

## **SECTION 3: REQUIREMENTS FOR PROVIDING THE SERVICE - SCHEDULING AND PROVISION OF THE REGASIFICATION AND SMALL SCALE SERVICE**

### **Chapter 3.1 - CREDIT AND INSURANCE REQUIREMENTS**

#### **3.1.1 Credit Requirements for the Continuous Regasification Service**

##### **3.1.1.1 Financial guarantees to secure the obligations of Users with Capacity Agreement for the allocation of Continuous Capacity**

a) Subject to the Applicant's obligation to submit the financial guarantee envisaged by Clauses 2.1.5.2 and 2.1.5.3 to secure the obligations arising from the allocation of Continuous Capacity, the Operating Company will provide the Continuous Regasification Service exclusively to the Users that provide and maintain adequate financial guarantees to secure the payment obligations arising from the execution of a Capacity Agreement for the allocation of Continuous Capacity. For the entire duration of the Capacity Agreement and until the sixth (6<sup>th</sup>) Month following the expiry of the latter or subsequent to such period while the User's payment obligations in respect of the Operating Company are suspended, the User is required to have:

- (i) a credit rating as per Clause 3.1.1.1b) or, failing that
- (ii) a financial guarantee as specified in Clause 3.1.1.1c) or 3.1.1.1d) or, failing that
- (iii) a non-interest-bearing security deposit in a bank account held by the Operating Company to be created through wire transfer stating clearly in the description the purpose pursued by the transfer itself. Such deposit will be returned to the Applicant within ten (10) Business Days of its request. In the event that the request is made by a User, the deposit will be returned within the same period of ten (10) Business Days of the request and in any case only if and insofar as the obligations guaranteed by such deposit have been fulfilled.

b) The Applicant shall provide the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, that its rating for unsecured long-term debt is equal to or higher than:

- i) Baa3 if given by Moody's; or
- ii) BBB- if given by Standard&Poor's; or
- iii) BBB if given by Fitch.

c) If the requirement envisaged by Clause 3.1.1.1b) is not fulfilled by the Applicant, but is fulfilled by an Affiliate of the User, the Applicant may provide the Operating Company with a Guarantee of the Company of the User's Group which expresses the Guarantor's undertaking to meet all the obligations envisaged for the Applicant under the Capacity Agreement. The template for the letter of guarantee signed by the Affiliate of the User is contained in Annex 7A2 or, alternatively, in the case of multiannual allocations, with a letter of guarantee conforming to the template contained in Annex 7A2P.

d) If the requirements envisaged by Clause 3.1.1.1b) and 3.1.1.1c) are not fulfilled, the Applicant shall present a special Bank Guarantee issued by an Approved Credit Institution for one third (1/3) of the maximum annual commitment fee payable under the Capacity Agreement and paid to the Operating Company in accordance with the provisions of Clauses 5.2.1.3 and 5.2.1.5. It being understood that for the entire duration of the Capacity Agreement the amount of the Bank Guarantee must be, in each Month M, at least equal to the total amount of the monthly sums payable by the User until the end of the fifth (5<sup>th</sup>) month after Month M. The template for the Bank Guarantee is contained in Annex 7A1 or, alternatively, in the case of multiannual allocations, with a letter of guarantee conforming to the template contained in Annex 7A1P. The guarantee will continue to have effect for 120 days subsequent to the end of the last Gas Year in which regasification capacity will be allocated.

e) The User shall provide the Operating Company with that which is envisaged by Clause 3.1.1.1a) together with the Capacity Agreement, duly signed pursuant to Clause 2.1.7 and by the deadline envisaged by Clauses 2.1.5.2 and 2.1.5.3.

##### **3.1.1.2 Financial guarantees to secure the obligations of Users with a Capacity Agreement for the allocation of Interim Capacity**

a) Subject to the Applicant's obligation to submit the financial guarantee envisaged by Clauses 2.1.8.1, 2.1.9.1, and 2.1.9.2 to secure the obligations arising from allocation of Interim Capacity, the Operating Company will provide the Continuous Regasification Service exclusively to Users that

provide and maintain adequate financial guarantees to secure the payment obligations arising from the execution of a Capacity Agreement(s). For the entire duration of the Capacity Agreement and until the sixth (6<sup>th</sup>) Month following the expiry of the latter or subsequent to such period while the User's payment obligations in respect of the Operating Company are suspended, the User is required to have:

- (i) a credit rating as per Clause 3.1.1.2b) or, failing that
- (ii) a financial guarantee as specified in Clause 3.1.1.1c) or 3.1.1.1d) or, failing that
- (iii) a non-interest-bearing security deposit in a bank account held by the Operating Company to be created through wire transfer stating clearly in the description the purpose pursued by the transfer itself. Such deposit will be returned to the Applicant within ten (10) Business Days of its request. In the event that the request is made by a User, the deposit will be returned within the same period of ten (10) Business Days of the request and in any case only if and insofar as the obligations guaranteed by such deposit have been fulfilled.

b) The Applicant shall provide the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, that its rating for unsecured long-term debt is equal to or higher than:

- i) Baa3 if given by Moody's; or
- ii) BBB- if given by Standard&Poor's; or
- iii) BBB if given by Fitch.

c) If the requirement envisaged by Clause 3.1.1.1b) is not fulfilled by the Applicant, but is fulfilled by an Affiliate of the User, the Applicant may provide the Operating Company with a Guarantee of the Company of the User's Group which expresses the Guarantor's undertaking to meet all the obligations envisaged for the Applicant under the Capacity Agreement. The template for the letter of guarantee signed by the Affiliate of the User is contained in Annex 7A2 or, alternatively, in the case of multiannual allocations, with a letter of guarantee conforming to the template contained in Annex 7A2P.

d) If the requirements envisaged by Clause 3.1.1.1b) and 3.1.1.1c) are not fulfilled, the Applicant shall present a special Bank Guarantee issued by an Approved Credit Institution for an amount that must be, in each Month M, at least equal to the total amount of the monthly sums payable by the User until the end of the fifth (5<sup>th</sup>) month following Month M. The template for the Bank Guarantee is contained in Annex 7A1 or, alternatively, in the case of multiannual allocations, with a letter of guarantee conforming to the template contained in Annex 7A1P.

e) The Applicant shall provide the Operating Company with that which is envisaged by Clause 3.1.1.1a) together with the Capacity Agreement, duly signed pursuant to Clause 2.1.10 and by the deadline envisaged by Clauses 2.1.8.1, 2.1.9.1, and 2.1.9.2.

### **3.1.1.3 Financial guarantees to secure the obligations of Small Scale Users**

a) The Operating Company will provide the Small Scale Service exclusively to Small Scale Users that provide and maintain adequate financial guarantees to secure the obligations arising from the allocation of Small Scale Slots. Until the sixth (6<sup>th</sup>) Month following the Month in which the Small Scale User has received the Small Scale Service, or subsequent to such period while the Small Scale User's payment obligations in respect of the Operating Company are suspended, the Small Scale User is required to have:

- (i) a credit rating as per Clause 3.1.1.2b) or, failing that
- (ii) a financial guarantee as specified in Clause 3.1.1.1c) or 3.1.1.1d) or, failing that
- (iii) a non-interest-bearing security deposit in a bank account held by the Operating Company to be created through wire transfer stating clearly in the description the purpose of the transfer. Such deposit will be returned to the Applicant within ten (10) Business Days of its request. In the event that the request is made by a Small Scale User, the deposit will be returned within the same period of ten (10) Business Days of the request and in any case only if and insofar as the obligations guaranteed by such deposit have been fulfilled.

- b) The Applicant shall provide the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, that its rating for unsecured long-term debt is equal to or higher than:
  - i) Baa3 if given by Moody's; or
  - ii) BBB- if given by Standard&Poor's; or
  - iii) BBB if given by Fitch.
- c) If the requirement envisaged by Clause 3.1.1.1b) is not fulfilled by the Applicant, but is fulfilled by an Affiliate of the User, the Applicant may provide the Operating Company with a Guarantee of the Company of the Small Scale User's Group which expresses the Guarantor's undertaking to meet all the Applicant's obligations arising from the Small Scale Service and from the Small Scale Agreement. The template for the letter of guarantee signed by the Company of the Small Scale User's Group is contained in Annex 7A2.
- d) If the requirements envisaged by Clause 3.1.1.3b) and 3.1.1.3c) are not fulfilled, the Applicant shall present a special Bank Guarantee issued by an Approved Credit Institution for an amount that must be, in each Month M, at least equal to the total amount of the monthly sums payable by the User until the end of the eleventh (11<sup>th</sup>) month following Month M ed a fifth (1/5) of the total amount of the sums payable by the Small Scale User in the entire period following the eleventh (11<sup>th</sup>) month. The template for the Bank Guarantee is contained in Annex 7A1.
- e) The Applicant shall provide the Operating Company with that which is envisaged by Clause a) in accordance with that which is envisaged by the Operating Company in the Small Scale Slot allocation processes.

The financial guarantees provided by the User to secure its obligations under the Capacity Agreement will also be used by the Operating Company to secure the obligations arising from the Small Scale Agreement, where the User is also a Small Scale User and vice versa.

### **3.1.2 Scope of the Financial Guarantees**

- a) The financial guarantees envisaged by Clauses 3.1.1.1, 3.1.1.2 and 3.1.1.3 shall, in addition to the foregoing, also cover any amounts invoiced to the User and still outstanding in Month M;
- b) It being understood that the Operating Company may prevent parties from participating in the regasification capacity allocation processes or Small Scale Slots if the financial guarantees are not issued by the deadlines envisage by Chapter 2.1 or of the financial guarantees envisaged for the allocation of Small Scale Slots are not issued or if the financial guarantees issued are insufficient in respect of the relevant obligations, including the payment obligation envisaged by Clause 3.1.2a).

