

TERMS AND CONDITIONS OF THE MODULATION SERVICE

This document (hereinafter referred to as "Terms and Conditions of the MS") regulates the main terms and conditions of the Modulation Service (hereinafter also referred to as "MS" or simply as "Service"), through which TTPC S.p.A. and Transmed S.p.A. (hereinafter jointly referred to as "TSOs" or individually as "TSO") make available a short-term capacity balancing service.

1. SERVICE DESCRIPTION

The object of the MS is the offer of capacity (hereinafter referred to as "Space S"), expressed in Contractual Cubic Meters (hereinafter referred to as "Ccm"), within the TTPC-TMPC corridor managed by the TSOs, to modulate the gas flows at Mazara del Vallo, the interconnection point with Snam Rete Gas (hereinafter referred to as "SRG").

Specifically:

- 1.1 The Space S is allocated through an auction mechanism run on the PRISMA Platform (hereinafter referred to as "Platform"), giving shippers the opportunity to temporarily retain within the TTPC-TMPC corridor volumes of their own gas, already injected at the Oued Saf Saf Entry Point, instead of scheduling all of them at the Mazara del Vallo Exit Point, thus postponing the redelivery of these volumes at the Exit Point to the following gas days.
- 1.2 The TSOs may publish on the Platform any desired auction with a unique combination of:
 - "Space Offered" in the TTPC-TMPC corridor;
 - "Auction Bidding Window", i.e. the time period during which any shipper will be able to place a bid;
 - "MS Period", or "Runtime", i.e. the time period during which such Space will be available, from 8:00 (GMT+1) of the first specified day until 8:00 (GMT+1) of the last specified day;
 - Starting Price (hereinafter referred to as "SPr"), one expressed in €/Ccm for TTPC and one in USD/Ccm for Transmed.
- 1.3 In case of temporary unavailability of the Platform, the TSOs communicate by email (also to the email addresses indicated by each shipper in the "*Shipper List Consent Form*") the same information mentioned above.
- 1.4 The Space Offered is allocated through the Platform according to an economic merit order using a pay-as-bid algorithm, during separate auction sessions.

Holding true that the parameters of each auction shall be communicated on the Platform, auction types may include, but may not be limited to, for example:

- Monthly auction: Bidding Window according to the schedule published on the Platform, with auction closing time at 13:00 (GMT+1);
- Weekly T auction: Bidding Window on Thursday, with auction closing time at 13:00 (GMT+1);
- Weekly F auction: Bidding Window on Friday, with auction closing time at 13:00 (GMT+1).

The Weekly F auction is only scheduled by the TSOs if there is Space S offered not yet allocated from the Weekly T auction.

On the other hand, in the event that, even after the Weekly F auction, some Space remains available, the shipper will be able, starting from the Monday following the Weekly F auction, to request via e-mail its allocation until the end of the Ms Period, in a First-Come First-Served mode (hereinafter referred to as "WFCFS"). Such allocation, and the parameters thereof, will be fully subject to the discretion of the TSOs.

- 1.5 During the Bidding Window, any shipper with an active GTA with the TSOs and an active assignment on the Platform will be able to place a bid to book the Space Offered with the modalities foreseen by the Platform.

Within the Platform, in order to place a bid, the shipper has to indicate the requested space and the surcharge (hereinafter referred to as "SUR"), expressed in percentage terms with a maximum of two decimal digits, the same for the two TSOs, to be applied to the SP.

- 1.6 Only in case of temporary unavailability of the Platform, the same parameters can be communicated by sending via e-mail (to the addresses gest.con@scogat.sea-corridor.com, infocomm@transmed-spa.it, and info@ttpc.sea-corridor.com) the "*Participation Request Form*" attached to this document (hereinafter referred to as "Form") duly filled in and signed by a person vested with the appropriate powers, in line with the deadlines set out on the Platform or in a dedicated e-mail from the TSOs.

