TRANSPORTATION AGREEMENT

Entered into in San Donato Milanese on XX/XX/XXX between

SNAM RETE GAS S.p.A.

A single-member company with its registered office in Piazza S. Barbara, 7, 20097 - San Donato Milanese (Ml), a share capital of 1,200,000.00 euros fully paid-up, tax code and registration on the Companies Register of the Chamber of Commerce of Milan, Monza Brianza, Lodi under no. 10238291008 Economic and Administrative Index of Milan no. 1964271, VAT no. 10238291008 Company subject to management and coordination by Snam S.p.A. in the person of its legal representative (or in the person of the authorised representative)

(hereinafter referred to as ***“Snam Rete Gas***”)

Company Name

with its registered office in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .............

Share capital ........................

EIC code ....................

Tax code and registration on the Companies Register of .............. under no. .............

Economic Administrative Index ........... no. ...............

VAT no. ………………………

Excise code ...........................

in the person of the legal representative (or in the person of the authorised representative) XXXXXXX

(hereinafter referred to as the ***“User***“)

(Snam Rete Gas and the User hereinafter individually the ***"Party***" and jointly the ***"Parties***")

Preamble

1. Snam Rete Gas is dedicated to natural gas transportation and dispatching methane pipelines on its own network in accordance with the rules defined by EU and national regulations, including the resolutions of the Regulatory Authority for Energy, Networks and Environment (hereinafter "ARERA") as well as in the Snam Rete Gas Network Code (hereinafter ***"Network Code***"), approved by ARERA with Resolution no. 75/03, and its subsequent updates, and published on the Snam Rete Gas website.
2. The User is a user of the gas system and is interested in purchasing transportation capacity from Snam Rete Gas for its own use or for sale to others.
3. Through this Transportation Agreement (hereinafter the ***“Agreement***”) the Parties intend to agree upon the terms and conditions that will govern the transportation service to be provided by Snam Rete Gas in the User’s favour.
4. On July 5th, 2021, Snam Rete Gas initiated the Incremental Capacity Procedure as provided for in Chapter V of the European Regulation 459/2017 (hereinafter "***CAM NC***").
5. On 31/10/2022, Snam Rete Gas (together with the other shippers involved) published the Incremental Capacity Project Proposal related to the Melendugno importation point, subsequently sending it to the competent regulatory authorities (**"Project Proposal")**, for approval.
6. More specifically, ARERA approved the Project Proposal with Resolution **548/2022/R/gas**;
7. During September 2023, Snam Rete Gas (together with the other shippers involved) published the Second Phase Binding Project Proposal for incremental capacity relating to the Melendugno importation point, and subsequently sent it to the relevant regulatory authorities (**“Second Phase Binding Project Proposal")**for approval;
8. More specifically, ARERA approved the Second Phase Binding Project Proposal with Resolution **438/2023/R/gas**;
9. In implementation of the II Phase Binding Project Proposal, Snam Rete Gas initiated the "Information Phase"*, a* preparatory *phase* for submitting information and exchanging documentation (hereinafter referred to as the "Registration Period”) prior to the subsequent submission of offers ("Submission of Offers"). During the Registration Period which, pursuant to the II Phase Binding Project Proposal, took place from October 20th to December 1st, 2023, the User submitted (i) a bank guarantee enforceable upon first demand, issued by an Italian bank or a branch of a foreign bank or insurance company with a minimum credit rating of BBB- under Standard and Poor's or Fitch Ratings, Baa3 under Moody's or BBB low under DBRS and/or (ii) a non-interest-bearing security deposit, for a countervalue in each case equal to or greater than 20% of the maximum annual capacity fee that the User intends to request through a Binding Offer for incremental transportation capacity at the Mazara del Vallo Entry Point (Meter XXXXXX; EIC code XXXXXXX), networked with the XXXXXX methane pipeline and/or Gela (Meter XXXXXX; EIC code XXXXXXX), networked with the XXXXXX methane pipeline (“First Guarantee");
10. Subsequently, during the Bidding Window which, pursuant to the II Phase Binding Project Proposal, took place between December 16th and December 22, 2023, the User submitted a Binding Offer through Annex 7B according to the contents of section E.2 of the II Phase Binding Project Proposal;
11. Following the Submission of Binding Offers, TAP, SRG and DESFA proceeded to evaluate the offers, to preliminarily allocating capacity, to running the economic test (EVT), and to subsequently identifying the capacity assignees including the User, and then to concluding the relevant Transportation Agreement.