### **3.1.3 Variation of the Credit Requirements**

#### **3.1.3.1 Variation of the User's or the Small Scale User's Credit Requirements**

- a) In the event that a User meets the requirements envisaged by Clauses 3.1.1.1b) or 3.1.1.2b), but at any point during the Capacity Agreement such User no longer meet the aforementioned requirements, the User itself shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days of when it ceased to meet such requirements or, if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) is met by an Affiliate of the User, a User's Group Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes. Such Bank Guarantee or Small Scale User's Group Guarantee shall be provided within the same time limit of ten (10) Business Days by the Small Scale User that no longer meets the requirements envisaged by Clause 523.1.3.1b).
- b) In the event that a User has provided a Bank Guarantee or a User's Group Guarantee and, at any time during the Capacity Agreement, such User meets the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b), once the User has provided the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, the latter will promptly release the Guarantor from its obligations under the Bank Guarantee or the User's Group Guarantee and will promptly return the original of the latter to the Guarantor. In the case in which a Small Scale User has

provided a Bank Guarantee or a Small Scale User's Group Guarantee and at any time until the fulfilment of the obligations arising from the allocation of Small Scale Slots such Small Scale User meets the requirements envisaged by Clause 3.1.1.3b), once the Small Scale User has provided the Operating Company with written evidence, in a form and with a content deemed satisfactory by the Operating Company, of such condition, the latter will promptly release the Guarantor from its obligations envisaged by the Bank Guarantee or the Small Scale User's Group Guarantee and will promptly return the original Guarantee to the Guarantor.

c) In the event that a User has provided a User's Group Guarantee and, at any time during the Capacity Agreement, the Guarantor ceases to be an Affiliate of the User, the User itself shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days from when it ceases to be an Affiliate or if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) is met by an Affiliate of the User, a User's Group Guarantee. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes. In the case in which a Small Scale User has provided a Small Scale User's Group Guarantee and at any time until the fulfilment of the obligations arising from the allocation of Small Scale Slots the Guarantor ceases to be a Company of the Small Scale User's Group, the Small Scale User shall provide the Operating Company within ten (10) Business Days from such cessation with a Bank Guarantee or, if the requirement envisaged by Clause 3.1.1.3b) is met by a Company of the Small Scale User's Group, a Small Scale User's Group Guarantee. Pending the Small Scale User's provision of such guarantees, the Operating Company may prevent it from participating in any further Small Scale Slot allocation processes.

### **3.1.3.2 Variation of the Guarantor's Credit Requirements**

a) In the event that a User has provided a User's Group Guarantee or a Small Scale User has provided a Small Scale User's Group Guarantee and, at any time during the Capacity Agreement or until the fulfilment of the obligations arising from the allocation of Small Scale Slots, the Guarantor ceases to meet the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) or 3.1.1.3b), the User or the Small Scale User shall provide the Operating Company with a Bank Guarantee within ten (10) Business Days of when it ceased to meet such requirements. Until such time as the User or the Small Scale User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes or Small Scale Slots.

b) In the event that a User or Small Scale User has provided a Bank Guarantee and, at any time during the Capacity Agreement or until the fulfilment of the obligations arising from the allocation of Small Scale Slots, the Guarantor loses its status as an Approved Credit Institution, the User or Small Scale User shall provide the Operating Company with a Bank Guarantee issued by another Approved Credit Institution within ten (10) Business Days of when it ceased to meet such requirements or, if the requirement envisaged by Clause 3.1.1.1b) or 3.1.1.2b) or 3.1.1.3b) is met by an Affiliate of the User or a Company of the Small Scale User's Group, a User's Group Guarantee or a Small Scale User's Group Guarantee. Until such time as the User or Small Scale User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes or Small Scale Slots.

### **3.1.4 Peak Shaving Guarantee**

The Peak Shaving Guarantee is issued in order to cover the possible risks related to the obligations the Operating Company undertook towards the Peak Shaving Service Supplier in the event the User fails to deliver a Confirmed Cargo during the Peak Shaving Service and:

(a) shall be issued by the User in the event the Peak Shaving Service has been awarded to a third party following the relevant tender procedure published by the Operating Company;

(b) in each month M-1, in relation to the Month M and for the whole duration of the Peak Shaving Service, the User shall maintain the Peak Shaving Guarantee, otherwise the provisions of Clause 2.1.3 shall apply;

(c) the Peak Shaving Guarantee shall be valid from the issuing date until the completion of the unloading in accordance with the wording of the Bank Guarantee and for the Guarantee of the Company of the User's Group contained in Annex 7B1/2;

(d) the Operating Company communicates to the User its obligation in providing the Peak Shaving Guarantee and the amount of the latter only in the event of Peak Shaving Service has been awarded. The amount will be equal to the fee to be paid to the Peak Shaving Service Supplier.

Without prejudice to Clauses 2.1.3, 5.3.2 and 5.3.3.2, the Operating Company has the right to enforce the Peak Shaving Guarantee and any other credit guarantee provided or procured by the User under Clause 3.1.1 in the event the User, despite being the LNG volumes for Peak Shaving Service redelivered at Redelivery Point to the User before the Discharge, it does not afterwards proceed in Discharging the scheduled volumes.

### **3.1.5 Replacement and enforcement of the financial guarantees**

**3.1.5.1** In the event that a User, or Small Scale User, has provided a Bank Guarantee, a Guarantee of the Company of the User's Group or a Guarantee of the Company of the Small Scale User's Group or a security deposit and at any time during the Capacity Agreement, such financial guarantees become invalid or ineffective or they expire within fifteen (15) Business Days, the User or Small Scale User shall, within ten (10) Business Days of the occurrence of the aforementioned events, replace the financial guarantee with an equivalent financial guarantee for the same amount. Until such time as the User or Small Scale User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity or Small Scale Slots allocation processes.

**3.1.5.2** Subject to the provisions of Clauses 2.1.3, 5.3.2 and 5.3.3.2 the Operating Company may enforce the financial guarantees envisaged by Clauses 3.1.1.1 and 3.1.1.2 in any of the following circumstances:

- a) the User does not pay or ensures the non-payment of any sum owed to the Operating Company under the Capacity Agreement; or
- b) the User has not, in the case envisaged by Clause 3.1.3.2a), replaced the Bank Guarantee by the deadline envisaged by the latter; or
- c) as otherwise expressly authorised by the terms and conditions of the Bank Guarantee or the User's Group Guarantee, respectively.

It being understood that if the Operating Company enforces, in whole or in part, the Bank Guarantee, the Guarantee of the Company of the User's Group or the security deposit within ten (10) Business Days of such enforcement the User shall restore such financial guarantees to the original amount even by replacing them with other equivalent financial guarantees with the same amount of the occurred enforcement. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further regasification capacity allocation processes.

Subject to the provisions of Clauses 5.3.2 and 5.3.3.2, if the User does not meet the requirements envisaged by Clauses 3.1.1, 3.1.2, 3.1.3 and 3.1.4, the provisions of Clause 2.1.3 will apply.

**3.1.5.3** Subject to the provisions of Clauses 2.1.14, 5.3.2 and 5.3.3.2 the Operating Company may enforce the financial guarantees envisaged by Clauses 3.1.1.3 in any of the following circumstances:

- a) the Small Scale User does not pay or ensures the non-payment of any sum owed to the Operating Company; or
- b) the Small Scale User has not, in the case envisaged by Clause 3.1.3.2a), replaced the Bank Guarantee by the deadline envisaged by the latter; or
- c) as otherwise expressly authorised by the terms and conditions of the Bank Guarantee or the Small Scale User's Group Guarantee, respectively.

It being understood that if the Operating Company enforces, in whole or in part, the Bank Guarantee, the Small Scale User's Group Guarantee or the security deposit within ten (10) Business Days of such enforcement the Small Scale User shall restore such financial guarantees to the original amount including by replacing them with other equivalent financial guarantees with the same amount as that enforced. Until such time as the User provides such guarantees the Operating Company may prevent it from taking part in any further Small Scale Slot allocation processes.

Subject to the provisions of Clauses 5.3.2 and 5.3.3.2, if the Small Scale User does not meet the requirements envisaged by Clauses 3.1.1, 3.1.2 and 3.1.3, the provisions of Clause 2.1.14 will apply.

### 3.1.6 Reduction of the amount of the financial guarantees

In the event that following a transfer and/or release and/or exchange of regasification capacity or Small Scale Slots pursuant to Clauses 3.2.2, 3.2.3 and 3.2.4, the obligations envisaged Clauses 3.1.1, 3.1.2, 3.1.3 and 3.1.4 associated with the regasification capacity or the Small Scale Slots are amended, the User or the Small Scale User concerned will be entitled to a consequent adjustment of the relevant guarantees.

