

FINANCIAL GUARANTEES AND INSURANCE

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1) FINANCIAL GUARANTEES RELATING TO REGASIFICATION SERVICES

To guarantee payment of the obligations arising from the subscription of the Regasification Agreement and to cover the obligations arising from the provision of the service, both as fee, and as indemnity or compensation, in order to protect GNL Italia and other users of the regasification service, the requesting party must have:

- a credit rating, as described in a), below

or failing that:

- a financial guarantee as set out in paragraph (b) or a non-interest-bearing security deposit as set out in point (c)

a) The party interested in the regasification capacity allocation must have a credit rating, provided by leading international bodies, of at least:

Baa3 if provided by Moody's Investor Services;

or

BBB- if issued by Standard & Poor's Corporation

and must provide GNL Italia with the relevant certificate issued by one of the aforementioned agencies as evidence of the assigned rating, and to report any changes to that rating.

If the criterion set out in a) above is met by the parent company of the requesting party, under Article 2362 of the Italian Civil Code, that latter must submit to GNL Italia a letter of guarantee issued by the parent company that expresses the parent company's commitment to meet any payment obligations towards GNL Italia in the name and on behalf of the requesting party. The text of the letter of guarantee to be signed by the parent company is provided in Annex 7/ A.

If these criteria are not met, the requesting party must submit

b) a first-call bank guarantee, issued by an Italian bank or by an Italian branch/office of a foreign bank, the text of which is in Annex 7/B. The amount guaranteed will be used to cover all or part of the guarantee required.

or

c) a non-interest-bearing security deposit. The non-interest-bearing security deposit shall be lodged by means of bank transfer separate from the payment of any other invoices and with express indication of the reason for the payment, on a current bank account expressly indicated by GNL Italia. GNL Italia shall issue a certificate of the deposit, the

text of which is attached as Annex 7/C. The amount paid may be used to cover all or part of the guarantee required.

The minimum amount of the guarantee set out in a), b) and c) above provided by the User shall be at least equal to the greater of

- i. 100% of the commitments associated with the 3 Slots/Constrained Slots/spot berthings requested/allocated having the greatest economic value for a Thermal Year, increased by 100% of the commitments relating to transport fees as set out in Chapter 10(4.2); and
- ii. 36% of the maximum annual fee of the greater of the commitments for a Thermal Year requested/allocated, increased by 100% of commitments for transport fees as set out in Chapter 10(4.2)

It is agreed that the services invoiced and paid for during the Thermal Year do not contribute to the reduction of the minimum amount identified above.

The guarantee levels provided are checked by means of the allocation limits set out in paragraph 1.1.

The guarantee must be valid for the entire duration of the Regasification Agreement, and terminate at the end of the sixth month after the end of the last Thermal Year covered by the Agreement.

In relation to the capacity commitments for the continuous Regasification Service for Thermal Years subsequent to the first Thermal Year being allocated, the User can present a guarantee that lasts one year which, at the end of each Thermal Year, automatically renews for the following Thermal Year until the end of the sixth month following the end of the last Thermal Year covered by the Regasification Agreement. The guarantee is considered automatically renewed if no cancellation notice has been received by the bank that issued the guarantee as per the procedures set out in the text thereof by the end of the fifth month prior to the end of the Thermal Year to which the guarantee applies, or of each subsequent Thermal Year for which the guarantee has been renewed. It is agreed that the failure to renew the guarantee within this deadline will immediately result in loss of access requirements under this Code.

If GNL Italia decides to enforce the bank guarantee in part or in full, the User must immediately reinstate the guarantee at issue, within seven days of enforcement under penalty of application of the measures set out in the "Obligations of the Parties" chapter.

The adjustment of the guarantee according to the terms specified is a mandatory prerequisite for:

1. Allocation of regasification capacity as set out in the "Allocation of regasification capacity" chapter, in the processes at the beginning of the Thermal Year, for the Thermal Year already commenced, for spot capacity and spot capacity beyond the deadlines;
2. the capacity transactions set out in the "Regasification capacity transactions" chapter.

In any case, the guarantees described in this paragraph will be valid from the filing of the application for allocation request by the requesting party until returned to the User by GNL Italia.

1.1) Allocation limits

For submitting purchase offers to buy/requests of capacity within the allocation processes of Chapters 5 and 8, GNL Italia checks the capacity of the guarantees provided by the requesting User.