Accordingly, the Parties agree and stipulate as follows.

# Article 1

PREAMBLE AND ANNEXES

* 1. The preamble and the annexes form an integral and substantial part of this Agreement. The User, therefore, undertakes to promptly inform Snam Rete Gas of any variation to what has been communicated through the annexes to this Agreement.

# Article 2

DEFINITIONS

* 1. Capitalised terms used in this Agreement, unless otherwise defined, shall have the meaning ascribed to them in the Glossary of the Network Code and in the II Phase Binding Project Proposal.

# Article 3

PURPOSE OF THE AGREEMENT

* 1. The purpose of this Agreement is:
1. for Snam Rete Gas to provide transportation capacities with the successful User subsequently acquiring a share of said capacities;
2. as well as further services related to the transportation of natural gas delivered by the User to Snam Rete Gas and redelivered by Snam Rete Gas to the User according to the methods defined in the Network Code.
	1. The transportation obligation does not require the redelivery of the same gas that has been delivered, but requires for equivalent quantities of gas be redelivered in terms of energy, taking into account the regulatory provisions in force.

# Article 4

ENTRY INTO OPERATION

* 1. With regard to the II Phase Binding Project Proposal, approved by ARERA with Resolution **438/2023/R/gas**, the capacities provided for in the II Phase Binding Project Proposal do not require any infrastructure intervention as they are already available. Therefore, it is estimated that the transportation capacity will be made available by the estimated date of entry into operation ("***Availability Date***") according to Annex 2B.

# Article 5

FORCE MAJEURE - INFORMATION SYSTEMS

* 1. In cases of Force Majeure, the provisions of Chapter 19.4 of the Snam Rete Gas Network Code shall apply.
	2. With reference to Chapter 19, paragraph 2 and 4 of the Network Code on the subject of limitation of liability and force majeure, it is hereby specified that the Carrier shall not be liable for any prejudicial consequences resulting from interruptions to the information system services made available to the User in the performance of the Agreement due to force majeure or any other cause not attributable to the Carrier, including but not limited to the suspension, slowing down or malfunctioning of the telephone service or electricity supply, malfunctions on the internet network or by the internet service provider, or the software used for the performance of the specific information system service, lockouts or strikes, including by the Carrier's personnel, hindrances or obstacles caused by provisions of law or acts by national or foreign authorities, measures or acts of a legal nature or acts by third parties, including cyber attacks on computer systems, or other causes which are not directly attributable to the Carrier.
	3. The User undertakes to guarantee adequate levels of security in its own network and in the IT systems used for the entire term of this Agreement in order to preserve the confidentiality and integrity of the data as well as the availability of the services supplied or accessible through the network or IT systems. At the same time, the User undertakes to issue suitable instructions to its own employees, representatives, appointees, collaborators, consultants, subcontractors, and/or affiliated companies, which for any reason have access to the network or to the computer systems, regarding the correct use of the network, computer systems and data.
	4. In the case of events that may compromise the safety levels guaranteed to the Carrier, the User must promptly inform the Carrier, providing observations and documents concerning the safety levels of the networks and systems and any measures for restoring them.
	5. Likewise, if the Carrier identifies a compromise in the security levels of the networks and IT systems, which may also be inferred from public information and which could have a direct impact on security, it shall inform the User, with a simultaneous request to provide comments and documents concerning the security levels of the networks and systems and any measures for their recovery within the following 15 days.
	6. In the cases outlined in Sections 2 and 3 of this Article, the User undertakes to provide for the timely securing of its own network and IT systems, especially with reference to the part that is involved/used as part of the existing relationships with the Customer.

