

ALLOCATION OF REGASIFICATION CAPACITY

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1) ACCESS TO THE REGASIFICATION SERVICE

Access to regasification service at the Panigaglia Terminal is granted in an impartial manner and on equal terms to all parties, whether natural or legal persons, provided that they meet certain requirements, as set out below.

1.1) Access requirements

Parties wishing to request access to the Panigaglia Terminal must, by the appropriate request deadline:

- a) hold at least one import contract (i.e. a contract to purchase LNG for delivery to the Panigaglia Terminal) to supply the LNG volumes for which regasification capacity is required.

Where the delivery point of the purchase contract is situated abroad, that purchase contract must be supplemented by one or more transportation contracts which can provide for the delivery of the LNG for which regasification capacity is required to the Panigaglia Terminal. The overall duration of the import contract is equal to the shortest term of the contracts that make up the import contract. The subscription date is the most recent subscription date of the contracts that make up the import contract.

For the purposes of the provision of regasification capacity, holders of import contracts are considered to be holders of agreements that provide for mutual obligations between the parties with a view to delivering the volumes of LNG for which regasification capacity is required to the Panigaglia Terminal. Such Parties must:

- b) have access to LNG carriers that are authorised by GNL Italia to unload the LNG delivered to the Panigaglia Terminal under aforementioned import contracts;
- c) where the LNG import contract has a duration of at least one year, be authorized by the Ministry of Economic Development to carry out import activities in the case of LNG produced in countries outside the European Union or, alternatively, declare that the country in which the LNG is produced belongs to the European Union;
- d) be User of the Transportation Service except in cases where the party who request the access to the service indicates one or more Users of the Transportation Service to whom deliver the entire gas quantities for the delivery to the network operator.

An additional requirement of potential Users in order to provide continuous core regasification services is that they must be in possession of:

- a credit rating, or failing that, a financial guarantee as described in letters a) and b) of paragraph 1.1 of the chapter entitled "Financial guarantees and insurance";
- the financial guarantee referred to in paragraph 1.2 of the chapter entitled "Financial guarantees and insurance."

An additional requirement of potential Users in order to provide spot core regasification services is that they must be in possession of:

- the financial guarantee referred to in paragraph 2 of the chapter entitled "Financial guarantees and insurance."

The allocation of regasification capacity, on firm or spot bases also implies the allocation of transportation capacity for the provision of regasification service.

All parties that require access to the regasification service are also required to submit declarations and certificates pursuant to Legislative Decree No. 231 of 21 November 2007 using the forms published on the Terminal Operator's website.

In the case where the User of the regasification service decides to allocate its regasified quantities among one or more network users, as foreseen at art. 10bis.6 of Resolution 297/2012/R/gas, the User must notify the names of the network users through the forms published on the website of the Terminal Operator. The User shall inform GNL Italia the sharing rule selected from those published by GNL Italia on its website.

2) CAPACITY ALLOCATION AT THE BEGINNING OF THE THERMAL YEAR

The allocation of regasification capacity at the beginning of the Thermal Year relates to the continuous core regasification service described in the chapter entitled "Description of services provided".

2.1) Purpose of the allocation

The purpose of the exercise is to allocate regasification capacity, as published on the GNL Italia website, identified by:

- a) volume capacity, expressed in $m^3_{liq}/year$, for the continuous core regasification service provided at the Panigaglia Terminal:
 - i) available following the completion of previous multi-year allocation processes;
 - ii) made available to the regasification enterprise for allocation to third parties, in accordance with the methods described in paragraph 3 of Chapter 8, pursuant to Article 7 (2) of Resolution No. 167/05 of the Regulatory Authority for Electricity and Gas;
 - iii) made available to the regasification enterprise for delivery to third parties, in accordance with the methods described in paragraph 2.4 of this chapter, pursuant to Article 11 (3) of Resolution No. 167/05 of the Regulatory Authority for Electricity and Gas;
- b) the number of possible berthings at the Terminal:
 - i) available following the completion of previous multi-year allocation processes;
 - ii) made available to the regasification enterprise for allocation to third parties, in accordance with the methods described in paragraph 3 of Chapter 8, pursuant to Article 7 (2) of Resolution No. 167/05 of the Regulatory Authority for Electricity and Gas;

- iii) made available to the regasification enterprise for allocation to third parties, in accordance with the methods described in paragraph 2.4 of this chapter, pursuant to Article 11 (3) of Resolution No. 167/05 of the Regulatory Authority for Electricity and Gas;

Regasification capacity is allocated to parties that meet the requirements defined in paragraph 1.1 above for periods equal to one Thermal Year (annual allocation) or multiple Thermal Years (multi-year allocation), in accordance with Article 5 of Resolution No. 167/05.

2.2) Multi-year allocation

Each party which is the holder of one or more import contracts has the right to request:

- a) volume capacity, expressed in $m^3_{liq}/year$, restricted to the contractual volumes laid down in the import contract(s) and for a maximum period of 5 years (and in any case, not longer than the duration of the import contracts);
- b) a number of berthings that is consistent with the aforementioned capacity requests, according to the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

In the event that the requesting party already holds one or more multi-year Regasification Agreements, that requesting party has the right, during the multi-year allocation process, to request volume capacity for each Thermal Year equal to the difference between the annual volume laid down in the import contract and the volumes agreed in the existing multi-year Regasification Agreement(s) (including the capacity made available for allocation to third parties pursuant to Articles 7(2) and 11(3) of Resolution No. 167/05).

The volume capacity and number of berthings included in the regasification capacity requests cannot be equal to zero for any of the Thermal Years in the period for which the regasification service is required, in particular the volume capacity and number of berthings cannot be equal to zero for the first Thermal Year in the five year period.

The regasification capacity referred to in paragraph 2.1 is allocated to holders of LNG import contracts, as defined in paragraph 1.1 above, in accordance with the following order of priority:

- i) holders of import contracts with *take or pay* clauses signed before 10 August 1998, up to the lowest LNG volume per Thermal Year delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001-2002;
- ii) holders of multi-year import contracts other than those referred to in point i) above.

For each Thermal Year of the five-year period, the available volume capacity referred to in letter a) point i) of paragraph 2.1, is allocated to each requesting party in order of priority. In the event that available capacity is not sufficient to fully satisfy demands, GNL Italia shall allocate the capacity made available pursuant to letter a) point ii) of

paragraph 2.1. Where the number of requests exceeds the total volume capacity referred to in letter a) points i) and ii) of paragraph 2.1, GNL Italia shall allocate the available capacity according to *pro quota* criteria and in accordance with the access priorities listed above.

In the event that the capacity referred to in letter a) points i) and ii) of paragraph 2.1 is not sufficient to satisfy the requests received, GNL Italia shall allocate the capacity referred to in letter a) point iii) of paragraph 2.1, giving priority to parties whose allocation requests have not been fully satisfied in the previous multi-year allocation process, pursuant to Article 11(3) of Resolution No. 167/05. Where the volume capacity referred to in letter a) point iii) of paragraph 2.1 is not sufficient to meet the requirements of parties whose allocation requests were not fully satisfied in the previous multi-year allocation process, GNL Italia shall allocate the capacity referred to in letter a) point iii) of paragraph 2.1 between the same parties according to *pro quota* criteria and in accordance with the access priorities listed above. Where there are no parties whose allocation requests have not been fully satisfied in previous multi-year allocation processes, or in the event that the requests submitted by such parties have been fully satisfied, GNL Italia shall allocate the residual share of capacity referred to in letter a) point iii) of paragraph 2.1 to other requesting parties according to the *pro quota* criteria and in accordance with the access priorities listed above.

For each Thermal Year of the five year period, a number of berthings is allocated to each requesting party based on the number requested, subject to verification by GNL Italia that the requested number meets the constraints set out below:

- the number of berthings is consistent with the volume capacity requests, the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier, as indicated in the relevant request:

$$\sum_{i=1}^n N_i * V_{n_i} \leq V_{\text{requested}}$$

where:

N_i is the number of berthings per LNG carrier with dimensions i ;

V_{n_i} are the dimensions of the LNG carrier i ;

$V_{\text{requested}}$ is the volume capacity requested;

- the number of berthings is less than or equal to the number of berthings that can be made at the Terminal, as described in letter b) of paragraph 2.1 above.