### 3.1.7 Guarantee against non-compliance with the Ninety Day Unloading and Loading Schedule

a) For the purposes of Clause 3.3.2.2d), in order to guarantee compliance with the Ninety Day Unloading and Loading Schedule for Month M as defined by Clause 3.3.2 as well as the Default Redelivery Profiles envisaged by Clause 3.4.1.1, of the Creditor Users, each Debtor User shall register a sales transaction at the Virtual Exchange Point in favour of the Creditor User(s).

b) The sales transaction at the Virtual Exchange Point shall be of a multi-day type starting on the third (3<sup>rd</sup>) Gas Day subsequent to the Scheduled Arrival Window for each Delivery Slot scheduled by the Debtor User in Month M and ending, respectively, on:

- (i) the last Gas Day of Month M or the last Gas Day of the relevant Redelivery Period, whichever occurs first, or
- (ii) the last Gas Day of the relevant Delivery Period for the last Delivery Slot scheduled for Month M.

c) The quantity involved in each of the sales transactions at the Virtual Exchange Point will be equal to the debt position of the Debtor User in respect of the Creditor User(s) at the arrival of each Confirmed Cargo scheduled by the Debtor User itself. Each User may monitor its overall debt position through the Electronic Communications System.

d) The Operating Company is consequently authorised by each Debtor User to register the relevant sales transactions at the Virtual Exchange Point in the name and on behalf of the User in accordance with the following timing:

- i) by the deadline envisaged by Clause 3.3.2.2e) in relation to the Continuous Regasification Service; and
- ii) within two (2) Business Days of the award of the regasification capacity following the auctions envisaged by Clauses 2.1.9.1 and 2.1.9.2 in relation to the Spot Regasification Service;

In the event the Debtor User has indicated the identity of the transportation User and the regasified quantities allocation rules of its competence by signing, together with transportation User, the form contained in Annex 5, the sales transaction may be registered by the Operating Company at the Virtual Exchange Point, prior communication of the Debtor User, also on behalf of the transportation User to the extent corresponding to the allocation of the regasified quantities. It being understood that the Debtor User shall remain liable *vis-à-vis* the Operating Company, as well as *vis-à-vis* the other Creditor Users, for the failure, delay, or otherwise incorrect fulfilment by the transportation User, authorizing since now the Operating Company to include the transaction in the Virtual Exchange Point on behalf of the Debtor User where the Operating Company could not, for any reason, include it on behalf of the transportation User.

e) Each Debtor User will be required to maintain the necessary amounts of its financial guarantees that cover the system as envisaged by Chapter 5 of Network Code and to replenish them promptly if they are not sufficient to effect the aforementioned sale transaction.

f) In the event that the delivery of the Confirmed Cargo takes place in accordance with the Ninety Day Unloading and Loading Schedule, the Operating Company will cancel the previously-registered transaction by the date of expiry of the latter. Failing that, or in the event that the provisions of Clause 3.3.7c) apply and subject in any case to the case envisaged by Clause 3.7.2, the Operating Company will activate the previously-registered transaction, unless otherwise agreed by all the Users involved (Debtor User and Creditor User(s)) and duly notified to the Operating Company by the aforementioned deadline. It being understood that the transaction at the Virtual Exchange Point for which the Debtor User is responsible may be activated, in whole or in part, by the Operating Company even in the case

of a Late LNG Carrier for each day's delay (or in the case of non-delivery of the cargo) and for the purposes of guaranteeing the redelivery profile to the Creditor Users during the days of delay.

g) The Users expressly agree that the Operating Company may register, cancel or amend the transactions envisaged by this Clause according to the procedures and the cases envisaged herein and they agree to inform the Operating Company as soon as possible of any errors and to indemnify and hold the latter harmless from and against any adverse consequences arising from any registration errors.

h) For the purposes of this Clause 3.1.7, the Operating Company may act as a Creditor User and, in such case, the sales transactions at the Virtual Exchange Point envisaged by Clause 3.1.7b) will be issued in favour of the Operating Company itself.

i) In the event that the User is provided in advance with the quantities involved in the Peak Shaving Service, the Operating Company, which in such case will act as a Creditor User, may charge to the User the sales transaction at the Virtual Exchange Point envisaged by Clause 3.1.7.b) as security in the event of non-delivery or reduced delivery of the Confirmed Cargo. Such transactions will be cancelled by the Operating Company upon delivery of the Confirmed Cargo to an extent corresponding to the volumes of LNG intended for the Peak Shaving Service that have been reconstituted by the Unloading.

### **3.1.8 Insurance Requirements**

#### **3.1.8.1 Operating Company's insurance policies**

The Operating Company has taken out insurance policies against third-party damage arising from the performance of its commercial activities for an amount of not less than twenty-five million Euro (€ 25,000,000.00).

#### **3.1.8.2 User's or Small Scale User's insurance policies**

a) The User or Small Scale User shall procure and maintain for the entire duration of the Capacity Agreement or the Small Scale Agreement, at no expense to the Operating Company, comprehensive general liability insurance in an amount not less than twenty-five million Euros (€ 25,000,000), providing coverage for personal injury, death and/or property damage resulting from each occurrence or related series of occurrences caused by the User and/or by the User's Group, and/or by the Small Scale User or the Small Scale User's Group.

b) The User and the Small Scale User shall procure that the Ship Owner of each LNG Carrier or each Small Scale Carrier which is used shall execute and maintain the following insurance policies:

- (i) marine risks and war risks insurance (including war P&I) in respect of each LNG Carrier or each Small Scale Carrier for an amount not less than the market value of the LNG Carrier or Small Scale Carrier;
- (ii) marine protection and indemnity insurance for each LNG Carrier or each Small Scale Carrier including collision liability and damage to fixed and floating objects and personal injury coverage, with a P&I club that is a member of the international group of P&I clubs in the maximum amount available with the relevant P&I club (including coverage for the LNG Carrier's or Small Scale Carrier's legal liabilities for damage to the Terminal, spills/pollution and other third party injury and property damage); and
- (iii) any other insurance required by Applicable Law.

c) If the Operating Company so requests, the User or Small Scale Carrier shall as soon as reasonably practicable, provide to the Operating Company insurance policies demonstrating compliance with the requirements referred to in Clauses 3.1.8.2a) and/or 3.1.8.2b).

d) If the insurance policies are not provided to the Operating Company as soon as reasonably practicable following a request under Clause 3.1.8.2c) or such insurance policies fail to demonstrate compliance with the requirements of Clauses 3.1.8.2a) and/or 3.1.8.2b), or if the User is in breach of its obligations under Clauses 3.1.8.2a) and/or 3.1.8.2b), the Operating Company may suspend or discontinue the provision of the Regasification Service to the User in accordance with Clause 2.1.3 or suspend or interrupt the provision of the Small Scale Service to the Small Scale User in accordance with Clause 2.1.14.

e) If the Ship Owner of any LNG Carrier or Small Scale Carrier has not effective and maintained the insurances required by Clause 3.1.8.2b), then any prior acceptance of the LNG Carrier or the Small Scale Carrier shall be deemed automatically revoked by the Operating Company.

### **3.1.8.3 Proceeds of Protection and Indemnity and Comprehensive General Liability Insurance**

The User's Group or the Small Scale User's Group and the Operating Company's Group agree to ensure that the proceeds of any protection and indemnity and comprehensive general liability insurance which the User's Group, the Small Scale User's Group and the Operating Company's Group have taken out or are required to take out (as applicable) under Clauses 3.1.8.1 or 3.1.8.2 shall, where applicable, be paid directly to the third party whose claim has caused such proceeds to have been paid. In the event that any proceeds of any liability insurance (including protection and indemnity and comprehensive general liability insurance) are paid to the User's Group, to the Small Scale User's Group or to the Operating Company's Group, the latter will promptly transfer such indemnity to the injured party to discharge the relevant claims.



## Chapter 3.2 - CAPACITY AND SMALL SCALE SLOT TRANSACTIONS

### 3.2.1 No assignment

The User or the Small Scale User may not assign, mortgage, charge, pledge, dispose of, or otherwise transfer all or part of its rights and/or (if applicable) obligations under the Capacity Agreement, nor grant any right or interest under the Capacity Agreement or arising under the Small Scale Agreement to any person without the prior written consent of the Operating Company, such consent not to be unreasonably withheld.

### 3.2.2 Transfer of regasification capacity

#### 3.2.2.1 Regasification capacity transfer process

a) Prior to the start and/or in the course of each Gas Year each User may transfer the regasification capacity which it holds under a Capacity Agreement executed with the Operating Company. Transfer of capacity shall mean the transfer to another User or third party other than the User (**Transferee**) of a certain quantity of regasification capacity held by a User of the Terminal (**Transferring User**) and of all the rights and obligations associated with such regasification capacity. The transfer of regasification capacity shall be requested, upon penalty of cancellation, according to the procedures and timing specified below:

- (i) the interested parties, Transferring User and Transferee, shall send the Operating Company the request form for the transfer of regasification capacity (Annex 3), duly completed and signed by them, specifying:
  - the volume of LNG, expressed in cubic metres of LNG, and the relevant Maximum Number of Permitted Berthing Slots being transferred;
  - the Delivery Slots or Monthly Slots in the event that the transfer takes place after the process that determines the Annual Unloading and Loading Schedule. Transfer of Delivery Slots or Monthly Slots shall mean the transfer by the Transferring User to the Transferee of all the rights and obligations associated with one or more Delivery Slots or Monthly Slots being transferred (each Delivery Slot or Monthly Slot to be deemed inclusive of the Berthing Slot, the relevant regasification capacity and the relevant right to use the User's Regasification Service which, insofar as applicable have been determined in the Annual Unloading and Loading Schedule, together with all the rights, obligations and liability envisaged by Clause 3.2.2.2).
- (ii) In order for the regasification capacity transfer request to be accepted, the Transferee must meet the Service Conditions envisaged by Clause 2.1.1 and shall have sent the signed Capacity Agreement and provided the adequate financial guarantees envisaged by Chapter 3.1 by and not later than 12:00 on the second (2<sup>nd</sup>) Business Day prior to the deadline envisaged by Clause 3.2.2.1a)(iii), which is deemed to be a condition of the effectiveness of the transfer.
- (iii) The regasification capacity transfer request (Annex 3) shall reach the Operating Company:
  - by fifth (5<sup>th</sup>) August for the transfer of Continuous Capacity starting on 1<sup>st</sup> October of the subsequent Gas Year; and/or
  - by the seventh (7<sup>th</sup>) Business Day before the start of the Month in which the Delivery Slot(s) or Monthly Slot(s), to be transferred, are scheduled.