- 1.7 By participating to an auction on the Platform or, in case of its unavailability, by signing the Form, the shipper accepts all the clauses set out in the present Terms and Conditions of the MS.

In addition:

- Any incomplete and/or incorrect bid submitted through the Platform or Form shall not be accepted;
- Any bid submitted through the Platform or Form with a Space Requested higher than the one communicated by the TSOs shall not be accepted;
- Any late bid submitted through the Platform or Form shall not be accepted.

- 1.8 By 14:30 (GMT+1) on the day of the auction, the shipper shall receive by PRISMA a communication with the results of the auction, both in case of Space allocation and in case of non-allocation to the shipper.

- 1.9 In case of temporary unavailability of the Platform, the information above shall be communicated via e-mail by the TSOs.

- 1.10 In the event of requests exceeding the Space Offered, with the same SUR, Space shall be allocated pro-rata based on the requested quantities.
- 1.11 Upon reception of the communication about the successful outcome of the auction, the shipper becomes the holder of the allocated Space S along the TTPC-TMPC corridor for the duration of the MS Period. With respect to the auction types described in article 1.4, Space shall be allocated:
- For Monthly auctions from 08:00 (GMT+1) of the first day of the Month k until 08:00 (GMT+1) of the first day of the Month k+1;
 - For Weekly T and Weekly F auctions from 08:00 (GMT+1) on Saturday until 08:00 (GMT+1) on Saturday of the following week, without prejudice to the provisions of Article 4.4 of the present document;
 - For WFCFS from 08:00 (GMT+1) of the gas day following the finalization of the request until 08:00 (GMT+1) on Saturday, without prejudice to the provisions of Article 4.4 of the present document.

2. USE OF THE MODULATION SERVICE

- 2.1 During the MS Period, the shipper may request to the TSOs through the DICOM web application, in accordance with the usual day-ahead nomination deadlines as defined in the Operating Manual annexed to the GTA, that a volume of gas, already injected at the Saf Saf Entry Point, be retained in Space S.

Such request can also be performed through a communication via e-mail to the address gest.con@scogat.sea-corridor.com.

Requests for gas volumes exceeding the Space S allocated shall not be accepted.

- 2.2 With the same procedures, in order to request the withdrawal at the Mazara del Vallo Exit Point of the gas retained in the booked Space S, the shipper must request it using the DICOM web application (or by sending an email to gest.con@scogat.sea-corridor.com), according to the usual nomination deadlines.
- 2.3 The TSOs undertake to keep the declared volume of gas within the TTPC-TMPC corridor, until the earlier of the withdrawal of such gas and the end of the MS Period, supplying the MS, except for any unforeseeable operational unavailability that may occur, by making the gas retained available to the shipper according to the usual nomination deadlines.
- 2.4 Any gas not nominated by the last day-ahead nomination acceptable considering the MS Period will be forcibly nominated by the TSOs at the Mazara del Vallo Exit Point, and in any case in accordance with Article 4.4 of the present document.

3. INVOICING AND PAYMENT

- 3.1 Each month, together with the invoice relating to the monthly transport fee, each TSO shall also invoice the MS Monthly Fee (hereinafter referred to as "MSMF") with reference to the MS of the preceding month.

- 3.2 The shipper undertakes to pay to each TSO, on a ship-or-pay basis, for each month k , a $MSMF^k$ (expressed in Euro for TTPC and in USD for Transmed) calculated as follows:

$$MSMF^k = \sum_{MSP=1}^n (SPr_{MSP} * (1 + SUR_{MSP}) * S_{MSP})$$

where:

SPr_{MSP} is the Starting Price communicated by each TSO for each MS Period (referring to Monthly and/or Weekly auctions and/or WFCFS) of the month k as defined in Article 1.4;

SUR_{MSP} is the surcharge communicated by the shipper in each bid as defined in Article 1.5, whose value shall not be lower than the minimum one communicated by the TSOs;

S_{MSP} is the Space booked by the shipper in the MS Period (Monthly and/or Weekly).