In the event that the request does not meet the aforementioned constraints, GNL Italia shall reduce the number of berthings requested to the maximum number that can be requested, determined based on the above constraints.

In the event that requests are submitted that exceed the number of possible berthings that can be carried out at the Terminal, GNL Italia shall allocate the available berthings according to the *pro quota* criteria and the access priorities listed above.

2.2.1) Multi-year regasification capacity allocation process

By 15 June of each year, GNL Italia shall publish on its website the regasification capacity available along with the timelines and the administrative forms to be used to request the multi-year allocation of regasification capacity.

Regasification capacity requests should be submitted by holders of import contracts that are valid for more than one year, to GNL Italia by 1 July of each Thermal Year, at least two years in advance of the year in which the regasification capacity is required. Such requests shall, under penalty of rejection of same, contain the following information:

- a) the volume capacity, expressed in $m^3_{liq}/year$ of LNG, requested for each Thermal Year;
- b) the number of berthings consistent with the aforementioned capacity requests, the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

At the same time as the request is submitted, under penalty of rejection of same, each requesting party is required to provide GNL Italia with a declaration in lieu of affidavit in which the requesting party, aware of the penalties incurred by false declarations, shall declare:

1. to be in possession of the documents referred to in letter a) of paragraph 1.1 above or:
 - a) to hold one or more LNG import contracts;
 - b) the type of contract;
 - c) in the case of *take or pay* import contracts signed before 10 August 1998, the lowest LNG volume per Thermal Year for each contract delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001-2002; the minimum volume of LNG delivered for the current Thermal Year is determined as the sum of the volumes delivered during the period from October to May and the volumes scheduled for delivery during the period from June to September, as defined in the Monthly Schedule of LNG Deliveries referred to in the chapter entitled "Scheduling of LNG deliveries and regasification activity".
2. the names of the LNG carriers, referred to in letter b) of paragraph 1.1 above, which will be used to execute the import contracts referred to in paragraph 1.1 letter a) above, providing an indication of the number of berthings associated with each Carrier.
3. the EU or non-EU country where the LNG is produced, referred to in letter c) of paragraph 1.1 above.

On the basis of the requests received, GNL Italia shall allocate regasification capacity to each requesting party in compliance with the allocation criteria described in paragraph 2.2.

Each requesting party is subsequently required to communicate its commitment in terms of volume capacity, expressed in $m^3_{liq}/year$, and the number of berthings which it

intends to subscribe to in the Regasification Agreement, within the limits of the allocated regasification capacity.

Failure to sign the Regasification Agreement for the capacity commitment provided shall result in the application of a penalty of 20% of the maximum annual fee associated with the committed volume capacity. By way of guaranteeing the payment of this penalty, along with the commitment notice the requesting party must provide a first demand bank guarantee issued by an Italian bank or an Italian branch of a foreign bank, for an amount equal to the maximum penalty. In the event that the requesting party also wishes to participate in the annual allocation process referred to in paragraph 2.3 below, the total guarantee required to cover the commitment is equal to 20% of the maximum annual capacity fee associated with the annual and multi-year allocation processes.

Failure to produce said guarantee at the same time as the commitment notice shall result in the regasification capacity being allocated elsewhere.

In the event that the available regasification capacity is not confirmed, in whole or in part, by one or more parties, GNL Italia shall allocate such capacity to requesting parties to whom regasification capacity has already been allocated but which is less than the capacity included in the request and which have fully confirmed the capacity that has already been allocated. GNL Italia shall proceed to allocate the unconfirmed regasification capacity in compliance with the allocation criteria referred to in paragraph 2.2.

Following the allocation of additional capacity which has become available, each requesting party is required to confirm such additional capacity.

In the event that the additional regasification capacity is confirmed by the requesting party, the capacity commitment to be included in the Regasification Agreement shall be equal to the total capacity confirmed.

The multi-year regasification capacity allocation process ends by 12:00 on 1st August of each year or the previous working day in case the term falls on a non-working day or public holiday.

2.3) Annual allocation

Each holder of one more import contracts has the right, for the following Thermal Year, to request:

- a) volume capacity, expressed in $m^3_{liq}/year$, restricted to the contractual volumes laid down in the import contract(s). In the event that the requesting party already holds one or more multi-year Regasification Agreements, that party has the right, during the annual allocation process, to request volume capacity equal to the difference between the annual volume laid down in the import contract and the volumes agreed in the existing multi-year Regasification Agreement(s) (including the capacity made available for allocation to third parties pursuant to Articles 7(2) and 11(3) of Resolution No. 167/05);

- b) a number of berthings that is consistent with the aforementioned capacity requests, according to the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

The regasification capacity referred to in paragraph 2.1 is allocated to holders of LNG import contracts, as defined in paragraph 1.1 above, in accordance with the following order of priority:

- i) holders of import contracts with *take or pay* clauses signed before 10 August 1998, up the lowest LNG volume per Thermal Year delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001 - 2002;
- ii) holders of multi-year import contracts;
- iii) holders of annual import contracts;

The available volume capacity referred to in letter a) point i) of paragraph 2.1 is allocated to each requesting party in order of priority. In the event that available capacity is not sufficient to fully satisfy demands, GNL Italia shall allocate the capacity made available pursuant to letter a) point ii) of paragraph 2.1. Where the number of requests exceeds the total volume capacity referred to in letter a) points i) and ii) of paragraph 2.1, GNL Italia shall allocate the available capacity according to *pro quota* criteria and in accordance with the access priorities listed above.

In the event that the capacity referred to in letter a) points i) and ii) of paragraph 2.1 is not sufficient to satisfy the requests received, GNL Italia shall allocate capacity referred to in letter a) point iii) of paragraph 2.1, giving priority to parties whose allocation requests have not been fully satisfied in the previous multi-year and annual allocation processes, pursuant to Article 11(3) of Resolution No. 167/05. Where the volume capacity referred to in letter a) point iii) of paragraph 2.1 is not sufficient to meet the requirements of parties whose allocation requests were not fully satisfied in the previous multi-year allocation process, GNL Italia shall allocate the capacity referred to in letter a) point iii) of paragraph 2.1 between the same parties according to *pro quota* criteria and in accordance with the access priorities listed above. Where there are no parties whose allocation requests have not been fully satisfied in previous multi-year allocation processes, or in the event that requests submitted by such parties have been fully satisfied, GNL Italia shall allocate the residual share of capacity referred to in letter a) point iii) of paragraph 2.1 to other requesting parties according to the *pro quota* criteria and in accordance with the access priorities listed above.

A number of berthings is allocated to each requesting party based on the number requested, subject to verification by GNL Italia that the requested number meets the constraints set out below:

- the number of berthings is consistent with the volume capacity requests, the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier, as indicated in the relevant request:

$$\sum_{i=1}^n N_i * Vn_i \leq V_{\text{requested}}$$

where:

N_i is the number of berthings per LNG carrier with dimensions i ;

V_{n_i} are the dimensions of the LNG carrier i ;

$V_{\text{requested}}$ is the volume capacity requested;

- the number of berthings is less than or equal to the number of berthings that can be made at the Terminal, as described in letter b) of paragraph 2.1 above.

In the event that the request does not meet the aforementioned constraints, GNL Italia shall reduce the number of berthings requested to the maximum number that can be requested, determined based on the above constraints.

In the event that requests are submitted that completely exceed the number of possible berthings that can be carried out at the Terminal, GNL Italia shall allocate the available berthings according to the *pro quota* criteria and according to the access priorities listed above.

2.3.1) Annual regasification capacity allocation process

By 15 June each year, GNL Italia shall publish on its website the regasification capacity available along with the timelines and the administrative forms to be used to request the annual allocation of regasification capacity.