The transfer request will be irrevocable and shall contain a declaration in which the Transferring User and the Transferee acknowledge that its effectiveness is subject to the express acceptance of the Operating Company which will assess the adequacy of the documentation and the data contained therein. It being understood that at the time of the transfer request, no material breach or material default shall have been made by the Transferring User, or even the Transferee in the event that the latter is already a User or Small Scale User, in accordance with the Capacity Agreement or the Small Scale Agreement, including the non-payment of any amount payable under such Capacity Agreement or such Small Scale Agreement. Transfers of regasification capacity will not be accepted if the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant and/or the Transferring User does not hold the capacity to be transferred.

b) By the third (3<sup>rd</sup>) Business Day subsequent to the expiry of the deadline envisaged by Clause 3.2.2.1a)(iii), the Operating Company will inform the Transferring User and the Transferee of:

- (i) the acceptance of the transfer request for regasification capacity and will return to the applicants a copy of the transfer requests duly countersigned as a sign of acceptance and, if the Transferee has sent the duly signed Capacity Agreement together with the transfer request, the Operating Company will also send the Transferee a copy of the Capacity Agreement duly signed by the Operating Company by the second (2<sup>nd</sup>) Business Day following its receipt; or
- (ii) the rejection of the transfer request.

### **3.2.2.2 Effect of a transfer of regasification capacity**

- a) Save as provided in Clause 3.2.2.2b), with effect from the date on which the Operating Company accepts the regasification capacity transfer request pursuant to Clause 3.2.2.1b):
  - (i) the Transferring User will transfer to the Transferee, and the Transferee, which will assume for all intents and purposes the status of User, will take over all the rights and obligations arising from the Capacity Agreement, insofar as they refer to the capacity to be transferred. To ensure the clarity of the relationship between the Transferring User and the Transferee, such rights and obligations will be reflected in the new Capacity Agreement envisaged by Clause 3.2.2.1b)(i).;
  - (ii) the Transferring User will retain all its rights and obligations in respect of the Operating Company under the Capacity Agreement, including the obligation to pay the Charges for the non-transferred regasification capacity;
  - (iii) the commitments envisaged by Capacity Agreement signed by the Transferring User will be appropriately adjusted to the extent and for the duration required to consider the effects of the transfer;
  - (iv) the Operating Company will add the Transferee to the Annual Unloading and Loading Schedule and the Ninety Day Unloading and Loading Schedule (where applicable);
- b) the transfer of regasification capacity will not result in the transfer of (and the Transferring User and the Operating Company will not exempt from) the obligations or liability arising from the Capacity Agreement before the Transferee enters into the Capacity Agreement.

### **3.2.3 Release of regasification capacity**

#### **3.2.3.1 Release of Continuous Capacity pursuant to article 8, paragraph 2 TIRG**

- a) The Continuous Capacity User is entitled to release all or part of its Continuous Capacity on an annual and/or multi-annual basis.
- b) In order to release Continuous Capacity, the User shall send the Operating Company a Statement of Release (Annex 2A1), thereby granting the Operating Company the right to offer such capacity as Secondary Capacity. Such Statement of Release shall reach the Operating Company at least ten (10) Business Days prior to the deadlines by which the Operating Company is required to publish the regasification capacity available for the annual and multi-annual envisaged by Clauses 2.1.5.2 and 2.1.5.3. It being understood that any released Continuous Capacity which is not allocated in the context of the relevant allocation processes will remain the responsibility of the User. The released Continuous Capacity may be allocated by the Operating Company in whole or in part.
- c) In any case releases of Continuous Capacity will not be accepted if:
  - i. the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant;
  - ii. the Continuous Capacity User that requests the release is not the holder of the capacity to be released.
- d) In the event that the Continuous Capacity User has informed the Operating Company of the released Continuous Capacity and the latter has been allocated pursuant to allocation process envisaged by Clauses 2.1.5.2 and 2.1.5.3, all the User's rights relating to such released Continuous Capacity will be deemed to have been waived and will cease to have effect. The User will cease to claim any right in relation to such released Continuous Capacity and the commitments envisaged by the User's Capacity Agreement will be appropriately adjusted to the extent and for the duration required to consider the effects of such allocation.

e) The Continuous Capacity User will continue to be subject to any obligation and liability arising from or associated with the released Continuous Capacity (including the obligation to pay the Charges) to the Operating Company unless such Continuous Capacity is subsequently allocated; in the case of allocation, the Continuous Capacity User that released the capacity will in any case be required to pay the difference, where positive, between the Charges that it would have paid if it had not released the capacity and the Charges that the User (or the Users) that were awarded the released capacity will pay (as a whole) to the Operating Company. If the difference is negative, the Operating Company will pay the User that released the capacity the higher proceeds arising from the release of the Continuous Capacity.

f) Each Continuous Capacity User that has released regasification capacity pursuant to Clause 3.2.3.1, and such capacity has not already been allocated to other Users, may recover the released Continuous Capacity by submitting a Statement of Withdrawal (Annex 2A3) to the Operating Company, which the Operating Company must receive by the fifth (5<sup>th</sup>) Business Day before the deadlines by which the Operating Company is required to publish the regasification capacity available for the annual or multi-annual allocation envisaged by Clauses 2.1.5.2 and 2.1.5.3.

### **3.2.3.2 Release of Delivery Slots and Monthly Slots**

a) The User may release one or more Delivery Slots and Monthly Slots starting from Month M until the end of the Gas Year.

b) In order to release one or more Delivery Slots or Monthly Slots, the User shall send the Operating Company a Statement of Release (Annex 2A2), thereby granting the Operating Company the right to offer such capacity as Secondary Capacity. Such Statement of Release shall reach the Operating Company by 12:00 on the second business day (2<sup>nd</sup>) prior to that of publication of the Delivery Slots that will be made available for the subsequent interim allocation envisaged by Clauses 2.1.8 and 2.1.9. If the Statement of Release is received by the Operating Company after such deadline, the relevant regasification capacity that is the subject of the Statement of Release will in any case be made available as Secondary Capacity in the following interim allocations. It being understood that any released Continuous Capacity which is not allocated in the context of the relevant allocation processes will remain the responsibility of the User.

c) Releases of Delivery Slots or Monthly Slots will not in any case be accepted if:

- i. the requests are received after the indicated deadlines and/or are incomplete and/or non-compliant;
- ii. the User that requests the release is not the holder of the capacity to be released.

d) If the User has informed the Operating Company of the Delivery Slots or Monthly Slots to be released, all rights and obligations associated with such Delivery Slots or Monthly Slots will only be transferred provided that they are subsequently allocated by the Operating Company to another User. The User may not claim any right in relation to the released and allocated Delivery Slots or Monthly Slots and the commitments envisaged by the User's Capacity Agreement will be appropriately adjusted to the extent and for the duration required to consider the effects of such allocation.

e) The User will continue to be subject to all the liability and obligations arising out of or in connection with the released Delivery Slot or Monthly Slot (including the obligation to pay the Charges) to the Operating Company unless such Delivery Slot or Monthly Slot is subsequently allocated; in the case of allocation, the User that has released the slot will in any case be required to pay the difference, where positive, between the Charges that it would have had to pay if it had not released the slot and the Charges that the User awarded the released capacity will pay to the Operating Company even if the allocated capacity is lower than that released. If the difference is negative, the Operating Company will pay the User that released the slot the higher proceeds arising from the release of the Continuous Capacity.

f) Each User that has released regasification capacity pursuant to Clause 3.2.3.2, and such capacity has not already been allocated to other Users, may recover a released Delivery Slot or Monthly Slot:

- i) by submitting a Statement of Withdrawal (Annex 2A4) to the Operating Company, which the Operating Company must receive by the Business Day prior to the deadlines envisaged for the publishing of the Delivery Slots or the available Monthly Slots envisaged by Clauses 2.1.8.2 and 2.1.9.1; or

- ii) through the Regasification Auction Platform in case the revocation is expressed by the User during the bids submission envisaged by Clause 2.1.9.2.
- g) In the event that all regasification capacity envisaged by its Capacity Agreement is released and subsequently allocated, the User will be discharged from any obligation arising from the Capacity Agreement in relation to the released regasification capacity.

### **3.2.4 Exchange of regasification capacity between Users**

#### **3.2.4.1 Right to exchange regasification capacity between Users**

The Users have the right to exchange the regasification capacity they hold under the respective Capacity Agreements, in accordance with the provisions contained in Clause 3.2.4.

#### **3.2.4.2 Regasification capacity exchange process**

- a) Before the beginning and/or during each Gas Year the Users will be entitled to exchange the regasification capacity which they hold. Exchange of regasification capacity means the exchange of a certain quantity of regasification capacity held by two Users in the Terminal including all the rights and obligations that are connected to such regasification capacity. The exchange of regasification capacity shall be requested, upon penalty of rejection, according to the procedures and timing specified below:
  - i) the interested Users shall send the Operating Company the form for requesting the regasification capacity exchange (Annex 3A), duly filled in and signed, stating:
    - the volume of LNG, expressed in cubic meters of LNG, and the relevant Maximum Number of Permitted Berthing Slots being exchanged;
    - the Delivery Slots or the Monthly Slots, in the event that exchange takes place after the process that determines the Annual Unloading and Loading Schedule. Exchange of Delivery Slots or of Monthly Slots means the exchange between two Users of all the rights and obligations associated with the Delivery Slots or to the Monthly Slots to be exchanged (each Delivery Slot and each Monthly Slot to be deemed inclusive of the Berthing Slot, the relevant regasification capacity and the relevant right to use the User's Regasification Service which, insofar as applicable, have been determined in the Annual Unloading and Loading Schedule, together with all the rights, obligations and liability envisaged by Clause 3.2.4.3);
  - ii) in order for the exchange of regasification capacity to be accepted, the Users requesting the exchange must meet the Service Conditions under Clause 2.1.1 and must have provided the adequate financial guarantees envisaged by Chapter 3.1;
  - iii) the requests for the exchange of regasification capacity shall reach the Operating Company:
    - by thirty-first (31<sup>st</sup>) January for the transfer of Continuous Capacity starting on the 1st October of the subsequent Gas Year; and/or
    - by the seventh (7<sup>th</sup>) Business Day prior to the start of the Month in which the Delivery Slot(s) or Monthly Slot(s), to be exchanged, are scheduled.

