

**Trans Tunisian Pipeline Company
2023-2024 Offer for Primary Capacity**

Key Contractual Terms and Conditions of the Gas Transportation Agreement (“GTA”)

Foreword

The following is a summary of the general terms and conditions of the GTA between TTPC and a successful applicant (hereinafter Shipper). The GTA shall be filled in with Shipper specific information, such as company data, GTA duration and Committed Flow Rate.

This document is meant to provide shippers with a preview of the main general terms and conditions of the final GTA. With respect to the principles laid out herein below, TTPC reserves the right to alter their order, and/or move concepts from an article to another, and/or regroup clauses under different headings, and/or modify the final wording of each clause, all while safeguarding its intended purpose and balance. Some articles and most of the definitions have been intentionally left out of these Key Contractual Terms, however they will be present in the final GTA.

1. Definitions

Capacity Band: each combination of capacity and duration booked by a Shipper.

Capacity Reduction: a temporary inability, total or partial, on the part of TTPC to make available to Shipper its Committed Flow Rate, due to any reasons including, but not limited to, force majeure and maintenance.

Committed Flow Rate: the maximum hourly flow rate (expressed in Cm³/h) reserved to Shipper, resulting from the Capacity Band(s).

Contractual Starting Date: the 1st day of the first month of the earliest Capacity Band, at 8:00 (GMT+1).

Delivery Point: the inlet point, at the Algerian/Tunisian border in the area of Oued es Saf Saf, where the Trans-Tunisian pipeline is connected to the Algerian upstream transportation system, where the natural gas is delivered by Shipper to TTPC.

Fiscal Charge: the percentage of Shipper’s natural gas delivered at the Delivery Point that, according to the agreement to be entered by and between the Tunisian State and Shipper, the Tunisian State may request in kind, in the form of gas made available by Shipper to TTPC and simultaneously redelivered by TTPC to the entity designated for this purpose by the Tunisian State, or in cash, as the equivalent value of the gas not requested in kind, calculated based on the price charged to Shipper by its gas supplier.

Fuel Gas: the natural gas quantity necessary for the functioning of the Transportation System compression stations in order to perform the Transportation Service.

Redelivery Point: the outlet point, in Tunisian territory downstream the Cap Bon compression station, where the Transportation System is connected to TMPC’s downstream transportation system, where the natural gas is redelivered by TTPC to Shipper.

Transportation System: all the installations, including pipes, compression stations and other auxiliary devices, located in the Tunisian territory, that enable TTPC to carry out the Transportation Service.

Unaccounted Gas: any differences between the total quantities of natural gas introduced in the Transportation System and those off-taken from it.

2. Conditions Precedent

The coming into force of the GTA is subject to the fulfilment of the following conditions precedent:

- a) Shipper shall provide TTPC evidence of the approval by the Tunisian State of the GTA, of the setting of the Fiscal Charge, if any, and of the obtainment of any further authorizations that might be required by the Tunisian State for the purpose of the GTA.
- b) Shipper shall provide TTPC evidence that it has concluded a gas transportation agreement with Transmed SpA for the transportation of natural gas on the TMPC pipeline through the Sicily Channel, for the same Committed Flow Rate and duration of the GTA.
- c) Shipper, where requested, shall deliver to TTPC the original of a bank or, if applicable, of a parent company guarantee issued in favor of TTPC, or pay in favor of TTPC a cash collateral, as provided in the GTA.

In the event that any of the conditions precedent above - where applicable - is not fulfilled at the latest by the day preceding the Contractual Starting Date, the GTA shall terminate.

3. Transportation Service

The scope of the GTA is the Transportation Service rendered by TTPC to Shipper. Such service shall consist of:

- exclusive availability to Shipper of the Committed Flow Rate¹ on a "ship-or-pay" basis and with a constant hourly flow rate during each day;
- the transportation of the quantities of natural gas made available by Shipper at the Delivery Point;
- the redelivery to Shipper at the Redelivery Point of an amount of natural gas equivalent in terms of energy to the quantity made available by Shipper at the Delivery Point, after deducting the relevant Fuel Gas, Unaccounted Gas and Fiscal Charge to be paid in kind, if any, as set forth in the GTA.