Regasification capacity requests for the following Thermal Year should be submitted by holders of import contracts to GNL Italia by 1 July of each Thermal Year and shall, under penalty of rejection of same, contain the following information:

- a) the volume capacity, expressed in $\text{m}^3_{\text{liq}}/\text{year}$ of LNG, requested for the following Thermal Year;
- b) the number of berthings required for the following Thermal Year, consistent with the aforementioned capacity requests, the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

At the same time as the request is submitted, under penalty of rejection of same, each requesting party is required to provide GNL Italia with a declaration in lieu of affidavit in which the requesting party, aware of the penalties incurred by false declarations, shall declare:

1. to be in possession of the documents referred to in letter a) of paragraph 1.1 above or:
 - a) to hold one or more LNG import contracts;
 - b) the type of contract;
 - c) in the case of *take or pay* import contracts signed before 10 August 1998, the lowest LNG volume per Thermal Year for each contract delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001 - 2002; the minimum volume of LNG delivered for the current Thermal Year is determined as the sum of the volumes delivered during the period from October to May and the volumes

scheduled for delivery during the period from June to September, as defined in the Monthly Schedule of LNG Deliveries referred to in the chapter entitled "Scheduling of LNG deliveries and regasification activity".

2. the names of the LNG carriers, referred to in letter b) of paragraph 1.1 above, which will be used to execute the import contracts referred to in paragraph 1.1 letter a) above, giving an indication of the number of berthings associated with each Carrier.
3. the EU or non-EU country where the LNG is produced, referred to in letter c) of paragraph 1.1 above.

On the basis of the requests received, GNL Italia shall allocate regasification capacity to each requesting party in compliance with the allocation criteria described in paragraph 2.3.

Each requesting party is subsequently required to communicate its commitment in terms of volume capacity, expressed in $m^3_{liq}/year$, and the number of berthings which it intends to subscribe to in the Regasification Agreement, within the limits of the allocated regasification capacity.

Failure to sign Regasification Agreement for the capacity commitment provided shall result in the application of a penalty equal to 20% of the maximum annual fee associated with the committed volume capacity. By way of guaranteeing the payment of this penalty, along with the commitment notice, the requesting party must provide a first demand bank guarantee issued by an Italian bank or an Italian branch of a foreign bank, for an amount equal to the maximum penalty. In the event that the requesting party also wishes to participate in the multi-year allocation process referred to in paragraph 2.2 above, the total guarantee required to cover the commitment is equal to 20% of the maximum annual capacity fee associated with the annual and multi-year allocation processes.

Failure to produce said guarantee at the same time as the commitment notice shall result in the regasification capacity being allocated elsewhere.

In the event that the available regasification capacity is not confirmed, in whole or in part, by one or more parties, GNL Italia shall allocate such capacity to requesting parties to whom regasification capacity has already been allocated but which is less than the capacity included in the request and which have fully confirmed the capacity that has already been allocated. GNL Italia shall proceed to allocate the unconfirmed regasification capacity in compliance with the allocation criteria referred to in paragraph 2.3.

Following the allocation of additional capacity which has become available, each requesting party is required to confirm such additional capacity.

In the event that the additional regasification capacity is confirmed by the requesting party, the capacity commitment to be included in the Regasification Agreement shall be equal to the total capacity confirmed.

The annual regasification capacity allocation process ends by 12:00 on 1st August of each year or the previous working day in case the date falls on a non-working day or public holiday.

2.4) Methods of determining the capacity that is made available to the Regasification Enterprise for allocation to third parties pursuant to Article 11(3) of Resolution No. 167/05

Where the volume of LNG delivered by the User during the current Thermal Year is less than 90% of the volume capacity allocated as part of previous multi-year allocation processes, that same User shall make available to GNL Italia for allocation to third parties - for each Thermal Year for which the User holds capacity allocated in accordance with the process described in paragraph 2.2 above - the regasification capacity identified as:

- a) volume capacity, expressed in $m^3_{liq}/year$, equal to:

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

where:

V_{prio} is the volume capacity allocated to the User for the current Thermal Year, as part of the multi-year allocation process;

V_{cons} is the cumulative volume of LNG delivered by the User during the current Thermal Year, determined as the sum of:

- the total volumes for the period from October to May of the current Thermal Year, including the volume of LNG that the User has not delivered to the Terminal due to force majeure events declared by the counterparties to the import contracts or regasification agreements referred to in paragraph 7 below;
- the Monthly Schedule of LNG Deliveries for the period from June to August;
- the distributed capacity for the month of September in accordance with paragraph 4.1 below.

The volume V_{cons} includes the volume of LNG object of the capacity that User makes available to the Regasification Enterprise for allocation to third parties:

- within the month M-3 for the capacity not allocated within the month M-2 and not required by User that has released it according to the provisions of paragraph 3.2 of Chapter 8
- after the period referred to the preceding paragraph, for the purpose of third parties allocations.

In the event that the User holds both multi-year and annual agreements, the volume delivered shall be allocated to the multi-year agreements first.

- b) the number of berthings (rounded down) that can be carried out at the Terminal, equal to:

$$Y = \frac{V_{prio} - V_{cons}}{V_{conf}} \cdot N_{conf}$$

where:

V_{conf} is the total volume capacity allocated to the User for the current Thermal Year as part of the allocation processes;

N_{conf} is the total number of berthings allocated to the User for the current Thermal Year as part of the allocation processes.

For each Thermal Year for which the User holds capacity allocated on a multi-year basis, where the difference between the capacity allocated to the User as part of the multi-year allocation process and the capacity made available for allocation to third parties, pursuant to Article 11(3) of Resolution No. 167/05, is less than V_{cons} as defined above, the User shall make available for allocation to third parties, pursuant to Article 11(3) of Resolution No. 167 / 05, capacity equal to the difference between the capacity allocated to the User during the multi-year allocation process and V_{cons} as defined above.

2.5) Request of transportation capacity for the capacity allocation at the beginning of the Thermal Year

GNL Italia shall request, upon the Users demand's, once the process for the allocation of regasification capacity and the distribution process referred to in paragraph 4.1 is over, to Snam Rete Gas, in the manner and timing provided by the Network Code, the transportation capacity for the injection in the national network at the entry point of Panigaglia of the volumes allocated on annual/multi-year base. The transportation capacity of the request must be proportionate to the ratio of the Terminal send-out (as defined in paragraph 1.1, o) of Resolution ARG/gas 2/10) equal to the ratio of the User regasification capacity allocated and the total regasification capacity of the terminal.

3) THE REGASIFICATION AGREEMENT

By 12:00 on 1st August (if the date falls on a Saturday or public holiday this deadline shall be anticipated to the previous working day), once the process for allocating regasification capacity at the beginning of the Thermal Year has been completed, GNL Italia and the parties to whom capacity has been allocated shall proceed to sign the relevant Regasification Agreement.

The signing of the Regasification Agreement is subject to receipt of the credit rating or the financial guarantees referred to in paragraph 1.1 above.

Failure to sign the Regasification Agreement by the deadline indicated above shall result in the application of a penalty to the requesting party equal to 20% of the annual commitment fee $Cqs * QS$ (where Cqs is the unit commitment fee associated with the contractual LNG volumes and QS is the sum of the regasification capacity for which the User has committed to signing the Regasification Agreement).

In the event that the requesting party signs the Regasification Agreement committing to volumes that are less than those indicated in the confirmation documents, that party shall be required to pay a penalty equal to the sum of the penalty applied for failure to sign the Regasification Agreement multiplied by the ratio of the total capacity confirmed but not included in the Regasification Agreement and the total confirmed capacity.

GNL Italia shall not sign a Regasification Agreement with requesting parties that, on the date of signing the Agreement, have not paid the fees related to amounts due under existing Regasification Agreements that are in excess of the value of the bank guarantee referred to in paragraph 1 of the chapter entitled "Financial Guarantees and insurance", issued to cover the obligations arising from the aforementioned existing Regasification Agreements.

The Regasification Agreement signed by the Parties shall be executed, together with other existing Regasification Agreements between the Parties, in accordance with the results of the allocated regasification capacity definition process as described in paragraphs 4.1 and 4.2 below.

Users are required to comply with all obligations arising from the signing of the Regasification Agreement, whatever the outcome of the allocated regasification capacity definition process described in paragraphs 4.1 and 4.2 below.