The exchange request will be irrevocable and shall contain the declaration whereby the Users acknowledge that its effectiveness is subject to the express acceptance of the Operating Company, which will verify the adequacy of the documentation and of the data contained therein. It being understood that at the moment of the request neither a material violation nor a material default of the Capacity Agreement shall have been made by the Users or of the Small Scale Agreement by the Small Scale Users, including the non-payment of any amount payable under such Capacity Agreement or such Small Scale Agreement,. In any event, exchanges of regasification capacity will not be accepted,

if the requests are received after the deadlines set out above and/or they are incomplete and/or they not-compliant and/or Users do not hold the capacity to be exchanged.

- b) By the third (3rd) Business Day subsequent to the expiry of the deadline envisaged by Clause 3.2.4.2a)iii), the Operating Company will inform the Users requesting the exchange of regasification capacity:
  - i) the acceptance of the exchange request and will return a copy of the request duly countersigned as a sign of acceptance; or
  - ii) the rejection of the exchange request.

### 3.2.4.3 Effect of the exchange of regasification capacity between Users

- a) Save as provided in Clause 3.2.4.3b), with effect from the date on which the Operating Company accepts the regasification capacity exchange request pursuant to Clause 3.2.4.2b):
  - i) the Users requesting the exchange of regasification capacity will take over all the rights and obligations arising from the relevant Capacity Agreement, insofar as they refer to the capacity to be exchanged;
  - ii) the Users interested in the exchange of regasification capacity will retain all their rights and obligations in respect of the Operating Company under the Capacity Agreement, including the obligation to pay the Charges for the non-exchanged regasification capacity;
  - iii) the Operating Company will update the Annual Unloading and Loading Schedule and the Ninety Day Unloading and Loading Schedule (where applicable) with the outcome of the exchange of regasification capacity.
- b) The exchange of regasification capacity will not result in the transfer of (nor the Users will be exempted from) the obligations and the liability that arose from the Capacity Agreement in relation to the regasification capacity not to be exchanged.

## 3.2.5 Transfer di Small Scale Slots

### 3.2.5.1 Transfer process for Small Scale Slots

- a) The transfer of Small Scale Slots means the transfer to a third party other than the Small Scale User that holds the relevant Small Scale Slot (**Transferee of Small Scale Slots**) of a certain Small Scale Slot held by a Small Scale User (**Transferor of Small Scale Slots**) and of all rights and obligations associated with such Small Scale Slot. The request for the transfer of Small Scale Slots shall be made, on penalty of its annulment, according to the procedures and timing specified below:
  - (i) The parties concerned, Transferor of Small Scale Slots and Transferee of Small Scale Slots, shall send the Operating Company the Small Scale Slots transfer request form which the Operating Company will make available on its website, duly completed and signed by them, indicating the Small Scale Slots to be transferred. The transfer of Small Scale Slots means the transfer by the Transferor of Small Scale Slots to the Transferee of Small Scale Slots of all the rights and obligations associated with one or more Small Scale Slots to be transferred, together with all the rights, obligations and liability envisaged by Clause 3.2.5.2.
  - (ii) For the purposes of the acceptance of the Small Scale Slots transfer request, the Transferee of Small Scale Slots shall meet the Services Conditions envisaged by Clause 2.1.13 and, in particular, shall have provided the adequate financial guarantees envisaged in Chapter 3.1 by and no later than 12:00 on the second (2<sup>nd</sup>) Business Day before the

deadline envisaged by Clause 3.2.5.1(iii), which should be interpreted as a condition for the effectiveness of the transfer.

- (iii) The Small Scale Slot transfer request shall reach the Operating Company by the seventh (7<sup>th</sup>) Business Day before the date scheduled for the Small Scale Slot in accordance with the procedure which the Operating Company will make available on its website.

The transfer request will be irrevocable and shall contain the declaration on the basis of which the Transferor of Small Scale Slots and the Transferee of Small Scale Slots acknowledge that its effectiveness is subject to the express acceptance by the Operating Company, which will verify the adequacy of the documentation sent and the data contained therein. It being understood that, at the time of the transfer request, there shall not have been any material breach or material default by the Transferor of Small Scale Slots and possibly the Transferee of Small Scale Slots in the event that the latter is already a User or Small Scale User, pursuant to the Capacity Agreement or the Small Scale Agreement, including the non-payment or any amount owed under such Capacity Agreement or such Small Scale Agreement. In any case, transfers of Small Scale Slots will not be accepted if the requests arrive after the deadlines indicated and/or they are incomplete and/or non-compliant and/or the Transferor of Small Scale Slots does not hold the Small Scale Slots to be transferred.

- b) By the third (3<sup>rd</sup>) Business Day after the expiry of the deadline envisaged by Clause 3.2.5.1(iii), the Operating Company will inform the Transferor of Small Scale Slots and the Transferee of Small Scale Slots of:
  - (i) the acceptance of the Small Scale Slot transfer request by returning copies of the transfer requests, duly signed by way of acceptance, to the applicants; or
  - (ii) the non-acceptance of the transfer request.

### **3.2.5.2 Effect of a transfer of a Small Scale Slot**

- a) Subject to the provisions of Clause 3.2.5.2b), 3.2.2.2b) starting from the date on which the Operating Company accepts the regasification capacity transfer request pursuant to Clause 3.2.5.1b):
  - (i) the Transferor of Small Scale Slots will transfer to the Transferee of Small Scale Slots, and the Transferee of Small Scale Slots, which will for all intents and purposes be classified as a Small Scale User, will take over all the rights and obligations arising from the allocation of Small Scale Slots, including the relevant limits on the loading of LNG associated with the Small Scale Slot to be transferred;
  - (ii) the Transferor of Small Scale Slots will maintain all its rights and obligations in respect of the Operating Company arising from the allocation of Small Scale Slots, including the obligation to pay the Charges that have not been transferred;
  - (iii) the commitments of the Transferor of Small Scale Slots arising from the allocation of Small Scale Slots will be duly adjusted to the extent and for the duration required to take into consideration the effects of the transfer;
  - (iv) the Operating Company will update, with the inclusion of the Transferee of Small Scale Slots, the Annual Unloading and Loading Schedule and the Ninety Day Unloading and Loading Schedule (where they exist);
- b) the transfer di Small Scale Slots will not result in the transfer of (and the Transferor of Small Scale Slots and the Operating Company will not be exonerated from) the obligations or liability arising from the allocation of Small Scale Slots before the acceptance by Operating Company of the Transfer of Small Scale Slots pursuant to Clause 3.2.5.1b).

## **3.2.6 Exchange of Small Scale Slots**

### **3.2.6.1 Right to exchange Small Scale Slots between Small Scale Users**

Small Scale Users have the right to exchange the ownership of their respective Small Scale Slots, even where they are scheduled in different Months, in accordance with the provisions of this Clause 3.2.6.

### 3.2.6.2 Exchange process for Small Scale Slots

- a) The exchange of Small Scale Slots means the exchange of certain Small Scale Slots held by two Small Scale Users and of all the rights and obligations associated with the slots. The request to exchange Small Scale Slots shall be made, on penalty of its refusal, according to the procedures and timing specified below:
  - (i) interested Small Scale Users shall send the Operating Company the exchange request form for Small Scale Slots which the Operating Company will make available on its website, duly completed and signed by them, indicating the Small Scale Slots to be exchanged;
  - (ii) for the purposes of the acceptance of the Small Scale Slots exchange request, the Small Scale Users concerned shall meet the Services Conditions envisaged by Clause 2.1.13 and, in particular, shall have provided the adequate financial guarantees envisaged in Chapter 3.1 by and no later than 12:00 on the second (2<sup>nd</sup>) Business Day before the deadline envisaged by Clause 3.2.6.2(iii), which should be interpreted as a condition for the effectiveness of the exchange;
  - (iii) the Small Scale Slot exchange request shall reach the Operating Company by the seventh (7<sup>th</sup>) Business Day before the date scheduled for the first of the Small Scale Slots to be exchanged in accordance with the procedure which the Operating Company will make available on its website.

The exchange request will be irrevocable and shall contain the declaration on the basis of which the Small Scale Users acknowledge that its effectiveness is subject to the express acceptance by the Operating Company, which will verify the adequacy of the documentation sent and the data contained therein. It being understood that, at the time of the exchange request, there shall not have been any material breach or material default by Small Scale Users, *inter alia* pursuant to the Capacity Agreement, as Users, or pursuant to the Small Scale Agreement, as Small Scale Users, including the non-payment or any amount owed under such Capacity Agreement or such Small Scale Agreement. In any case, exchanges of Small Scale Slots will not be accepted if the requests arrive after the deadlines indicated and/or they are incomplete and/or non-compliant and/or the Small Scale Users do not hold the Small Scale Slots to be exchanged.

- b) By the third (3<sup>rd</sup>) Business Day after the expiry of the deadline envisaged by Clause 3.2.6.2(iii), the Operating Company will inform the Small Scale Users concerned of:
  - (i) the acceptance of the Small Scale Slot exchange request by returning copies of the transfer requests, duly signed by way of acceptance, to the applicants; or
  - (ii) the non-acceptance of the exchange request.