In any single gas year, TTPC shall be entitled to reduce the Transportation Service, for maintenance and other Transportation System management purposes, for a maximum period of 15 (fifteen) days equivalent at full capacity, without any corresponding reduction of the Shipper's obligation to pay in full the Transportation Charge. Should the actual number of Capacity Reduction days exceed, in a gas year, 15 (fifteen) days equivalent at full capacity, the Shipper shall be entitled to a reduction of the Transportation Charge pursuant to the provision of the paragraph "Capacity Reduction".

4. Measurement and Quantity

The gas transported by TTPC is measured at two measuring stations, none of which is owned and/or operated directly by TTPC:

- i) the Oued Saf Saf measuring station, located in Algerian territory immediately upstream of the Algerian/Tunisian border, owned and operated by Sonatrach;

¹ In the event of subletting of transportation capacity between Shipper and any other user, Shipper's Committed Flow Rate shall be deemed to be temporarily modified - solely and exclusively for the purposes of the undertaking provided for in this paragraph 3 - on the basis of the data communicated to TTPC by said parties through the submission of the transportation capacity subletting notification form.

- ii) the Mazara del Vallo measuring station, located in Italian territory immediately downstream of the physical connection between the TMPC system and Snam's network, owned and operated by Snam.

The quantity of gas made available by Shipper to TTPC at the Delivery Point shall be determined in accordance with the allotment criteria of the total quantity of gas measured at Oued Saf Saf measuring station, as agreed by the suppliers and buyers of Algerian gas.

The quantity of gas redelivered by TTPC to Shipper at the Redelivery Point shall be the result of the allotment procedure of the total quantity measured at the Mazara del Vallo measuring station.

Shipper shall make available to TTPC, without any costs for the latter:

- a) Fuel Gas necessary for the operation of each compression station. The Fuel Gas quantity shall be calculated in proportion to the ratio between the gas quantity compressed in each compression station for the Transportation Service and the total gas quantity compressed in each compression station;
- b) Unaccounted Gas. The Unaccounted Gas quantity shall be calculated in proportion to the gas quantity actually transported for each shipper;
- c) Gas related to the Fiscal Charge to be eventually paid in kind to the Tunisian State, if any. The Fiscal Charge gas quantity shall be made available by Shipper to TTPC at the Delivery Point and shall be simultaneously delivered by TTPC to the entity indicated by the Tunisian State in accordance with the relevant provisions.

The principles for the allotment of the gas quantities between the Shippers at the Redelivery Point are provided in the *Procédure de Partage* annexed to the GTA. Revisions of the *Procédure de Partage* may be periodically needed in order to adapt its contents to the evolution of the gas market.

All necessary procedures to manage the operations of gas delivery and redelivery, measurement of gas quantity and quality, determination of gas pressure range, as well as the exchange of other useful data and information are provided in the Operating Manual annexed to the GTA.

5. Quality and Pressure

The quality and pressure of the natural gas delivered by Shipper to TTPC at the Delivery Point and redelivered by TTPC to Shipper at the Redelivery Point shall comply with the specifications laid down in the GTA and relevant Annexes.

6. Capacity Reduction

In the event of a Capacity Reduction:

- a) If the event is due to unforeseen circumstances, TTPC shall promptly inform Shipper of the reasons, the impact on transportation capacity and the estimated duration of the event;
- b) TTPC, acting as a reasonable and prudent operator, shall make every reasonable effort - including recourse to uncommitted capacity, if available - in order to minimize the impact of the Capacity Reduction on the Shipper;

- c) The residual capacity of the Transportation System shall be allocated among all Shippers in proportion to their respective Committed Flow Rate.

In the event that the actual number of Capacity Reduction days in a gas year exceeds, in aggregate, the maximum value of 15 (fifteen) days equivalent at full capacity, Shipper shall be entitled to a reduction of the Transportation Charge. Such reduction shall be calculated on the basis of 1/30th (one thirtieth) of the Monthly Fee for each day of actual reduction - equivalent at full capacity - in excess of 15 (fifteen) days equivalent at full capacity and applied on the first available invoice.