The rounding of the MSMF shall be made to the second digit after the decimal point, rounded up if the third digit after the decimal point is greater than or equal to 5 (five), or rounded down if the third digit after the decimal point is less than 5 (five).

- 3.3 For all conditions not expressly regulated by the present Terms and Conditions of the MS (including, but not limited to the invoice currency), reference is made to the terms and conditions set out in the GTAs active with the TSOs.

The above provisions are binding for the shipper.

4. MISCELLANEOUS

- 4.1 The TSOs shall endeavour to provide the MS, subject to technical feasibility, which takes into account factors including, but not limited to periods of maintenance and congestion of the TTPC-TMPC corridor during which the MS may not be guaranteed.
- 4.2 In case of any unforeseeable operational unavailability that may occur, including the instances described in Article 4.1, the MS eventually booked will not be invoiced, *pro rata temporis*.
- 4.3 In order to nominate the gas volumes at the Mazara del Vallo Exit Point, no additional transport capacity needs to be booked on the TTPC-TMPC corridor.
- 4.4 The MS offered cannot in any case extend beyond month k ; consequently, should a week w end within month $k+1$, any booked Space S , shall be released by the shipper to the TSOs by 08:00 (GMT+1) on the first calendar day of month $k+1$, and any gas not nominated and still retained within the booked Space S shall be forcibly nominated by the TSOs at the Mazara del Vallo Exit Point.
- 4.5 By placing a bid on the Platform or, in case of its temporary unavailability, by filling out, signing and sending via e-mail the Form, the shipper accepts all Terms and Conditions of the MS.

- 4.6 In addition, the shipper also declares to be a shipper of SRG, the interconnected TSO, with the necessary transportation capacity to nominate the volume of gas of the MS at the SRG Mazara del Vallo Entry Point.
- 4.7 The TSOs are not obliged to carry out any verification with SRG in relation to the transportation capacity booked by the shipper at the SRG Mazara del Vallo Entry Point.
- 4.8 Except for what expressly regulated under the Terms and Conditions of the MS, all the other terms and conditions of the GTAs, including all previous amendments if any, as well as rights and obligations arising therefrom, remain unchanged and in full force and effect. It is also understood that any term used herein, unless the context otherwise indicates, shall have the meaning ascribed to it in the GTAs.

MODULATION SERVICE

Participation Request Form

(hereinafter referred to as "Form")

TTPC S.p.A.

Viale Alcide De Gasperi, 2
20097 San Donato Milanese (MI)
Italy

Transmed S.p.A.

Via Gaspare Gozzi 1/a
20129 Milano
Italy

Sent by email to: gest.con@scogat.sea-corridor.com, info@ttpc.sea-corridor.com, info@ttpc.sea-corridor.com

[Shipper corporate name], a company established and operating under the laws of [country of incorporation], having its registered office at [address, city, country] and its place of business¹ at [address, city, country], hereby duly represented by [name and surname] in his/her capacity as [job title], vested with the necessary powers (hereinafter referred to as "Shipper"),

whereas:

Shipper is the holder of active Gas Transportation Agreements in force with both TTPC and Transmed and meets all the requirements to participate in the auction in accordance with the Terms and Conditions of the MS published on the TSOs' websites (hereinafter referred to as "Terms and Conditions of the MS"),

with the aim of participating in the auction scheduled for the day [date], provides the information requested:

Space Requested [Ccm]	
Surcharge (SUR) for TTPC and Transmed [%]	

Shipper is aware that in the event of allocation of Space S, such Space could be used according to the Terms and Conditions of the MS.

For the avoidance of doubt, Shipper, by filling out, signing and sending this Form, accepts all Terms and Conditions of the MS.

[Date and Place]

[Signature of Duly Authorized Representative]

¹ Only where applicable