### 3.2.6.3 Effect of the exchange of Small Scale Slots between Small Scale Users

- a) Subject to the provisions of Clause 3.2.6.3b), starting from the date on which the Operating Company accepts the Small Scale Slot exchange request pursuant to Clause 3.2.6.2b):
  - (i) the Small Scale Users concerned will take over all the rights and obligations arising from the respective Small Scale Slots to be exchanged, including the relevant limits on the loading of LNG associated with the Small Scale Slots to be exchanged;
  - (ii) the Small Scale Users concerned will maintain all their rights and obligations in respect of the Operating Company arising from the respective Small Scale Slots to be exchanged, including the obligation to pay the Charges relating to the Small Scale Slots that have not been exchanged;

- (iii) the Operating Company will update the Annual Unloading and Loading Schedule and the Ninety Day Unloading and Loading Schedule (where they exist) with the outcome of the exchange of the Small Scale Slots;
- b) the exchange di Small Scale Slots will not result in the transfer of (and the Small Scale Users will not be exonerated from) the obligations or liability arising from their respective Small Scale Slots that have not been exchanged.



### Chapter 3.3 SCHEDULING THE DELIVERY SLOTS

Various issues shall be taken into consideration when determining the Annual Unloading and Loading Schedule, including the operations of the Terminal and the relevant maintenance activities, as detailed in the Maintenance Schedule, so as to provide an Unloading sequence that is as regular and homogeneous as possible, and which conforms to the results of the auctions and the rules of the Regasification Auction Platform.

#### 3.3.1 Annual Unloading and Loading Schedule

a) By 30 July of each Gas Year the Operating Company will publish the Annual Unloading and Loading Schedule for the subsequent Gas Year, which will specify the available capacity, the allocated capacity and the released capacity and the Small Scale Slots. Based on the subsequent allocation processes, such schedule will be updated from time to time by the Operating Company and made available on its website. During the Gas Year the capacity and the Small Scale Slots for the subsequent quarter will be represented in the Ninety Day Unloading and Loading Schedule, which is an integral part of the Annual Unloading and Loading Schedule.

b) The Annual Unloading and Loading Schedule will be drawn up in such a way that:

- (i) each User delivers the Cargoes corresponding to its regasification capacity allocated as a result of the processes envisaged by Clauses 2.1.5, 2.1.8 and 2.1.9;
- (ii) the number of Cargoes for each User does not exceed the relevant Maximum Number of Permitted Berthing Slots;
- (iii) no Cargo conflicts with periods in which the Terminal's facilities are unavailable, as specified by the Maintenance Schedule in force at that time;
- (iv) any restrictions of the National Transmission System are taken into consideration;
- (v) the scheduled delivery volume of each Cargo is not greater than the capacity of the specific slot;
- (vi) the delivery of each Cargo is scheduled by the Users in such a way that, assuming that the User's Redelivery Nominations adhere to the Default Redelivery Profile (as defined in Clause 3.4.1.1), such profile does not exceed the Continuous Redelivery Service;
- (vii) and, where expressly requested by the Operating Company from Month to Month by the deadline envisaged for the determination of the Ninety Day Unloading and Loading Schedule for the Month subsequent to that in progress, that, at the start of each Scheduled Arrival Window, a quantity of LNG is available to the Terminal that does not exceed the following thresholds (**Maximum Permitted Inventory**):

Delivery Volume of Cargo	Maximum Permitted Inventory
For Cargoes with a delivery volume ≤ 135,000 m <sup>3</sup>	The Maximum Permitted Inventory is the sum of 150,000 m <sup>3</sup> less the delivery volume of the Cargo.
For Cargoes with a delivery volume > 135,000 m <sup>3</sup>	The Maximum Permitted Inventory is equal to 9,000 m <sup>3</sup>

- viii) the Small Scale Slots are scheduled for Days on which the Terminal is not engaged in Unloading operations for an LNG Carrier.

For the sole purposes of calculating the Maximum Permitted Inventory, the first Cargo of the Month, which defines the first Scheduled Arrival Window, shall be scheduled as if it is a 135,000 m<sup>3</sup> Cargo or its real size if it is bigger;

#### 3.3.2 Ninety Day Unloading and Loading Schedule

##### 3.3.2.1 Notice of the preferences for the Ninety Day Unloading and Loading Schedule

a) By 12:00 on the ninth (9<sup>th</sup>) Business Day prior to the start of each Month M, the User shall inform the Operating Company of its scheduling preferences for the Delivery Slots allocated to such User, in

relation to a period of three (3) months starting from the first (1<sup>st</sup>) Gas Day in Month M, specifying as follows:

- (i) the scheduling preferences for the date of the Scheduled Arrival Window of each of the Delivery Slots which the User intends to Unload at the Terminal in the next three (3) Months;
- (ii) for each of the Delivery Slots envisaged by the previous point, the quantity (in MWh) and volume (in m<sup>3</sup><sub>liq</sub>) of LNG expected to be Unloaded, the volume (in m<sup>3</sup><sub>liq</sub>) of any LNG intended for the Small Scale Slots scheduled in the same Month M, which may not exceed the regasification capacity allocated to the Delivery Slot or be less than the minimum capacity of the LNG Carriers which the Terminal may receive envisaged by Clause 1.3.1. It being understood that if the LNG is intended for a Small Scale Slot held by a Small Scale User other than the User that gave the notice envisaged by this Clause, it will be incumbent upon such User or Small Scale User to also formalise the transfer of LNG in accordance with the provisions of Clause 3.6.6;
- (iii) the identification data (name and IMO number) of the LNG Carrier which the User intends to use for each Delivery Slot;
- (iv) the presumed port of loading of the LNG for each Delivery Slot; and
- v) a list of the Transportation Service Users and the relevant allocation rules, to which all or part of the regasified quantities will be allocated using the form contained in Annex 5. It is understood that the validity of the rules of allocation is subject to the Operating Company's assessment that such rules apply; and
- vi) for each Delivery Slot scheduled in Month M, the User may indicate the quota of the Cargo to be Unloaded for the purposes of determining the LNG debt and credit positions of the Users pursuant to Clause 3.3.7 and/or any advances by the Operating Company pursuant to Clause 3.4.1.12 which may not, in any circumstances, be less than 100,000 m<sup>3</sup> of LNG.

b) In the event that the User has not submitted any scheduling preferences by the deadline specified above, the latter will be deemed to have expressed a preference for the same Scheduled Arrival Windows already specified in the Annual Unloading and Loading Schedule and that the quantity expected to be Unloaded is equivalent to the capacity associated with the Delivery Slot. Any preferences expressed by the User that wholly or partly conflict with the Annual Unloading and Loading Schedule and/or with the Ninety Day Unloading and Loading Schedule will not give rise to any right on the User's part to the Operating Company's acceptance.

c) It being understood that the notice of the quantities expected to be Unloaded pursuant to Clause 3.3.2.1(a)(ii) will not modify the regasification capacity associated with the Delivery Slot and that, as a result, all the obligations associated with such capacity will remain unchanged even where the Operating Company has included the different quantities notified by the User pursuant to Clause 3.3.2.1(a)(ii) in the Annual Unloading and Loading Schedule or in the Ninety Day Unloading and Loading Schedule.

d) It is also understood that the quantities of LNG intended to the Small Scale Service will not be a part of the Confirmed Cargo, in particular for the purposes of Clauses 3.3.2.2f) and 3.3.6, and that they will not also be considered for the purposes of the application of the Charge Variance for Continuous Capacity Users pursuant to Clause 3.3.5.

### 3.3.2.2 Ninety Day Unloading and Loading Schedule

a) By the eighth (8<sup>th</sup>) Business Day prior to the start of Month M, the Operating Company will inform each User of the relevant **Ninety Day Unloading and Loading Schedule** by publishing it on its Electronic Communications System, specifying the Scheduled Arrival Windows for the delivery of each of the User's Cargoes for the three subsequent Months M, M+1 and M+2 and the dates for the Small Scale Slots. Such schedule will indicate for each Delivery Slot the dates of the corresponding Scheduled Arrival Windows and the quantity of LNG expected to be Unloaded (expressed in m<sup>3</sup><sub>liq</sub> and in MWh) and, for the Small Scale Slots, the dates associated with them.

b) When determining the **Ninety Day Unloading and Loading Schedule** the Operating Company will take into consideration, in the following order of priority: (i) that which has already been scheduled in the previous Ninety Day Unloading and Loading Schedule and the Annual Unloading and Loading

Schedule, (ii) the scheduling preferences expressed by the Users pursuant to Clause 3.3.2.1a), (iii) the criteria envisaged by Clause 3.3.1b) and (iv) anything determined by Clause 3.3.2.2c) below.

c) In the event that, although all the scheduling preferences notified by the Users pursuant to Clause 3.3.2.1 have been applied, two or more Users have expressed conflicting and/or irreconcilable scheduling preferences, in order to ensure the feasibility of the Unloading and the optimisation of the use of the Terminal's capacity, such assessment will therefore also include the Delivery Slots not yet allocated to the Users but which will be offered by the Operating Company in subsequent allocation processes, the Operating Company will determine the schedule for the Delivery Slots, in accordance with the provisions of Clause 3.3.1b) and give priority to the preferences of the User with the largest quantity of LNG, expressed in Delivery Slots allocated in the Gas Year envisaged for Unloading in the Gas Year or, if the Delivery Slots assigned in the Gas Year are equal, give priority to the User which first expressed its preference.

d) The Operating Company will inform each User, by the deadline envisaged by Clause 3.3.2.2a), by publishing them on its Electronic Communications System, of its status as a Debtor User or Creditor User and the amount of the guarantee envisaged by Clause 3.1.7. Exclusively for Month M, each Debtor User's financial guarantees covering the system as envisaged by Chapter 5 of the Network Code for the purposes of registering the transactions envisaged by Clause 3.1.7 shall be adequately funded.

e) By the seventh (7<sup>th</sup>) Business Day in prior to the start of Month M following the positive or negative result of the provisions of Clause 3.3.2.2d), the Operating Company will inform each User of the Ninety Day Unloading and Loading Schedule and in the event that the financial guarantees envisaged by Clause 3.3.2.2d) are not sufficient, the User's Ninety Day Unloading and Loading Schedule will be deemed to contain no deliveries until it has provided such guarantees. The User shall provide such guarantees by and not later than 12:00 on the second Business Day prior to the start of the Redelivery Period.