An event occurring on the upstream and/or downstream transportation systems, due to any reasons including, but not limited to, force majeure and maintenance, resulting in a reduction of deliveries by the Shipper at the Delivery Point and/or the inability by the Shipper to off-take gas at the Redelivery Point, shall not constitute a Capacity Reduction of the Transportation System and consequently the Shipper's obligation to pay the Transportation Charge in full shall continue to apply for the duration of the event.

7. Transportation Charge

7.1 Monthly Fee

From the Contractual Starting Date and for the entire duration of the GTA until the Expiration Date, Shipper undertakes to pay to TTPC, on a "ship-or-pay" basis, except in the cases mentioned in paragraphs 5.4 and 6.5, for each month k a Monthly Fee MF^k, expressed in Euro, calculated as follows:

$$MF^k = \sum_{i=1}^n UCT_i^k \cdot Q_i + \sum_{i=1}^n DUCT_i^k \cdot Q_i \cdot N_i$$

where:

- **Q_i** is the hourly flowrate corresponding to each Capacity Band i;
- **N_i** is the number of days of any Capacity Band i with duration lower than a month. However, in case of a Capacity Band i at the turn of two months, N_i is equal to the number of days of said Capacity Band i falling on the relevant month k;
- **UCT_i^k** is the Unit Capacity Tariff for any Capacity Band i with duration higher than or equal to a month, calculated as follows:

$$UCT_i^k = KD_i \cdot UCT_0 \cdot IND$$

- **DUCT_i^k** is the Unit Capacity Tariff for any Capacity Band i with duration lower than a month, calculated as follows:

$$DUCT_i^k = KD_i \cdot \frac{UCT_0}{\frac{365}{12}} \cdot IND$$

where:

- **KD_i** is the degressivity factor for Capacity Band i. Its value for each duration D is

given by the following table:

D	"SCS" ²	week	month	quarter	1 yr	2 yrs	3 yrs	4 yrs	≥5 yrs
KD	1,50	1,40	1,30	1,20	1,04	1,03	1,02	1,01	1,00

- **UCT₀** is the base value of the Unit Capacity Tariff, equal to **4.292** €/month per each Cm³/h of Committed Flow Rate;
- **IND** is the indexation factor for the month to which the Transportation Service refers.

7.2 Indexation formula

The indexation factor for a given month belonging to the j-th quarter of the i-th gas year, IND_{ij}, is given by the following formula:

$$IND_{ij} = 0,65 + 0,20 \cdot K_i + 0,15 \cdot I_j$$

where:

- **i** refers to the i-th gas year;
 - **j** refers to the j-th quarter of a gas year;
 - **K_i** is the coefficient defined sub a);
 - **I_j** is the coefficient defined sub b).
- a) The coefficient K_i shall be calculated at the beginning of each gas year i and shall be applied to each month of that gas year.

The years are progressively numbered from 1 (one) to 10 (ten) starting from year 1 (one), that shall begin on the 1st of October 2019 and shall end on the 30th of September 2020; year 2 (two) shall begin on the 1st of October 2020 and shall end on the 30th of September 2021; and so on for the following years, until year 10 (ten), that shall begin on the 1st of October 2028 and shall end on the 30th of September 2029.

The coefficient K_i takes the following values:

- for Year i = 1 (one), K₁ = 1
- for Year i = 2 (two),

$$K_2 = \frac{t_2}{t_0} \cdot \frac{1 - \frac{1}{(1 + t_0)^{11}}}{1 - \frac{1}{(1 + t_2)^{11}}}$$

- for years from i = 3 (three) to i = 10 (ten),

² "SCS" refers to the additional daily transportation capacity exceeding Shipper's Committed Flow Rate made available in case of System Critical Situations, that is, any situation having a possible negative impact on the safe operation of the Italian gas network, as activated for the Early Warning ("Pre-Allarme"), Alert ("Allarme") or Emergency ("Emergenza") levels of the Emergency Plan for the Italian natural gas system.