4) PROCESS FOR DEFINING THE ALLOCATED REGASIFICATION CAPACITY

By 15 June each year, GNL Italia shall publish on its website the timelines with regard to the process for defining the allocated regasification capacity. The parties to whom regasification capacity has been allocated for the following Thermal Year are required to participate in this process, according to the procedures described below. This process is divided into two distinct phases:

4.1) Distribution of allocated capacity (Phase 1)

The first phase involves the distribution by Users of the regasification capacity allocated for the following Thermal Year in each month of the current Thermal Year.

Each User may request the distribution of volume capacity for the months of the following Thermal Year, in accordance with the following constraints:

$$a) \quad V_{m_i} = \frac{V_{annual}}{gft_{yanno}} \cdot gft_{m_i} + Z$$

$$V_{t_i} = \frac{V_{annual}}{gft_{year}} \cdot gft_{t_i} + 1,25 * Z$$

$$V_{s_i} = \frac{V_{annual}}{gft_{year}} \cdot gft_{s_i} + 1,5 * Z$$

where:

- V_{annual} is the annual volume capacity allocated;
- V_{m_i} is the volume capacity requested by the User for each month i ;
- V_{t_i} is the volume capacity requested by the User for each quarter of the Thermal Year (Oct-Dec/Jan-Mar/Apr-Jun/Jul-Sep);
- V_{s_i} is the volume capacity requested by the User for each half year (Oct-Mar/Apr-Sep);
- Gft_{year} is the number of operational days at the Terminal for the Thermal Year;
- gft_{m_i} is the number of operational days at the Terminal for month i ;
- gft_{t_i} is the number of operational days at the Terminal for each quarter of the Thermal Year (Oct-Dec/Jan-Mar/Apr-Jun/Jul-Sep);
- gft_{s_i} is the number of operational days of the Terminal for each half year (Oct-Mar/Apr-Sep);
- Z is a value between $-60,000 \text{ m}^3_{liq}$ and $60,000 \text{ m}^3_{liq}$;

GNL Italia shall verify that the following condition is respected for each month of the next Thermal Year:

b)
$$\sum_{K=1}^n V_{m_i}^K \leq V_{m_i}^T$$

where:

- $V_{m_i}^K$ is the volume capacity requested by User k for each month i ;
- $V_{m_i}^T$ is the volume capacity of the Terminal for each month i , equal to the daily capacity referred to in paragraph 3.3 of the chapter entitled "Description of LNG terminal and its management", multiplied by gft_{m_i} ;
- n is the number of Users that have requested the distribution of capacity in month i .

For each month i in which the condition referred to in letter b) is confirmed, GNL Italia shall confirm the volume capacity distribution requests submitted by each User.

For each month in which the condition referred to in letter b) is not confirmed, GNL Italia shall:

- divide the Users requesting the capacity distribution into two groups:
 - the first group shall consist of all Users that have requested distribution for month i with a flexibility of $Z \leq 0$;
 - the second group shall consist of all Users that have requested distribution for month i with a flexibility of $Z > 0$;

- confirm the distribution requests of Users in the first group;
- distribute volume capacity to each of the Users in the second group, equal to:

$$\frac{V_{annual}}{gft_{year}} * gft_{m_i}$$

- sort the Users belonging to the second group according to their degree of flexibility Z , as indicated in the distribution requests submitted by such Users. Where more than one User has the same flexibility Z , priority will be established by means of a lottery.
- distribute the flexibility Z of Users according to the order of priority set out above, until $V_{m_i}^T$ is reached, using the following algorithm:
 - if $Z_{m_i}^k \leq (V_{m_i}^T - V_{m_i}^D)$ the entire value of Z will be distributed to User k ;
 - if $Z_{m_i}^k > (V_{m_i}^T - V_{m_i}^D)$ the share of the value of Z equal to the difference between $V_{m_i}^T$ and $V_{m_i}^D$ shall be distributed to User k ;

where:

$Z_{m_i}^k$ is flexibility Z of User k for month i , as a result of the distribution requested by the User;

$V_{m_i}^D$ is the total capacity distributed for month i , including flexibility Z which has already been distributed.

The flexibility $Z_{m_i}^k$ that cannot be distributed in the months requested by the Users shall be distributed during the months for which capacity is available, as indicated below.

GNL Italia shall sort the Users whose volume capacity distribution requests have not been satisfied in order of their average absolute flexibility value Z , as indicated in the volume capacity distribution requests for the Thermal Year submitted by such Users.

Where more than one User has the same average absolute flexibility value Z , priority shall be established by means of a lottery.

In respect of the aforementioned order, each User shall distribute the capacity remaining to be distributed across the months of the Thermal Year, within the limits of the available capacity for each month.

GNL Italia shall then sort the Users that have not participated in the distribution of allocated capacity by means of a lottery. The capacity of each of these Users shall be distributed by GNL Italia in compliance with the aforementioned order, starting with the first month that still has available capacity.

Once the process for distributing the volume capacity is complete, each User shall request the distribution of the required number of berthings for the following Thermal Year.

GNL Italia shall verify that the following condition is respected for each month of the next Thermal Year:

$$c) \quad \sum_{K=1}^n NA_{mi}^K \leq NA_{mi}^T$$

where:

NA_{mi}^K is the number of berthings requested by User k for each month i;

NA_{mi}^T is the total possible number of berthings that can be made at the Terminal for each month i, equal to the lower value between gft_{mi} and 2;

n is the number of Users that have requested the distribution of capacity in month i.

For each month i in which the condition referred to in letter c) is confirmed, GNL Italia shall confirm the distribution requests for the number of berthings submitted by each User.

For each month in which the condition referred to in letter c) above is not confirmed, GNL Italia shall distribute the berthing slots *pro-quota*, rounded down, based on the volume capacity distributed in each month.

GNL Italia shall sort the Users whose berthing distribution requests have been reduced by means of a lottery.

In respect of the aforementioned order, each user shall distribute the number of berthings remaining to be distributed across the months of the Thermal Year, within the limits of the available capacity in each month.

GNL Italia shall then sort the Users that have not participated in the distribution of berthings by means of a lottery. The berthings of each of these Users shall be distributed by GNL Italia in compliance with the aforementioned order, starting with the first month that still has available capacity.

Once the process for distributing allocated capacity is complete, GNL Italia shall draw up a report which must be signed by a representative of each User that participated in the distribution process.

The volume capacity and the number of berthings distributed to each User for each month of the Thermal Year as a result of the process described in this paragraph, shall form the basis for the process described in paragraph 4.2 below.

4.2) Association of Cd to the distributed volume capacity (Phase 2)

This activity aims to:

- a) express the volume capacity distributed by the User in each month of the following Thermal Year in terms of Cd and/or fractions of Cd;
- b) associate such Cd and/or fractions of Cd with the calendar days of each month, restricted to the operational days at the Terminal in the same month.

During the month of August, Users that hold regasification capacity for the following Thermal Year shall notify GNL Italia for each month of the quarter from October - December of their request to associate Cd and/or fractions of Cd with the calendar dates.

Following this activity, during each month M, up to and including May, Users that hold regasification capacity for the following Thermal Year shall notify GNL Italia for the month M+4 of their request to associate Cd and/or fractions of Cd with the calendar dates for the same month M+4.

The request to associate Cd and/or fractions of Cd with calendar dates shall be prepared in accordance with the following constraints:

- it is not permitted to indicate a single date only;
- two non-consecutive date sequences must be separated by at least two* not indicated in the list, if GNL Italia does not make available the LNG temporary storage service for the Peak Shaving Service;
- each date sequence may contain a maximum of one fraction of Cd located either at the beginning or at the end of the sequence. In the event that GNL Italia makes available the LNG temporary storage service for the Peak Shaving Service each date sequence can contain up to two fractions of Cd positioned either at the beginning or at the end of the same sequence.

For each month i in which there are no requests for the same date submitted by more than one User, GNL Italia shall confirm the requests to associate the Cd and/or fractions of Cd with the calendar dates submitted by the Users.

For each month i in which at least one date has been requested by more than one User, GNL Italia shall associate the Cd and/or fractions Cd with the calendar dates for the Users with distributed capacity in that month, in the manner described below, preserving the continuity of the date sequences and minimizing the number of individual dates during the month.