* 1. In the event that adequate security levels cannot be restored or are no longer deemed adequate by the Carrier, the Carrier reserves the right to verify whether the conditions for terminating the Agreement pursuant to Chapter 4, Section 3.1.4 of the Network Code are met, without prejudice to any claims for compensation for damages resulting from the User's behaviour that can be qualified as wilful misconduct or gross negligence.
	2. With reference to the provisions of this article, the specific provisions of the regulations and the Network Code in force at the time are not affected.

# Article 6

SUSPENSIVE CONDITIONS, ENTRY INTO OPERATION AND DURATION OF THE AGREEMENT

* 1. The effectiveness of the Agreement is subject to the fulfilment of the following suspensive conditions:
1. the definition of capacity commitments (quantity and duration) through the notification of Annex 8B by Snam Rete Gas to the User by January 18th, 2024; and
2. the submission of the financial guarantees indicated in Article 7 by the User by January 31st, 2024.
	1. The Parties mutually acknowledge that should any of the suspensive conditions (i) indicated in paragraph 6.1. not be fulfilled or waived by Snam Rete Gas within the aforementioned terms, the Agreement shall be deemed definitively ineffective.
	2. In the event that this Agreement does not become effective due to the non-fulfilment of the suspensive condition referred to in Article 6.1 b), the provision of Snam Rete Gas in accordance with paragraph 7.3 shall apply.
	3. This Agreement will have the same duration as the capacity commitments to be defined in Annex 8B.

# Article 7

OBLIGATIONS

* 1. The transportation capacities allocated by the User at the Mazara and/or Gela Entry Point, by signing of this Agreement are those defined in Annex 8B "Allocated Capacity".
	2. Following the positive outcome of the economic test notified by January 18th, 2024, the User which capacity has been allocated to has undertaken to provide the Contractual Guarantees defined in point (i) or point (ii) by January 31st, 2024 as specified below:
1. Two bank guarantees enforceable upon first demand, issued by an Italian bank or a branch of a foreign bank or insurance company with a minimum credit rating of BBB- under Standard and Poor's or Fitch Ratings, Baa3 under Moody's or BBB low under DBRS respectively equal to:
	1. [1/3] or [2/3] or [100%] as set out in Snam's Network Code in Chapter 5, paragraphs 1.3.4 and 1.3.5 of the maximum annual capacity fee allocated through Annex 8B; and
	2. 3% of the maximum annual capacity fee allocated through Annex 8B.
2. A non-interest-bearing security deposit equal in value to the two bank guarantees enforceable upon first demand in Section 7.2(i).

Following the submission of the bank guarantees and/or security deposits described above, Snam Rete Gas shall return the First Guarantee provided during the Registration Period.

* 1. The User acknowledges that in the event that it fails to wholly or partially submit the bank guarantees or the security deposit described in Article 7.2, it shall be required to pay a fee equal to 20% of the maximum annual fee for the incremental capacity requested in Annex 8B.

# Article 8

FEE

* 1. The fee for the service covered by this Agreement shall be determined by applying the following for each thermal year of validity: (i) the natural gas transportation and dispatching tariffs approved by ARERA; and (ii) the auction premium under the terms specified in the "Bid Ranking" section under paragraph E.4 of the II Phase Binding Project Proposal.

# Article 9

NETWORK CODE

* 1. The services referred to in Article 3 above are governed by this Agreement and the Network Code in its *pro tempore* version in force. Snam Rete Gas and the User declare that they are fully aware of the contents of the Network Code and undertake to apply and comply with it.