f) Once the Ninety Day Unloading and Loading Schedule has been finalised pursuant to the Clause 3.3.2.2a) and Clause 3.3.2.2e), each Cargo scheduled in Month M of such Ninety Day Unloading and Loading Schedule will be considered to be a **Confirmed Cargo** and, for such Month, the Operating Company will inform the Users of the quota of the relevant Confirmed Cargo to be used to determine the LNG debt and credit positions of the Users pursuant to Clause 3.3.7 (**Credit Cargo**) and the remaining quota of the Confirmed Cargo of which each User may avail itself for the purposes of the Redelivery without the restrictions envisaged by Clause 3.3.7 and prior to the Unloading of the subsequent Cargo (**Peak Cargo**). The first quantities of the Cargo that will be Unloaded by each User will be considered Credit Cargo and the User will only Unload the Peak Cargo once the Credit Cargo has been fully Unloaded. It is understood that if the User has not notified the Operating Company of the Confirmed Cargo, or the Credit Cargo, the Confirmed Cargo and the Credit Cargo shall be deemed to correspond to the allocated regasification capacity. In the case of Delivery Slots allocated pursuant to the allocation procedure envisaged by Clauses 2.1.9.1 and 2.1.9.2, the Confirmed Cargo will always be equal to the quantity of regasification capacity allocated at the time of the award and the Credit Cargo will be equivalent to the Confirmed Cargo. It being understood that the redelivery of the Peak Cargo will be conditional upon the redelivery of the Confirmed Cargoes of all the Users.

g) In the event that one or more Delivery Slots are allocated in the context of spot capacity allocation processes or FCFS, the relevant Ninety Day Unloading and Loading Schedule will be updated pursuant to the provisions of Clauses 2.1.9.1 and 2.1.9.2.

h) The Ninety Day Unloading and Loading Schedule, thus updated, will result in the modification of the Annual Unloading and Loading Schedule.

i) Subsequent to the Operating Company's communication envisaged in point (f) above, each User shall inform the Operating Company of the update of the quantities expressed in MWh and in m<sup>3</sup><sub>liq</sub> envisaged to be Unloaded by the sixth (6<sup>th</sup>) Day prior to the Arrival Window of the Delivery Slot.

### 3.3.2.3 Notice of the quantities of LNG intended for the Small Scale Service

By 12:00 on the ninth (9<sup>th</sup>) Business Day before the start of each Month M in which the Small Scale Slot is scheduled, the, the Small Scale User shall in any case inform the Operating Company of the Quantity of LNG which it owns and which it intends to use for the Small Scale Slot which it holds. In the event that it fails to give such notice by the aforementioned deadline, the Operating Company will load on the Small Scale Carrier all the quantities of LNG owned by the Small Scale User up to the maximum capacity of the relevant Small Scale Slot.

In the event that following the loading of quantities of LNG on the Small Scale Carrier, there are additional quantities of LNG owned by the Small Scale User, the Operating Company will:

- a) regasify such additional quantities of LNG in accordance with Clause.3.3.2.4, if the Small Scale User concerned does not hold additional Small Scale Slots scheduled for Month M or cannot access sufficient capacity for the Extended Storage Service to accommodate the quantities of LNG which it owns; or
- b) load such additional quantities of LNG on to the Small Scale Carrier envisaged for the subsequent Small Scale Slot scheduled in Month M and of which the Small Scale User concerned is the holder.

Following the notice of the quantities of LNG that will be loaded given by the Small Scale User in accordance with this Clause, the Small Scale User will be entitled to receive such quantities from the Operating Company, with a precision not exceeding 5% of its loading capacity.

#### **3.3.2.4 Failure to load the quantities of LNG intended for the Small Scale Service**

Subject to the provisions of Clause 5.3.2.1(h), in the event that the Small Scale User fails to load the quantities of LNG through the Small Scale Service, the Operating Company will regasify the LNG intended to be delivered to the Small Scale User concerned and will redeliver the Gas to the User which is the owner of the LNG not delivered at the Redelivery Point, with a redelivery profile that the Operating Company will, at its sole discretion, deem adequate and such as to cause the least harm possible to the other Users, Such additional quantities of LNG will not be considered for the purposes of the application of the Charges envisaged by Clauses 3.3.5 and 3.3.6 to the User concerned.

#### **3.3.3 User's Changes to Ninety Day Unloading and Loading Schedule**

a) Any User which has one or more Delivery Slots scheduled in Month M with non-null volumes may request, following the determination of the Ninety Day Unloading and Loading Schedule pursuant to Clause 3.3.2.2, the following changes:

- (i) the Scheduled Arrival Window of a certain Delivery Slot
- (ii) the delivery volume of a Cargo. It is understood that the Percentage Share will be calculated taking into consideration the volumes of Credit Cargo scheduled in the Ninety Day Unloading and Loading Schedule envisaged by Clause 3.3.2.2;
- (iii) the LNG Carrier to be used for delivery.
- (iv) list of the names of the Transportation Service Users and the relevant allocation rules pursuant to Clause 3.3.2.1a) using the form contained in Annex 5. It being understood that the validity of the allocation rules is subject to the Operating Company's determination that such rules are applicable.

The Operating Company will assess the requests for changes to the Ninety Day Unloading and Loading Schedule on a first-come, first-served basis and taking into consideration the provisions of Clause 3.3.1b). In the event that the change to the Ninety Day Unloading and Loading Schedule results in a variation of its status as Debtor User or Creditor User (including as a consequence of the change of the Default Redelivery Profiles) and the consequent redetermination of the amount of the guarantee envisaged by Clause 3.1.7, in order to ensure acceptance of such request for changes each Debtor User shall the adequacy of the financial guarantees covering the system envisaged by Chapter 5 of the Network Code for the registration of the transactions envisaged by Clause 3.1.7. It being understood that if a User's request for a change to the Ninety Day Unloading and Loading Schedule results in a variation of the status of Debtor User or Creditor User of the other Users or a variation of the Default Redelivery Profile of other Users, such request may only be accepted by the Operating Company if no User has promptly informed the Operating Company that it does not accept the aforementioned variations and without prejudice to the Operating Company's right not to accept such request in any case for reasons relating to the operation of the Terminal which will be assessed at the Operating Company's sole discretion. The express failure by the Operating Company to grant a request made pursuant to Clause 3.3.3a) shall constitute rejection of such request.

b) Following the acceptance of the requested changes, the Operating Company will change the Ninety Day Unloading and Loading Schedule and publish the updated Annual Unloading and Loading Schedule.

### **3.3.4 Operating Company Changes to Annual Unloading and Loading Schedule and Ninety Day Unloading and Loading Schedule**

In the case of a request by one of the Competent Authorities or in the case of unscheduled restrictions on the Terminal's operations, including as a result of restrictions on the National Pipeline Network, the Operating Company may unilaterally change and republish at any time an Annual Unloading and Loading Schedule the Ninety Day Unloading and Loading Schedule and/or the Maintenance Schedule, thereby undertaking to minimise the effects on the previous scheduling and on the Users and Small Scale Users affected by such change.

### **3.3.5 Charge variance for Continuous Capacity Users**

In the event that, in the context of the individual Delivery Slots allocated to it, a continuous Capacity User has unloaded volumes of LNG that are lower than the volumes of LNG scheduled for such Delivery Slots in Month M-1 (plus the quantities of LNG intended for the Small Scale Service), the sum of such volumes in the context of a single Gas Year (**Annual Variance Value**) will be used to determine the possible variance charge envisaged by article 15, paragraph 1, TIRG.

In the event that the Annual Variance Value is more than 10% of all the volumes of LNG scheduled in Month M-1 for each Delivery Slot of the Gas Year, the User will be required to pay the sum of 4.5 Euro/m<sup>3</sup><sub>liq</sub> on such difference.

It being understood that the aforementioned charge variance will not apply if the User does not execute the Unloading as scheduled in Month M-1 in the context of the Ninety Day Unloading and Loading Schedule due to a force majeure event of the counterparties of the import contracts as defined in Clause 2.1.6(a)(a).

### **3.3.6 Charge variance for Users other than Continuous Capacity Users**

Where the volume of LNG actually Unloaded in a Delivery Slot is different from the volume of LNG scheduled for the Delivery Slot (plus the quantities of LNG intended for the Small Scale Service):

(a) if the volume of LNG actually Unloaded by the User is lower than the Confirmed Cargo and the deviation exceeds 10%, the User shall pay an additional charge of 4.5 Euro/m<sup>3</sup><sub>liq</sub> multiplied by the difference between the deviation and 10% of the volume of LNG corresponding to the volume of LNG scheduled for the Delivery Slot, subject to the payment of the Charges;

(b) if the volume of LNG actually Unloaded by the User is higher than the Confirmed Cargo (plus the quantities of LNG intended for the Small Scale Service), increased by 5%, in addition to the Charges applies on the volume actually Unloaded and subject to the provisions of Clause 3.7.3.2b), the User shall pay a tariff of 10% of the charge referred to in Clause 5.2.1.3i), based on the difference (where positive) between the volume actually Unloaded and the volume of LNG corresponding to the Confirmed Cargo increased by 5% for regasification capacity amounts lower than or equal to 135,000 m<sup>3</sup><sub>liq</sub> or by 2% if higher.

It being understood that the variance charges envisaged by this Clause will not apply in the event that the does not execute the Unloading due to a force majeure event of the counterparties to the import contracts as defined in Clause 2.1.6(a), subject to payment of the Charges.