- The Users shall be sorted by means of a lottery and each shall be assigned a sequential identification number.

* With regard to Thermal Years 2009-10 and 2010-11, the number **two** should be replaced with **three**.

- The sequences characterized by full Cd only shall be associated with calendar days first, starting with the longest sequence, followed by the sequences containing both whole Cd and fractions of Cd which will then be associated with calendar days starting with the longest sequence first.
- Based on the sequential identification number, two entire date sequences for each User shall be associated with calendar days, one from the first available day starting from the beginning of the month and the second working backwards, starting from the first day available from the end of month until all of the full sequences have been associated with calendar days. Once all the full sequences of all of the Users have been associated with calendar days, GNL Italia shall proceed to associate sequences characterized by whole Cd and fractions of Cd in the same way.
- The first available day can also mean a calendar day with a fraction of Cd available; in this case the sequence shall be adapted that it leaves no spare capacity on the first available day.
- Users that fail to submit requests by the deadline and in the manner provided, as specified in point b) above, shall be included in the process, associating their available capacity to calendar days in sequences from 35,000 m³liq**, except for the last sequence which shall be determined on the basis of the value of the remaining capacity.

In the event that the same date has not been requested by the Users that submitted their requests in accordance with the procedures described in letter b) above, but where it has been requested by at least one User that failed to submit requests by the deadline and in the manner provided, as described in the same letter b), GNL Italia shall:

- confirm the requests to associate Cd and/or fractions of Cd with calendar days submitted by the Users by the deadline and in the manner required;
- sort - by means of a lottery - the Users that failed to submit their requests to associate Cd and/or fractions of Cd with calendar days by the deadline and in the manner required;
- for each of the Users referred to in the preceding point, associate the capacity they hold with the remaining calendar days, in the order identified, starting from the first available date.

At the end of the process described above, GNL Italia shall draw up a report which must be signed by a representative of each User that participated in the process in question.

** With regard to Thermal Years 2009 - 2010 and 2010 - 2011, the value of 35,000 m³liq should be replaced with 36,000 m³liq.

5) ALLOCATION OF REGASIFICATION CAPACITY FOR THE THERMAL YEAR ALREADY COMMENCED

The allocation of regasification capacity during the current Thermal Year relates to the continuous core regasification service set out in the chapter entitled "Description of services provided".

By 15 September each year, GNL Italia shall publish on its website the timelines and the administrative forms to be used to request the allocation of regasification capacity for the current Thermal Year.

Each party which is the holder of one or more import contracts has the right, during the course of the Thermal Year, to request:

- a) volume capacity, expressed in $m^3_{liq}/year$, limited to the contractual volumes laid down in the import contract(s). In the event that the requesting party already holds one or more Regasification Agreements, that party has the right, during the allocation process for the current Thermal Year, to request volume capacity equal to the difference between the annual volume laid down in the import contract and the volumes agreed in the Regasification Agreement(s) (including the capacity made available for allocation to third parties pursuant to Articles 7(2) and 11(3) of Resolution No. 167/05);
- b) a number of berthings that is consistent with the aforementioned capacity requests, according to the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

5.1) Purpose of the allocation

The purpose of the exercise is to allocate regasification capacity for the Thermal Year, as published on the GNL Italia website, identified by:

- a) volume capacity, expressed in m^3_{liq} , of LNG at the Panigaglia Terminal:
 - i. available following the completion of the allocation process at the beginning of the Thermal Year, the allocation processes during the current Thermal Year and regasification exchange with GNL Italia. With regard to the months for which Phase 2 of the allocated regasification capacity definition process, referred to in paragraph 4.2 above, has already been completed, the volume capacity is already associated with calendar dates.
 - ii. which has been made available by a User, in accordance with the methods described in paragraph 3 of Chapter 8, pursuant to Article 7(2) of Resolution No. 167/05. With regard to the months for which Phase 2 of the allocated regasification capacity definition process, referred to in paragraph 4.2 above, has already been completed, the volume capacity is already associated with calendar dates.
 - iii. which has not been used, pursuant to Article 6(1) b) of Resolution No. 167/05, in month M on the basis of the Monthly Schedule of LNG Deliveries, defined in month M-2 and expressed in $m^3_{liq}/month$.
- b) the number of possible berthings at the Panigaglia Terminal:

- i. available following the completion of the allocation process at the beginning of the Thermal Year, the allocation processes during the current Thermal Year and regasification exchange with GNL Italia;
- ii. made available by Users, in accordance with the methods described in paragraph 3 of Chapter 8, pursuant to Article 7(2) of Resolution No. 167/05;
- iii. which have not been used pursuant to Article 6(1) b) of Resolution No. 167/05, in month M on the basis of the Monthly Schedule of LNG Deliveries, defined in month M-2.

5.2) Allocation priority

Regasification capacity for the current Thermal Year is allocated in accordance with the following order of priority:

- a) holders of import contracts with *take or pay* clauses signed before 10 August 1998, until to the lowest LNG volume per Thermal Year delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001 - 2002 ;
- b) parties that hold multi-year import contracts;
- c) parties that hold annual import contracts.

5.3) Allocation of regasification capacity for the Thermal Year already commenced

By the last working day of each month M-2, GNL Italia shall publish on its website the regasification capacity available for allocation.

Allocation requests for the current Thermal Year must be submitted within 5 (five) working days of month M-1 and must indicate:

- the volume capacity, expressed in m^3_{liq} , referred to in letter a) points i) and ii) of paragraph 5.1, indicating the months for which capacity is required and, where Phase 2 of the allocated regasification capacity definition process referred to in paragraph 4.2 has already been completed, the calendar dates associated with the required capacity;
- the capacity referred to in point iii) of paragraph 5.1, expressed in m^3_{liq} ;
- a number of berthings that is consistent with the aforementioned capacity requests, according to the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier.

At the same time as the request is submitted, under penalty of rejection of same, each requesting party is required to provide GNL Italia with a declaration in lieu of affidavit in which the requesting party, aware of the penalties incurred in case of false declarations, shall declare:

1. to be in possession of the documents referred to in letter a) of paragraph 1.1 above or:
 - a) to hold one or more LNG import contracts;
 - b) the type of contract;

- c) in the case of *take or pay* import contracts signed before 10 August 1998, the lowest LNG volume per Thermal Year for each contract delivered for regasification at the Panigaglia Terminal, starting from Thermal Year 2001-2002; the minimum volume of LNG delivered for the current Thermal Year is determined as the sum of the volumes delivered during the period from October to May and the volumes scheduled for delivery during the period from June to September, as defined in the Monthly Schedule of LNG Deliveries referred to in the chapter entitled "Scheduling of LNG deliveries and regasification activity".
2. the names of the LNG carriers, referred to in letter b) of paragraph 1.1 above, which will be used to execute the import contracts referred to in paragraph 1.1 letter a) above, providing an indication of the number of berthings associated with each Carrier.
 3. the EU or non-EU country where the LNG is produced and the term of the import contract, referred to in letter c) of paragraph 1.1 above.

At the same time as the request is submitted, under penalty of rejection of same, each requesting party is required to supply GNL Italia with authorisation to disclose their name to other parties which have an equivalent level of priority and which have requested one or more Cd units and/or fractions of Cd units that coincide with those requested by the requesting party.

During month M-1, GNL Italia shall:

- I. with regard to requests relating to the capacity referred to in letter a) points i) and ii) of paragraph 5.1:
 - for the months for which Phase 2 of the allocated regasification capacity definition process referred to in paragraph 4.2 has already been completed,
 - a) allocate the Cd units and/or fractions of Cd units requested by a single requesting party;
 - b) notify each requesting party of the Cd units and/or fractions of Cd units requested but allocated to another requesting party with a higher degree of priority as well as any Cd units and/or fractions of Cd units covered by the reallocation process referred to in paragraph 5.3.1 below;
 - c) notify each requesting party of the Cd units and/or fractions of Cd units requested by that party that shall be subject to the reallocation process described in paragraph 5.3.1 below, as requested by more than one party with equivalent levels of priority; for each of the Cd units and/or fractions of Cd units, GNL Italia shall also provide communication with regard to the names of the other requesting parties.
 - for the months for which Phase 2 of the allocated regasification capacity definition process referred to in section 4.2 has not been completed,
 - d) allocate such capacity according to the priority criteria referred to in section 5.2 above. GNL Italia shall allocate the volume capacity referred to in letter

a) point i) of paragraph 5.1 in order of priority. In the event that the volume capacity referred to in letter a) point i) of paragraph 5.1. is not sufficient to fully satisfy demand, GNL Italia shall allocate the capacity made available pursuant to letter a) point ii) of paragraph 5.1. Where the number of requests exceeds the total volume capacity referred to in letter a) points i) and ii) of paragraph 5.1, GNL Italia shall allocate the available capacity according to *pro quota* criteria and in accordance with the access priorities listed above.