$$K_i = K_{(i-1)} \cdot \frac{t_i}{t_{(i-1)}} \cdot \frac{1 - \frac{1}{(1 + t_{(i-1)})^{(11-i)}}}{1 - \frac{1}{(1 + t_i)^{(11-i)}}$$

where:

t is the arithmetic mean calculated on a period of 12 (twelve) consecutive months of the monthly values of the interest rate "Government Bond Yield", as published by the International Monetary Fund on its website <https://www.imf.org> in the "Data" section under "International Financial Statistics (IFS)", in the "Country and World Tables in PDF Format" area of the "Archive" page, in the "Monthly" tables for "Italy", under the heading "Interest Rates", and, in particular:

- **t₀** is the arithmetic mean from the month of July 2018 to the month of June 2019 included, equal to **2.87%**;
- **t₂** is the arithmetic mean from the month of July 2019 to the month of June 2020 included;
- **t_i** is the arithmetic mean from the month of July of the gas year (i-2) to the month of June of the gas year (i-1) included.

For the sake of clarity, **t** shall be considered as a percentage, therefore the values published by the International Monetary Fund shall be divided by 100.

- b) The coefficient **I_j** that shall be calculated at the beginning of each quarter **j** in the months of October, January, April and July of every gas year and shall be applied to each of the 3 months of that quarter, is defined as follows:

$$I_j = 0,3 \cdot \frac{PPI_j}{PPI_0} + 0,7 \cdot \frac{SO_j}{SO_0}$$

where:

PPI_j is the arithmetic mean, calculated on the first 3 (three) months of the 6 (six) months preceding the date of recalculation, of the monthly index "Industrial Producer Prices Index - Monthly Data (Base 2015)" published by ISTAT on its website <http://dati.istat.it> in the "Prices" section under "Industrial Producer Prices", for the "Domestic Market" of the "0020 - Total Industry Excluding Construction" NACE 2007 sector;

PPI₀ is the value of PPI_j referred to the first quarter of 2019, equal to **106.2**;

SO_j is the arithmetic mean, calculated on the first 3 (three) months of the 6 (six) months preceding the date of recalculation, of the monthly index "Hourly Index of Wages According to Collective Labour Agreements (Base December 2015)" published by ISTAT on its website <http://dati.istat.it> in the "Labour and Wages" section under "Employment and Wages - National Labour Contracts (Enterprises and PA) - Wages According to Collective Labour Agreements by Economic Sector - Hourly Wages and Wages per Employee", for "All Employees Excluding Executives" of the "0020 - Total Industry Excluding Construction" NACE 2007 sector;

SO₀ is the value of SO_j referred to the first quarter of 2019, equal to **102.3**.

7.3 Rounding

The rounding of the Monthly Fee 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).

8. Invoicing and Payment

TTPC shall issue to Shipper a monthly invoice, expressed in Euro, by the 10th business day of each month, with reference to the Transportation Service carried out in the preceding month. The invoice or, where applicable, a courtesy copy of the same shall be sent by e-mail.

Shipper shall pay the invoice by the end of the month of issuance to the bank account indicated by TTPC.

Any inaccuracy in the invoiced amounts shall require the issue of appropriate credit or debit notes, for an amount equal to the amount of the miscalculation, and with due date determined in accordance with the relevant provisions of the GTA.

9. Transportation Programs

Shipper shall communicate to TTPC, by the 15th of September of every gas year, its indicative, not binding annual transportation program with monthly details for the following gas year. It is understood that, with reference to the booking of a calendar year, the above communication shall be notified to TTPC within 15 (fifteen) days from the Contractual Starting Date.

Shipper shall communicate to TTPC, by the 15th of every month, its indicative, not binding monthly transportation program, with weekly and daily detail, for the following month.

Shipper shall communicate to TTPC, by 18:00 (GMT+1) of every Tuesday, its indicative, not binding weekly transportation program, with daily detail, for the week starting the following Sunday. The communicated daily quantities are intended for a constant hourly flow rate during each day and shall not exceed the Committed Flow Rate.

10. Governing Law

The GTA shall be governed by and construed in accordance with the laws of Italy. All disputes, controversies, or claims arising out or in connection with the GTA including its interpretation, validity, performance, breach, and termination shall be referred to, and finally and exclusively settled by, the exclusive jurisdiction of the Court of Milan.