# Article 10

ADMINISTRATIVE AND ANTI-BRIBERY RESPONSIBILITY

* 1. The User declares that they are aware of, and undertakes to comply with, the Anti-Corruption Laws[[1]](#footnote-1), Snam Rete Gas’ "Code of Ethics" and “Model 231" (which can be consulted and printed on the website www.snamretegas.it) and Snam S.p.A.’s "Anti-Corruption Guidelines” (which can be consulted and printed on the website [www.snam.it)](http://www.snam.it).
	2. With respect to the performance of the activities covered by this Agreement, the User undertakes:
1. to refrain from giving or promising money, commissions, fees and other benefits to directors, auditors, employees or collaborators of Snam and/or its Subsidiaries[[2]](#footnote-2), including gifts, entertainment, trips or any other type of benefit, including non-pecuniary benefits, beyond the limits of what is permitted under the Snam Rete Gas Code of Ethics and the Snam S.p.A. "Anti-Corruption Guidelines";
2. in any case, to communicate any request or attempted request or donation or promise of what is indicated in (a) above without delay, regardless of any assessment of whether or not it complies with the Snam Rete Gas Code of Ethics and the Snam S.p.A. "Anti-Corruption Guidelines";
3. to refrain from entering into agreements directly with Snam Group Personnel [[3]](#footnote-3)or their Family Members[[4]](#footnote-4) or companies related to them.

These communications should be addressed to the email address segnalazioni@snam.it.

Article 11

ANTI-MONEY LAUNDERING

Snam Rete Gas declares that it observes the principles set out in Legislative Decree November 21st, 2007, no. 231, sharing the general obligation of "active collaboration" (through reporting suspicious transactions, document retention, internal control), aimed at preventing and impeding the implementation of money laundering and terrorist financing operations.

In accordance with Article 648-bis of the Criminal Code, as well as with the content of the provision in Article 2 of Legislative Decree no. 231 of 2007, it is specified that money laundering is to be understood as: the conversion, transfer, concealment or disguise or the purchase, holding or use of goods, carried out in the knowledge that they originate from criminal activity or from participation in it. Terrorist financing is defined in Legislative Decree No. 109 of 22 June 2007.

The User declares that it is aware of the regulations in force concerning the prevention of the phenomenon of laundering and the financing of terrorism pursuant to Italian Legislative Decree no. 231 of November 21st, 2007.

The User declares under their sole responsibility that they are not aware of any criminal origin of the money, goods or other benefits being transferred for the purposes of the conclusion of this Agreement.

The Parties agree that failure to comply with the provisions of this contractual clause or failure to communicate any factual circumstances leading to a change in the declarations made by the User shall constitute a breach of this Agreement.

As a result, Snam Rete Gas reserves the right to terminate the Agreement in advance in the event of a conviction, even of the first degree or issued following the application of the penalty at the request of a party pursuant to Article 444 of the Italian Code of Criminal Procedure, against the User in relation to one of the criminal offences relating to money laundering and financing terrorism referred to in Legislative Decree no. 231 of November 21st, 2007.

The exercise of such right shall entitle Snam Rete Gas to charge the User for all additional expenses and costs arising from or anyway resulting from the early termination of this Agreement.

Article 12

FINAL PROVISIONS

* 1. For anything not expressly provided for in this Agreement, reference shall be made to the provisions of the Network Code and the resolutions of ARERA, as well as to the relevant EU and national regulatory provisions, as applicable.
	2. Snam Rete Gas is the Data Controller pursuant to European Regulation no. 679/16 (GDPR) of this Agreement. The internal delegate for the processing of the aforementioned data is Mr. Gaetano Mazzitelli, domiciled for the office in Piazza Santa Barbara No. 7 - San Donato Milanese (Milan). The User undertakes to provide Snam Rete Gas with all information necessary for the execution of this Agreement. In this regard, the User acknowledges that they have read the information on the processing of personal data published by Snam Rete Gas on its website and provided pursuant to articles 12-14 of the GDPR regarding the provision of their personal data and the processing of such data by Snam Rete Gas for the purposes of providing the Services offered.
	3. This Agreement is drawn up in two original copies, one for each Party.
	4. All notices, notifications or other communications relating to this Agreement other than those for which the Parties have agreed to use the Capacity Portal/Jarvis Portal Service as the exclusive contractual form, shall be sent to the following addresses:

for Snam Rete Gas:

Piazza S. Barbara 7

20097 San Donato Milanese (Ml), Italy

Certified e-mail: ipa@pec.snam.it

To the attention of the Network Agreements Manager

For the User:

or to any other address that either Party may notify to the other in writing in accordance with the provisions of this Section.