II. with regard to requests relating to the capacity referred to in letter a) point iii) of paragraph 5.1:

e) allocate such capacity according to the priority criteria referred to in section 5.2. Where the number of requests exceeds the total available capacity, GNL Italia shall allocate the capacity available according to the *pro quota* criteria and in accordance with the access priorities referred to above. The allocated capacity shall be subject to the definition process described in paragraph 5.3.2 below.

III. with regard to capacity requests referred to in letter a), points i) and ii) of paragraph 5.1, for which Phase 2 of the allocated regasification capacity definition process, referred to in paragraph 4.2 above, has not already been completed, and for which it has not been possible to satisfy the requirements indicated under point I above, GNL Italia shall allocate any capacity referred to in letter a) point iii) of paragraph 5.1 that is still available after the allocation process referred to in point II above has been completed.

IV. allocate berthings based on the number requested, subject to verification by GNL Italia that the requested number meets the constraints set out below:

➤ the number of berthings is consistent with the volume capacity requests, the dimensions of the LNG carriers available to the User and the number of berthings associated with each Carrier, as indicated in the request referred to in point 1 above:

$$\sum_{i=1}^n N_i * Vn_i \leq V_{\text{requested}}$$

where:

N_i is the number of berthings per LNG carrier with dimensions i ;

Vn_i are the dimensions of the LNG carrier i ;

$V_{\text{requested}}$ is the requested volume capacity referred to in letter a) above;

➤ the number of berthings is less than or equal to the number of berthings that can be made at the Terminal, as described in letter b) of paragraph 5.1 above.

In the event that the request does not meet the aforementioned constraints, GNL Italia shall reduce the number of berthings requested to the maximum number that can be requested, determined based on the above constraints.

In the event that requests are submitted that exceed the number of possible berthings that can be carried out at the Terminal, GNL Italia shall allocate the available berthings according to the *pro quota* criteria and according to the access priorities listed above.

5.3.1) Reallocation

During month M-1, the parties that received the notification referred to in points b) and c) of paragraph 5.3 above are required to participate in the reallocation process.

Should the requesting party fail to participate, that party shall forfeit its right to request the allocation of the Cd units and/or fractions of Cd units being reallocated.

As part of the reallocation process, parties may not be allocated a number of Cd units and/or fractions of Cd units that is greater than the number of unfulfilled requests.

Phase 1

The parties referred to in letter c) of paragraph 5.3 above are entitled to participate in Phase 1 of the reallocation process.

The requesting party may waive any right - in whole or in part - to the Cd units and/or fractions of Cd units referred to in letter c), by submitting the relevant list by the beginning of the reallocation process.

The Cd units and/or fractions of Cd units referred to in letter c) of paragraph 5.3 above are allocated for each month of the Thermal Year, by:

1. assigning them to single requesting party, where, as a result of waivers by other requesting parties, the Cd units and/or fractions of Cd units are no longer subject to multiple requests;
2. a lottery, where the Cd units and/or fractions of Cd units continue to be subject to multiple requests.

At the end of the lottery, the Cd units and/or fractions of Cd units that are still available may be requested as part of Phase 2 of the reallocation process.

Phase 2

Phase 2 is concerned with the allocation of Cd units and/or fractions of Cd units that are still available after the reallocation process in Phase 1 has been completed.

Parties referred to in letters b) and c) of paragraph 5.3 whose requests have not been fulfilled during Phase 1 are entitled to participate in Phase 2 of the reallocation process. Such parties must submit requests for the Cd units and/or fractions of Cd units that are still available after the reallocation process Phase 1 has been completed, indicating the calendar dates associated with the capacity requested.

GNL Italia shall allocate the Cd units and/or fractions of Cd units:

1. by allocating them to a single requesting party where the Cd units and/or fractions of Cd units are not subject to multiple requests;
2. in respect of the priorities set out in paragraph 5.2, where the Cd units and/or fractions of Cd units are subject to multiple requests;
3. by lottery, where the Cd units and/or fractions of Cd units are subject to multiple requests by parties with equal priority.

5.3.2) *Definition of allocated capacity*

During month M-1, following the definition of the Monthly Schedule of LNG Deliveries, GNL Italia shall notify each party to whom volume capacity referred to in point iii) letter a) of paragraph 5.1 has been allocated, of the calendar dates associated with the Cd units or fractions of Cd units covered by the capacity definition process.

Each party that participates in the allocated capacity definition process must submit a list of the dates with which it requires the Cd units or fractions of Cd units to be associated, on penalty of forfeiting the allocated capacity referred to in point iii) letter a) of paragraph 5.1 above.

The allocated capacity expressed in Cd units and/or fractions of Cd units is associated with a given calendar date in month M through allocation to a single requesting party, where the Cd units and/or fractions of Cd units are not subject to multiple requests, or by means of a lottery executed in the presence of the requesting parties, where the Cd units and/or fractions of Cd units are subject to multiple requests.

The Cd units and/or fractions of Cd units that are still available at the end of the lottery may be defined by the parties whose demands were not met.

Where the Cd units and/or fractions of Cd units are still subject to multiple requests another lottery shall take place.

At the end of the allocated capacity definition process referred to in this paragraph, the requesting party may waive its right – totally or partially - to the Cd units and/or fractions of Cd units, as defined by the result of the process.

5.4) **Request of transportation capacity for the capacity allocation during the Thermal Year**

GNL Italia shall request, upon the users demand's, once the process for the allocation of regasification capacity during the Thermal Year will be ended, to Snam Rete Gas, in the manner and timing provided by the Network Code, the transportation capacity for the injection in the national network at the entry point of Panigaglia for the volumes allocated on annual/multi-year bases. The transportation capacity of the request must be proportionate to the ratio of the Terminal send-out (as defined in paragraph 1.1, o) of resolution ARG/gas 2/10) equal to the ratio of the User allocated regasification capacity and the total regasification capacity of the terminal.

5.5) **Signing the Regasification Agreement**

A Regasification Agreement or an addendum to an existing Regasification Agreement must be stipulated by the 7th (seventh) working day preceding month M and submitted along with the credit rating and/or the bank guarantees referred to in the chapter entitled "Financial Guarantees and insurance".

The Regasification Agreement or the addendum to the existing Regasification Agreement, limited to the capacity referred to in point iii) letters a) and b) of paragraph 5.1, shall be stipulated by the deadline that is defined annually and published on the GNL Italia website, and submitted along with the credit rating and/or bank guarantees referred to in paragraph 1.1 above.

Failure by the requesting party to sign the Regasification Agreement by the deadline indicated above shall result in that User forfeiting the right to the allocation.

The signing of the Regasification Agreement is subject to receipt of the credit rating or the financial guarantees referred to in paragraph 1.1 above.

Where one or more requesting parties waive their right to part or all of the allocated capacity, GNL Italia shall offer that capacity to other parties as part of subsequent allocation processes.

GNL Italia shall not sign a Regasification Agreement and/or addendum to an existing Regasification Agreement with requesting parties that, on the date of signing the Agreement, have not paid the fees related amounts due under existing Regasification Agreements that are in excess of the value of the bank guarantee referred to in paragraph 1 of the chapter entitled "Financial Guarantees and insurance", issued to cover the obligations arising from the aforementioned existing Regasification Agreements.

