deemed to have been received upon delivery of such letter or certified email at the other Party's address as set forth in paragraph (a) above.

III.16.2 Domicile for notice purposes

The respective addresses referred to in clause III.16.1 of chapter III are the Operating Company's and each respective User's domicile for all notice purposes, including the service of process, in relation to the Capacity Agreement between such Parties.

III.17 WAIVER

The failure or delay, even over time, in any of the Parties exercising any rights or remedies to which the same is entitled under any Capacity Agreement shall not be considered as a waiver of such rights or remedies and shall not be deemed as an implicit amendment to the terms and conditions of the Capacity Agreement between such Parties.

III.18 CONFIDENTIALITY

III.18.1 No disclosure of confidential information

All information regarding the business of any Party that is given in any form in accordance with, pursuant to, or in relation to a Capacity Agreement shall be confidential and must not be disclosed or used by any other Party or by its employees, contractors, agents and/or other third persons acting for or on behalf of such other Party, provided that any such information that has been provided by or relates to a User may be used by the Operating Company, its employees, contractors, agents and/or other third parties acting for or on behalf of the Operating Company to the extent that it is required for the proper performance of the Service. Any such information must not be disclosed to any person without the prior written consent of the Party to which such information relates, and any such permitted disclosure shall be subject to acceptance by the person to whom the information is to be disclosed of similar confidentiality obligations as are set out in this clause III.18.

III.18.2 Liability for disclosure of confidential information

Each Party shall be liable for any loss or damage to the other Party in the event of any disclosure or transfer of confidential information of the type described in clause III.18.1 of chapter III which is communicated by the first Party or by its employees, contractors, agents and/or other third persons acting for it or on its behalf without the prior consent of the latter Party.

III.18.3 Exceptions to confidentiality

Notwithstanding clauses III.18.1 and III.18.2, a Party (the "**Disclosing Party**") may, without the prior consent of the other Party, disclose to any person confidential information under clause III.18.1 where:

(a) it is generally known to the public when it is disclosed or it has become generally known to the public other than by reason of any default, omission or negligence by the Disclosing Party;

(b) the Disclosing Party has become aware of such information through any third person and the Disclosing Party was not aware of any breach by such third person of any confidentiality obligation with respect to the other Party;

(c) such disclosure is required by any Competent Authority or by any other competent institutional body, either national or international, or is otherwise required by law or by any regulation (including any rules of any stock exchange or other regulated market);

(d) subject to the compliance with the confidentiality of commercially sensitive information as provided in the Regulation, the disclosure is made to the Disclosing Party's shareholders, Affiliates, affiliates of its shareholders and such of their officers, directors and employees to whom communication is reasonably necessary on a need to know basis for the purposes of the relevant Capacity Agreement, in each case provided that the shareholder, Affiliate or affiliate of such shareholder, on behalf of itself and its officers, directors and employees undertakes to maintain the confidentiality of such confidential information on substantially similar terms as those set out in this clause III.18;

(e) the disclosure is made to persons participating in the implementation of the arrangements contemplated by the relevant Capacity Agreement, to whom such communication is reasonably necessary on a need to know basis for the purposes of such Capacity Agreement, including legal counsel, accountants, other professional, business or technical consultants and advisers, underwriters or lenders, and any other such participating person, provided that the receiving persons undertake to maintain the confidentiality of such confidential information on substantially similar terms as those set out in this clause III.18; and/or

(f) the disclosure is made to any court, expert, or arbitrator to which any dispute between the Parties has been referred.

III.18.4 Duration of confidentiality obligations

As between the Parties to a Capacity Agreement, the confidentiality obligations set out in this clause 18 shall remain in force for a period of three (3) years from the earlier of: (i) the expiration date of such Capacity Agreement; (ii) the date on which such Capacity Agreement is terminated or a Party withdraws therefrom in accordance with its terms (*risolto o altrimenti sciolto o divenuto inefficace per qualsiasi causa, ivi incluso il recesso di una delle Parti*), notwithstanding that a subsequent Capacity Agreement is not entered into between the Parties.

III.18.5 Compliance with confidentiality laws

The Parties hereby undertake that in the performance of their respective obligations under any Capacity Agreement to which they are a Party, they will each comply and procure that their employees, contractors, agents and/or any other third persons acting for or on behalf of either

such Party for any reason, will comply with all Regulations and any other applicable laws, regulations, administrative and judicial provisions and the like relating to confidentiality. Each Party shall be liable to the other Party for any loss or damage that may be caused by any failure to comply with this clause III.18.5.

III.18.6 Statement of information under the applicable data protection Regulations

Pursuant to article 13 of EU Regulation n. 2016/679 of the European Parliament and of the Council of 27th April 2016, related to the protection of individuals with regard to the processing of personal data (the "**Regulation**") and the applicable national legislation, with reference to the personal data of the Parties (the "**Parties' Data**") acquired during negotiations, execution or performance of the relevant Capacity Agreement, each Party represents to the other Party that:

(a) the Parties' Data shall be processed, also with the help of electronic or automated means, for the unique purposes which relate to the performance of such Capacity Agreement, or for the performance of the obligations set out in applicable Regulations;

(b) provision of the Parties' Data is necessary for the performance of such Capacity Agreement, and refusal to provide such Parties' Data could cause difficulties in the performance thereof;

(c) the Parties' Data shall be disclosed only to the consultants of the Parties and shall not be transferred or disclosed to third parties;

(d) in relation to the processing of the Parties' Data, each Party may exercise the rights under articles 15-21 of the Regulation; and

(e) each Party will act as data controller with regard to the processing of the Parties' Data relating to the other Party.

III.19 ENFORCEMENT COSTS

A Party shall, within thirty (30) Business Days after a demand by the other Party which includes adequate supporting documentation, pay to such other Party the amount of all reasonable costs and expenses (including the reasonable fees and expenses of its legal and financial advisors) incurred by such other Party in connection with the enforcement of, or the preservation of any of its rights under, their Capacity Agreement, where the Party receiving such demand is in breach of such Capacity Agreement.

III.20 WAIVER OF IMMUNITY

Each Party irrevocably and unconditionally:

(a) agrees that should a Party bring any legal proceedings (whether pursuant to clause 4 of chapter I or otherwise) against the other Party or its assets in connection with a Capacity Agreement, no immunity (sovereign or otherwise) from such legal proceedings or the result of such legal proceedings, shall be claimed under the laws of Italy or any other state or jurisdiction, by or on behalf of such other Party or with respect to any of its assets;

(b) waives any such right of immunity that each Party or any of its assets has or may acquire under the laws of Italy or any other state or international organisation; and

(c) consents generally to the giving of any relief or the issue of any process in connection with such legal proceedings, including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award, determination or judgment that may be made or given in such proceedings under the laws of Italy or any other state or international organisation.