[Address]................., ....

.... [Postcode]...., .......... [City] ............. (...)

Tel .........................

Certified email address: ..............................

* 1. Delivery of the initial credentials to the User by Snam Rete Gas for access to its Portals will be made by sending them to the following e-mail address [standard e-mail address - not certified] to the name, tax code, born on.
	2. The Parties also elect domicile at the addresses indicated in Section 11.4 above for all purposes relating to this Agreement, including for any legal notifications.

|  |  |
| --- | --- |
| Date and place | Stamp and signature |
| ……………….. | …………………………… |

Pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code, the User declares that they specifically approve the clauses of the Agreement referred to below:

Article 5) Force Majeure and information systems

Article 6) Suspensive conditions, entry into operation and duration of the agreement

Article 7) Obligations

Article 11) Anti-money laundering

|  |  |
| --- | --- |
| Date and place | Stamp and signature |
| ……………….. | …………………………… |

Stamp duty paid virtually - Authorisation no. 402937/2011 of 15/12/2011

Please find attached:

* Annex 1 - Powers of Representation
* Annex 2B - Availability Date (Mazara and Gela IPs)
* Annex 3 - SRG Portal Authorisation Request
* Annex 4 - Second Phase Binding Project Proposal Acceptance
* Annex 5 - Bank Details
* Annex 6 - 20% Guarantee
* Annex 7B - Binding Offer (Mazara and Gela IPs)
* Annex 8B - Allocated Capacity (Mazara and Gela IPs)
* Annex 9 - 3% Guarantee
* Annex 10 - 1\_3 or 2\_3 or 100% Guarantee
1. “**Anti-Corruption Laws**” mean the Italian Criminal Code, Law 190 of 6 November 2012, Italian Legislative Decree 231 of 2001 and other applicable provisions, the UK Bribery Act, other provisions of public and commercial law combating corruption which apply internationally, and international anti-corruption treaties such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption. [↑](#footnote-ref-1)
2. "**Subsidiary**": any entity directly or indirectly controlled (according to International Financial Reporting Standards - IFRS 10 "*Consolidated Financial Statements*" and subsequent amendments and additions) by Snam S.p.A. or by a Subsidiary, as applicable, in Italy or abroad. [↑](#footnote-ref-2)
3. "**Snam Group Personnel"**: directors, managers, members of corporate bodies, employees of Snam and its Subsidiaries. [↑](#footnote-ref-3)
4. "**Family Members**": the spouse of the Public Official; the grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and first cousins of the Public Official and their spouse; the spouse of each of such persons; and any other person who shares a dwelling with them; the spouse of the private individual; grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and first cousins of the private individual and their spouse; the spouse of each of such persons; and any other person who shares a dwelling with them.

“**Public Official**”:

(a) any person holding a public office in a legislative, judicial or administrative capacity;

(b) any person acting in an official capacity in the name of, on behalf of, or in the interest of (i) a supranational, national, regional or local public administration, (ii) an agency, department, bureau or organ of a supranational, national, regional or local public administration, (iii) an enterprise owned, controlled or participated in by a public administration, (iv) a public international organisation, and or (v) a political party, a member of a political party or a candidate for political office;

c) any person in charge of a public service;

(d) any Family Member of a Public Official or other person, natural person or entity, acting at the suggestion, request or direction of, or for the benefit of, any of the persons or entities referred to in (a) to (c) above. [↑](#footnote-ref-4)