The Regasification Agreement and/or addendum to an existing Regasification Agreement, signed by the Parties shall be executed, together with other Regasification Agreements in effect between the Parties, in accordance with the results of the process referred to in paragraph 4.2 above.

Users are required to comply with all obligations arising from the signing of the Regasification Agreement and/or addendum to an existing Regasification Agreement, whatever the outcome of the process referred to in paragraph 4.2 above.

6) OWNERSHIP OF CAPACITY

6.1) Regasification capacity made available pursuant to point iii) of letters a) and b) of paragraph 2.1

Ownership of the regasification capacity referred to in point iii) of letters a) and b) of paragraph 2.1 above, made available by one or more Users and subscribed to by another User by signing the Regasification Agreement, shall transfer to the other User(s) which shall therefore be required to pay the fees associated with the subscribed capacity and to comply with the conditions specified in this document.

Consequently, the share of capacity C_{NT}^K shall not be owned by the Users that have made such capacity available pursuant to point iii) of letters a) and b) of paragraph 2.1 above, equal to:

$$C_{NT}^K = C_{RD}^K * \frac{\sum_{j=1}^m C_S^J}{\sum_{k=1}^n C_{RD}^K}$$

where:

C_{RD}^K is the capacity made available by User k pursuant to article 11(3) of Resolution No. 167/05;

C_S^J is the capacity referred to in point iii) of letters a) and b) of paragraph 2.1 of the Regasification Agreement(s) for User j, resulting from the capacity allocation process referred to in paragraphs 2.2 and 2.3 above.

Where the User that has made capacity available in accordance with point iii) letters a) and b) of paragraph 2.1 above, and where that capacity has been subscribed to by another User or Users that hold(s) more than one Regasification Agreement, the C_{NT}^K of such User shall be deducted starting from the oldest Agreement signed.

The regasification capacity referred to in point iii) of letters a) and b) of paragraph 2.1 above that has not been allocated as part of the annual and multi-year allocation processes shall remain the responsibility of the User that made it available; in this regard, GNL Italia shall notify the User by the end of August of the capacity that shall remain the responsibility of the User.

6.2) Unused regasification capacity pursuant to point iii) of letters a) and b) of paragraph 5.1

Ownership of the regasification capacity, referred to in point iii) of letters a) and b) of paragraph 5.1 above, which is not used by one or more Users and which is subscribed to by another User by signing the Regasification Agreement, shall transfer to the other User(s) who shall therefore be required to pay the fees associated with the subscribed capacity, including those relating to the transportation capacity referred to section 4.2 of Chapter 10, and to comply with the conditions specified in this document.

Consequently, the share of capacity C_{NT}^K shall not be owned by the Users that have made such capacity available pursuant to point iii) of letters a) and b) of paragraph 5.1 above, equal to:

$$C_{NT}^K = C_{RD}^K * \frac{\sum_{j=1}^m C_S^J}{\sum_{k=1}^n C_{RD}^K}$$

where:

C_{RD}^K is the unused capacity of User k pursuant to article 6(1) b) of Resolution No. 167/05;

C_S^J is the capacity share referred to in point iii) of letters a) and b) of paragraph 5.1 contained in the Regasification Agreement(s) for User j, resulting from the capacity allocation process referred to in paragraph 5.3 above.

Where the User that has made capacity available in accordance with point iii) letters a) and b) of paragraph 5.1 above, and where such capacity has been subscribed to by

another User or Users that hold(s) more than one Regasification Agreement, the C_{NT}^K of such User shall be deducted starting from the oldest Agreement signed.

In relation to the capacity referred to in point iii) of letters a) and b) of paragraph 5.1, which is made available to the regasification enterprise by one or more Users for allocation to third parties, but which is not subscribed to by another User by entering into a Regasification Agreement, the User that made such capacity available:

- shall in any case be required to pay the fee relating to the share of regasification capacity referred to in point iii) of letters a) and b) of paragraph 5.1, that has not been subscribed to by another User;
- shall not have the use of the regasification capacity referred to in point iii) of letters a) and b) of paragraph 5.1.

7) FORCE MAJEURE EVENTS DECLARED BY COUNTERPARTIES TO IMPORT CONTRACTS OR REGASIFICATION AGREEMENTS

7.1) Definitions

For the sole purpose of the provisions of this chapter in paragraph 2.4, pursuant to the provisions of Article 11(3) of Resolution No. 167/05, the term "Force Majeure" with regard to counterparties to import contracts or regasification agreements means any event, act, fact or circumstance which is not caused by the Party that invokes it but which makes it totally or partially impossible for the User to deliver volumes of LNG to the regasification terminal for as long as the Force Majeure conditions persist, and which is unavoidable notwithstanding the due diligence of a reasonable and prudent operator.

7.2) Notification

Having been notified of the existence of a force majeure event of the kind referred to in paragraph 7.1, the Party concerned shall immediately notify the other Party and the Regulatory Authority for electricity and gas by sending the self-certification, the text of which is available on the GNL Italia website, containing details of:

- the expected extent of the reduction in LNG;
- the expected duration of the event;
- actions put in place to limit the effects of the event on LNG deliveries;
- actions put in place to make the regasification capacity that would remain unused available to other Users.

7.3) Effect

Except as expressly stated in paragraph 7.1 above, a force majeure event as described above shall have no effect on the existing contractual relationship between the User and the regasification enterprise, which shall remain fully valid.

8) ALLOCATION OF SPOT REGASIFICATION CAPACITY

The allocation of spot regasification capacity relates to the spot core regasification service described in the chapter entitled "Description of services provided".

8.1) Purpose of the allocation

The purpose of the allocation, carried out in month M-1 or in month M, is the receipt of a LNG delivery in month M, its subsequent regasification and the insertion into the network of the regasified volume, using capacity:

- that was unallocated at the end of the allocation process at the beginning of the Thermal Year and the allocation process for the Thermal Year already commenced;
- that had been allocated but not used by the Users as part of the definition - in month M-1 - of the Monthly Schedule of LNG Deliveries for month M1.

8.2) Definition of spot regasification capacity

GNL Italia shall define the spot regasification capacity (in terms of Scheduled Arrival Date and Maximum Unloading Capacity for each unloading slot) based on the maintenance days at the terminal referred to in the chapter entitled "Maintenance planning and management" and according to the following constraints:

- there is a time window of at least 3 days between the Scheduled Arrival Date of one LNG carrier and the Scheduled Arrival Date of the next Carrier, as defined in the Monthly Schedule of LNG Deliveries for month M;
- the total volume of LNG present in the tanks at 6:00 on the Scheduled Arrival Date for the next Carrier scheduled to unload must not exceed the value arrived at by deducting the volume of LNG of the next Carrier scheduled to unload from 90,000 m^3_{liq} ;
- the total volume of LNG in the tanks at 6:00 on each Gas Day must be between 10,000 m^3_{liq} (lower limit) and 90,000 m^3_{liq} (upper limit);
- the total volume of LNG in the tanks at the end of each month may not exceed 35,000 m^3_{liq} ***;
- daily production may not exceed 17,500 m^3_{liq}/g **** and shall be considered equal to 0 when the tanks reach a level corresponding to a LNG volume of 10,000 m^3_{liq} ;
- the volume of LNG unloaded during each unloading slot shall be deemed fully delivered in the Gas Day corresponding to the Scheduled Arrival Date.

GNL Italia shall define the Monthly Redelivery Schedule referred to in paragraph 3 of the chapter entitled "Scheduling of LNG deliveries and regasification activity", according to operational requirements to ensure that there is positive inventory in the tanks for all Users.

*** With regard to Thermal Years 2009-2010 and 2010-2011, the value 35,000 m^3_{liq} should be replaced with 30,000 m^3_{liq} .

**** With regard to Thermal Years 2009-2010 and 2010-2011, the value of 17,500 m^3_{liq}/g should be replaced with a 12,000 m^3_{liq}/g .

GNL Italia shall publish on its website the available spot unloading slots for the following month M together with the definition of the Monthly Schedule of LNG Deliveries for month M. In the event that unused capacity has been allocated pursuant to Article 6(1) (b) of Resolution No. 167/05, GNL Italia shall publish the available spot unloading slots for the next month M by the deadline defined annually and published on the GNL Italia website.