11. Assignment

No Party shall have the right to assign its rights and obligations under the GTA without prior written consent of the other Party.

In case of assignment to a Parent Company or to a subsidiary, the consent to the assignment shall not be denied.

The assignment is subject to the condition that, at least 10 (ten) days before the date of the assignment, where requested, the transferee delivers to TTPC the original of a bank guarantee or, if applicable, of a parent company guarantee, having validity from the date of the assignment, or pays the cash collateral.

12. Guarantees and Cash Collateral

- a) With the exception of the provisions set forth in paragraphs b) herein below, Shipper shall provide TTPC with an autonomous and independent first demand bank guarantee issued by a primary credit institution, as per the form annexed to the GTA.
- b) As long as Shipper holds a credit rating not lower than Standard & Poor's "BBB-" or Moody's "Baa3" or Fitch Ratings "BBB-", then Shipper shall be exempted from its obligation to provide TTPC with the bank guarantee. In case Shipper does not hold the above-mentioned credit rating, but as long as its parent company does, then Shipper shall be entitled to provide TTPC with an autonomous and independent first demand parent company guarantee, as per the form annexed to the GTA, in substitution of the bank guarantee.
- c) Without prejudice to the provisions of the preceding paragraphs, Shipper may instead opt for the payment in favor of TTPC of a cash collateral as a security. The cash collateral will not bear interest.

The above-mentioned bank guarantee or parent company guarantee shall be issued in favor of TTPC for an amount equal to, or the cash collateral shall be paid in favor of TTPC for an amount equal to: i) **Euro 1,25** (one and 25/100) for each Cm³/h of Committed Flow Rate in case of a Capacity Band with the duration of one week, ii) **Euro 5,00** (five and 00/100) for each Cm³/h of Committed Flow Rate in case of a Capacity Band with the duration of one month, or iii) **Euro 13,00** (thirteen and 00/100) for each Cm³/h of Committed Flow Rate in every other case.

13. Reduction of Committed Flow Rate and Termination

Should one invoice result unpaid by Shipper within 15 days from its due date, TTPC shall be entitled, at its own discretion and without prejudice to any other rights, to temporarily perform the Transportation Service for a reduced flow rate until payment of the overdue invoice, without prejudice to Shipper's obligation to pay the Transportation Charge in full.

Should at least two invoices result unpaid by Shipper within 15 (fifteen) days from their respective due dates, or should Shipper fail to provide TTPC with the original of the guarantees as provided in the GTA, or should the reduction of Committed Flow Rate set forth above last longer than three months, TTPC shall be entitled, at its own discretion and without prejudice to any other rights, to terminate the GTA before the expiration date.

Should TTPC elect to terminate the GTA before the expiration date as set forth above, Shipper, without prejudice to any other rights for TTPC, shall pay to TTPC the unpaid Transportation Charges as well as an early termination fee equal to the amount calculated by multiplying:

- the Monthly Fee as resulting from the latest invoice (concerning an entire month) preceding the early termination date,
by
- the lower between: i) the number of months between the early termination date and the expiration date of the GTA, and ii) 12 (twelve) months.

All the above amounts due to TTPC shall be paid within 15 (fifteen) days from the invoicing of the early termination fee.

14. Operatorship

TTPC shall be entitled to perform any of its obligations under the GTA by procuring that such obligations are performed on its behalf by a third party, without prejudice to its liability towards Shipper.

15. Confidentiality, Privacy and Compliance

The terms and conditions of the GTA, as well as all technical and commercial information and data, communicated by one party to the other in the performance of the GTA, which are not already in possession of the receiving party or that became of public domain without any breach of this confidential obligation, shall be considered strictly confidential.

The parties act in compliance with the obligations related to the protection of personal and non-personal data, each for the part under its responsibility.

TTPC adopted: (i) an organizational and control model pursuant to Legislative Decree 231/2001 regarding the administrative liability of legal entities for offences committed by their directors, employees and/or agents ("Model 231"); (ii) the "Code of Ethics"; (iii) the "Anti-Corruption" Guideline; (iv) the "Guidelines for the Protection and Promotion of Human Rights". The documents above are available on TTPC's website (www.ttpc.eni.com).