To do so, the Operator determines an allocation limit equal to the difference between the total financial value of the guarantees provided for the obligations related to the regasification service as set out in paragraph 1 above, where fully effective and valid during the period covered by the offers to buy/requests of capacity (net of any guarantees enforced), and the portion of such guarantee already committed to cover the capacity requested and/or already subscribed at the time of submission of the purchase offer, for the amount equal to the greater of

- i. 100% of the commitments associated with the 3 Slots/Constrained Slots/spot berthings requested/allocated having the greatest economic value for a Thermal Year, increased by 100% of the commitments relating to transport fees as set out in Chapter 10(4.2); and
- ii. 36% of the maximum annual fee of the greater of the commitments for a Thermal Year requested/allocated, increased by 100% of commitments for transport fees as set out in Chapter 10(4.2).

If the fee of the purchase offers to buy/requests of capacity exceeds the allocation limit as set out in this paragraph, the offer to purchase/request will not be accepted, except for the provisions on credit ratings set out in paragraph 1 above.

2) INSURANCE POLICIES

2.1) Policies taken out by the Regasification Company

The insurance policies taken out by the Operator in relation to the Panigaglia Terminal are to cover certain risks such as:

- fire, natural disasters, acts of terrorism and sabotage;
- damage to third parties resulting from carrying out its business.

2.2) Policies taken out by the User

The User guarantees that the LNG Carriers used for unloading activities are covered by the appropriate insurance policies (Protection & Indemnity Club Membership) which include:

- damage to the Terminal;

- pollution

while carrying out the User's business.

3) **FINANCIAL GUARANTEE COVERING NON-COMPLIANCE WITH THE LNG DELIVERY SCHEDULE SET OUT IN CHAPTER 9(1)**

For acceptance by the Operator of the monthly delivery schedule set out in Chapter 9, Debtor Users must record a sales transaction at the Virtual Trading Point in favour of the Creditor User(s); it is aimed at ensuring compliance with the monthly delivery schedule of LNG of month M set out in Chapter 9. The sales transaction registered by Debtor User in favour of the Creditor User(s) is a multi-day type starting from the third day after the arrival date of the last LNG Carrier for the monthly delivery schedule for month M and ending on the last day of month M+1. The total volume of that transaction is determined as the maximum among the technical volume - as published on GNL Italia's website - of the largest LNG Carrier scheduled by the User for the month M, converted into MWh based on the conversion factor published on GNL Italia's website, and the quantity of gas delivered in advance to the debtor User on the basis of the Monthly schedule of deliveries and of the Monthly Redelivery Schedule of month M as set out in Chapter 9.

After reporting to Users their status of Debtor User or Creditor User, GNL Italia is authorised to enter the above transactions at the VTP in the name and on behalf of the Terminal Users no later than at 12:00 of the 6th working day before the beginning of month M (4th working day for monthly capacity scheduling that has been assigned and not scheduled in month M-2). On the basis of the information made available by the Network Balancing Manager, Users must report to the Operator, by 16:00 of the same day, any inaccuracies in the transactions entered versus the information provided by the User itself during the scheduling process and, if the report is confirmed to be grounded, the Operator must modify the transactions entered, by 17:00. In order to ensure the successful outcome of the aforementioned transaction, Debtor Users must act to ensure that their financial guarantees are sufficient to ensure the system against the User as required by Chapter 5 of the Network Code and reinstate them promptly if they are insufficient to carry out the sales transaction.

If the deliveries scheduled by the Debtor User are carried out in compliance with the LNG delivery schedule for month M described in Chapter 9, the Operator, before the effective date of the previously recorded transaction must cancel the latter.

If a delivery scheduled by the User is not carried out in compliance with the LNG delivery schedule for month M as set out in Chapter 9, the Operator must partially cancel or not cancel the previously recorded transaction. The residual quantity that has not been cancelled shall be determined on the basis of the quantity actually provided in advance to the Creditor User and implies the Debtor User returning the gas to the Creditor User. The operational procedures for the management of the guarantee set out in this paragraph will be published on GNL Italia's website.

Users expressly agree that the Terminal Operator may enter, cancel or modify the transactions covered by this paragraph as described and for the cases described herein, carefully and promptly checking the Operator's entries, reporting any errors to the Operator as soon as possible, and however Users indemnify and hold the Operator harmless from any negative consequences resulting from any inaccuracies in said entries.

If the Terminal has particular operating requirements, such as for example the shut-down of the plant or quantities of LNG in storage above the constraints defined in this Code, involving an advance of LNG owned by GNL Italia in favour of a Debtor User, the Creditor User shall be GNL Italia itself in the transactions set out in this paragraph.

This case also applies to spot capacity allocations as set out in Chapter 5(8.3).