Available spot unloading slots are divided between those relating to:

- a) the first five days of month M;
- b) the 10 days between the sixth and fifteenth day of month M;
- c) the remainder of month M.

For each available spot unloading slot, the following information shall be published:

- the Scheduled Arrival Date;
- the Maximum Unloading Capacity of LNG;
- the indicative profile of delivery of the regasified quantitative.

8.3) Allocation requests

The spot unloading allocation request should be submitted by fax using the forms available on the GNL Italia website and shall, under penalty of rejection of same, contain the following information:

- the Scheduled Arrival Date;
- the volume of LNG;
- the name of the LNG carrier

and a commitment to adhere to the provisions of this document.

At the same time as the request is submitted, under penalty of rejection of same, each requesting party is required to supply GNL Italia with a declaration in lieu of affidavit in which the requesting party, aware of the penalties incurred by false declarations, shall declare:

1. to be in possession of the documents referred to in paragraph a) of paragraph 1.1 above, or to hold one or more LNG import contracts;
2. the EU or non-EU country where the LNG is produced, referred to in letter c) of paragraph 1.1 above.

Where the volume of LNG indicated in the request is higher than the "technical" volume of the Carrier, as indicated in the LNG carrier List constantly updated and published on the Operator's website, the "technical" volume of the Carrier shall be considered for purposes of the request, as indicated in the LNG carrier list.

Where the volume of LNG indicated is greater than the Maximum Unloading Capacity published, the Maximum Unloading Capacity published shall be considered for the purposes of the request;

Interested parties should submit allocation requests to GNL Italia by:

- the fourth working day before the beginning of month M, for spot unloading slots relating to the first five days of month M;
- the last working day of month M-1, for unloading slots relating to the 10 days between the sixth and fifteenth day of month M;
- the third working day of month M, for spot unloading slots relating to the remainder of month M.

Allocation requests received after these deadlines shall not be considered for the purpose of allocation referred to in paragraph 8.4 below.

8.4) Allocation

On the basis of the requests received, GNL Italia shall proceed to allocate the spot unloading capacity:

- by allocating, within the working day following the deadline for submission of requests, to the party that indicated on its request a volume of LNG that is closest to the Maximum Unloading Capacity published;
- by lottery, executed in the presence of the requesting parties by dedicated personnel identified by GNL Italia, where more than one party submits requests for the same volume of LNG. By the end of the working day following the deadline for submission of requests, GNL Italia shall send a letter of invitation to the interested parties by fax. The draw shall take place at the GNL Italia head office (Piazza Santa Barbara 7 - San Donato Milanese) at 10:00 on the working day after the letter of invitation has been sent. Each party that participates in the allocation process shall be provided with appropriate powers by signing the appropriate form available on the GNL Italia website. In the absence of a representative for the requesting party, that party shall forfeit its right to participate in the spot unloading allocation process. At the end of the meeting, GNL Italia shall prepare a report with regard to the aforementioned lottery which shall be signed by all participants.

GNL Italia shall inform the requesting parties concerned of their failure to obtain a spot unloading slot.

GNL Italia may change the terms for the allocation of spot unloading slots in accordance with this paragraph where unused capacity is allocated in accordance with Article 6(1) (b) of Resolution No. 167/05; should such an event occur, the Operator shall publish suitable notification on its website.

The allocation request from the interested party together with an allocation letter from GNL Italia shall constitute the Spot Regasification Agreement.

The User to whom the spot unloading slot has been allocated shall be required to submit the financial guarantees referred to in paragraph 2 of the chapter entitled "Financial guarantees and insurance" within two working days of being allocated the spot unloading slot, and in any case not later than the working day preceding the unloading date. Failure to present the credit rating or the financial guarantees referred to in paragraph 1.1 above within the terms provided shall result in the automatic termination of the Spot Regasification Agreement.

GNL Italia shall not sign a Spot Regasification Agreement with requesting parties that, on the date of signing the Agreement, have not paid the fees related to amounts due under existing Regasification Agreements and Spot Regasification Agreements that are in excess of the value of the bank guarantee referred to in the chapter entitled "Financial Guarantees and insurance" issued to cover the obligations arising from the aforementioned existing Regasification Agreements.

9) ALLOCATION OF SPOT REGASIFICATION CAPACITY OUTSIDE ACCEPTED TERMS

Each of the spot unloading slots for which no allocation request has been received within the terms specified in paragraph 8.3, shall remain available until the third working day before the date of the spot unloading slot.

GNL Italia does not guarantee the availability of the spot unloading slots published, which can be changed - in terms of Scheduled Arrival Date, Maximum Unloading Capacity, and regasified volume redelivery profile - and/or cancelled, should the following events occur:

- non-compliance with the schedule;
- rescheduling of the unloading slot;
- maintenance that is in addition to that provided for in the chapter entitled "Maintenance planning and management";

while respecting the constraints referred to in paragraph 8.2. and, when defining the Monthly Redelivery Schedule referred to in paragraph 3 of the chapter entitled "Scheduling of LNG deliveries and regasification activity", the operational requirement to ensure that there is a positive inventory in the tanks for all Users.

GNL Italia shall publish updates with regard to the availability of spot unloading slots by:

- the same working day, for events accepted by GNL Italia on a working day;
- the next working day, for events accepted by GNL Italia on public holidays.

The allocation request must contain, under penalty of rejection of same, the information specified in paragraph 8.3 above, and must be accompanied by the documents referred to in the same paragraph as well as the financial guarantees referred to in paragraph 2 of the chapter entitled "Financial guarantees and insurance."

The allocation request is irrevocable and must be received not later than 12:00 of the third working day ahead of the Scheduled Arrival Date; any requests received on public holidays shall be considered by GNL Italia as having been received on the next working day.

GNL Italia shall proceed to allocate the spot unloading slot - by the working day following the day on which the request was received - to the first User that submits a request.

Where more than one allocation requests are received in the same working day, GNL Italia shall allocate the spot unloading slot:

- within the working day following the deadline for submission of requests, by allocating it to the party that indicated on its request a volume of LNG that is closest to the Maximum Unloading Capacity published;
- by lottery, executed in the presence of the requesting parties by dedicated personnel identified by GNL Italia, where more than one party submits requests for the same volume of LNG. Within the same working day of the deadline for submission of requests, GNL Italia shall send a letter of invitation to the interested parties by fax by 15:00. The draw shall take place at the GNL Italia head office (Piazza Santa Barbara 7 - San Donato Milanese) at 10:00 on the working day after the letter of invitation has been sent. Each party that participates in the allocation process shall be provided with appropriate powers by signing the appropriate form available on the GNL Italia website. In the absence of a representative for the requesting party, that party shall forfeit its right to participate in the spot unloading allocation process. At the end of the meeting, GNL Italia shall prepare a report with regard to the aforementioned lottery which shall be signed by all participants.

GNL Italia shall inform the requesting parties concerned of their failure to obtain a spot unloading slot as well as to return the financial guarantees.

The allocation request from the interested party together with an allocation letter from GNL Italia shall constitute the Spot Regasification Agreement.

GNL Italia shall not sign a Spot Regasification Agreement with requesting parties that, on the date of signing the Agreement, have not paid the fees related to amounts due under existing Regasification Agreements and Spot Regasification Agreements that are in excess of the value of the bank guarantee referred to in the chapter entitled "Financial Guarantees and insurance" issued to cover the obligations arising from the aforementioned existing Regasification Agreements.

10) REQUEST OF TRANSPORTATION CAPACITY FOR THE ALLOCATION OF SPOT CAPACITY

GNL Italia shall request, upon the Users demand's, once the process for the allocation of spot capacity ended, to Snam Rete Gas, in the manner and the timing provided by the Network Code, the transportation capacity for the injection in the national network at the entry point of Panigaglia of the volumes related to the indicative delivery profile (or

of the Monthly Schedule of LNG Deliveries) of the spot cargo and equals or lower than the maximum ratio of the Terminal send out.

The manner and timing for booking the transportation capacity for the injection in the network of the volumes of natural gas related to the allocation of Spot capacity are those defined in Chapter 5 of the Network Code.