### **3.3.7 Rules for Allocating volumes of LNG scheduled for Unloading**

a) The Operating Company will allocate on the account of each User, on a provisional basis, the quantities of energy (in MWh) expected to be Unloaded in each Delivery Slot envisaged by the Ninety Day Unloading and Loading Schedule (Month M, Month M+1, and Month M+2), according to the following formula:

$$QLNG_{xy} = QLNG_y \cdot QP_{xm}$$

where:

QP<sub>xm</sub> = Percentage Share of User x applicable to each Unloading scheduled in a Month m

QLNG<sub>y</sub> = quantity of LNG of Credit Cargo or the Cargo scheduled for Unloading *y*, expressed in MWh net of Consumption and Losses

QLNG<sub>xy</sub> = quantity of LNG of Credit Cargo or the Cargo scheduled for Unloading *y* provisionally allocated to User *x*, expressed in MWh

b) The Operating Company shall allocate the Credit Cargo on behalf of each User, based on the provisional allocation envisaged by Clause 3.3.7a). If the quantity of LNG actually Unloaded differs from the Confirmed Cargo (in MWh), the differences (whether positive or negative) will be entirely ascribed to the User that delivered the Cargo in question.

c) If a User Unloads at the Terminal a quantity of LNG (in MWh) lower than the aggregated rights of the other Users with Percentage Shares of the Confirmed Cargo in question, including in this case the failure to Unload a Confirmed Cargo, such User shall not be allocated the quantities of LNG of Cargo in question. The Operating Company will allocate the quantities of LNG actually Unloaded based on the Percentage Shares of the other Users and the missing quantity will be considered in the allocations of the subsequent Confirmed Cargoes where possible or, failing that, the provisions of Clause 3.1.7f) will apply.

d) The Percentage Share of each User will not be changed, including in cases of non-delivery or of a delivery that is higher or lower than that scheduled for the Confirmed Cargoes of the same User.

e) In the event that a User's Confirmed Cargo, scheduled to be Unloaded in Month *M*, has suffered a delay and, due to such delay, the User has been forced to Unload in the subsequent Month (*M*+1), for tax purposes in Month *M*, such User will be considered a Debtor User, and any other User with a Percentage Share in the Cargo in question delivered in Month *M*+1 will be considered a Creditor User. It being understood that the allocations of Cargoes envisaged by Clause 3.3.7 will be made in proportion to the Percentage Share as if such Cargo had been delivered in Month *M*.

### 3.3.8 Calculating the Percentage Share

a) The Operating Company will make available on the Electronic Communications System the Percentage Share of each User for the Credit Cargoes or Cargoes scheduled for Unloading in Month *M*, Month *M*+1 and Month *M*+2 of the Ninety Day Unloading and Loading Schedule according to the following formula:

$$QP_{xm} = \frac{CDV_{xm}}{CDV_{am}} \times 100$$

where:

QP<sub>xm</sub> = Percentage Share of User *x* for Cargoes scheduled for Unloading in Month *m* (Month *M*, Month *M*+1 or Month *M*+2). Such percentage is the **Percentage Share** of the User for each Gas Day of the relevant Redelivery Period.

CDV<sub>xm</sub> = Total, confirmed or scheduled, as the case may be, quantity of LNG of User *x*, scheduled to be Unloaded in Month *m* expressed in MWh net of Consumption and Losses;

CDV<sub>am</sub> = Total, confirmed or scheduled, as the case may be, quantities of LNG of all the Users scheduled to be Unloaded in Month *m* expressed in MWh net of Consumption and Losses.

The Percentage Share will be updated following the publication and/or modification of the Annual Unloading and Loading Schedule or the Ninety Day Unloading and Loading Schedule. It is agreed that the volumes subject to the Peak Shaving Service will not be included in the calculation of the Percentage Share except in the cases envisaged by Clause 3.3.7b).

b) In the event that the Operating Company, following instructions from the Ministry of Economic Development, is required to deliver to SRG, at the Redelivery Point, the quantities subject to the Peak Shaving Service, the Percentage Share will be recalculated starting from the date of injection of the quantities required for the Peak Shaving Service and i) until such quantities are exhausted or ii) until the Ministry of Economic Development announces that the gas emergency has ceased, taking into consideration any quantities already allocated to the Users, according to the following formulas:

$$QP_{xm} = \frac{CDV_{xm} - VA_{xm}}{CDV_{am} + VPS - \sum VA_{xm}} \times 100$$

$$QP_{Fm} = \frac{VPS}{CDV_{am} + VPS - \sum VA_{xm}} \times 100$$

where:

$QP_{xm}$  = Percentage Share of User  $x$  in Month  $m$ ;

$CDV_{xm}$  = quantity of LNG confirmed/scheduled by User  $x$  in Month  $m$  expressed in MWh net of Consumption and Losses;

$VA_{xm}$  = quantity allocated to User  $x$  in Month  $m$  until the date on which the Peak Shaving quantities are injected into the National Transmission System following instructions from the Ministry of Economic Development and expressed in MWh;

$CDV_{am}$  = quantity of LNG confirmed/scheduled by all Users in Month  $m$  expressed in MWh net of Consumption and Losses;

$VPS$  = quantities subject to the Peak Shaving procedure expressed in MWh;

$QP_{Fm}$  = Percentage Share of the Peak Shaving Service Provider in Month  $m$ ;

In the absence of any notice by the Ministry of Economic Development regarding the activation of the gas emergency or the end thereof, the value of  $QP_{Fm}$  is set at zero.

c) In the event that the Operating Company allocates regasification capacity pursuant to Clause 2.1.9.2 for Month  $m$  following the updating of the Ninety Day Unloading and Loading Schedule and the Annual Unloading and Loading Schedule, the Percentage Shares of all the Users with a Cargo scheduled in Month  $M$  will be recalculated according to the following formula:

$$QP_{xM} = \frac{CDV_{xM} - VA_{xM}}{CDV_{aM} + V_{FCFS} - \sum VA_{xM}} \times 100$$

$$QP_{FCFSM} = \frac{V_{FCFS}}{CDV_{aM} + V_{FCFS} - \sum VA_{xM}} \times 100$$

where:

$QP_{xM}$  = Percentage Share of User  $x$  in Month  $m$ ;

$CDV_{xM}$  = Credit Cargo of User  $x$  in Month  $m$  expressed in MWh net of Consumption and Losses;

$VA_{xM}$  = quantity of Credit Cargo allocated to User  $x$  in Month  $m$  until the starting date for the redelivery of the FCFS User's quantities expressed in MWh net of Consumption and Losses;

$CDV_{aM}$  = Credit Cargoes of all Users in Month  $m$  expressed in MWh net of Consumption and Losses

$V_{FCFS}$  = quantity of LNG expected to be Unloaded by the FCFS User expressed in MWh net of Consumption and Losses;

$QP_{FCFSM}$  = Percentage Share of the FCFS User in Month  $m$

Following the recalculation of the Percentage Shares for Month  $M$ , the Default Redelivery Profiles of all the Users with a scheduled Cargo in the same Month  $M$  will be recalculated and made available on the Electronic Communications System.

## Chapter 3.4 - SCHEDULING OF REGASIFICATION

### 3.4.1 Gas Redelivery

Following the redetermination of the Annual Unloading and Loading Schedule pursuant to Clause 3.3.1 and/or any subsequent updating of the latter pursuant to Clauses 3.3.2.2 and 3.3.3 the Operating Company will provide, through the Electronic Communications System, the Default Redelivery Profile calculated according to the principles envisaged by Clause 3.4.1.1. Such redelivery profile is designed to guarantee i) compliance with all the contractual restrictions imposed on the User and ii) as regular a redelivery flow as possible in compliance with article 11, paragraph 4 of TIRG.

#### 3.4.1.1 Default Redelivery Profile Calculation at the start of the Month

For each User the Operating Company will make available on the Electronic Communications System the relevant redelivery profile of the Gas on each Gas Day of the Redelivery Period for the current Month and the two (2) subsequent Months, taking into consideration the following factors (**Default Redelivery Profile**):

- (i) scheduling and rescheduling the Scheduled Arrival Windows of the Delivery Slots;
- (ii) availability of the Continuous Redelivery Services of the User envisaged by Clause 3.4.1.7;
- (iii) User's Inventory;
- (iv) Consumption and Losses that may be allocated to the User;
- (v) User's Minimum Redelivery Obligations;
- (vi) any unplanned Maintenance and/or Reduction Schedule for the Service;
- (vii) operation restrictions envisaged by Clause 3.3.1b);
- (viii) transport capacity reductions of the National Transmission System.
- (ix) Any other factor that, in the discretionary opinion of the Operating Company, is of objective relevance for the determination of the redelivery profile.

#### 3.4.1.2 Calculating the Default Redelivery Profile during the Month

At every variation of the factors envisaged by Clause 3.4.1.1 and taking into consideration, *inter alia*, the User's Nominations and/or Renominations and any transfers of ownership of the LNG in accordance with the provisions of Clause 3.6.1.1, the Operating Company will recalculate on a daily basis the Default Redelivery Profile of each User taking into account exclusively the Continuous Redelivery Services and will make it available on the Electronic Communications System.

#### 3.4.1.3 Redelivery Nominations

##### First Session

a. By no later than 11:00 hrs on each Gas Day, the User may nominate, through the Electronic Communications System, a quantity of Gas for redelivery to the Redelivery Point for the next or more Gas Days and possibly until the end of the relevant Redelivery Period by submitting a Redelivery Nomination. In the event that a User fails to submit a timely Redelivery Nomination by the aforementioned deadline, then the User shall be deemed to have submitted a Redelivery Nomination corresponding to the daily quantity envisaged by the Default Redelivery Profile. In case Redelivery Renomination is not compliant with the Clause 3.4.1.4, Clause 3.4.1.8 shall apply.

b. The User may, at any time before the deadline envisaged by Clause 3.4.1.3a, revise any Redelivery Nomination.

##### Second Session

c. Starting from 17:00 hrs till 18:30 hrs of each Gas Day, the User may amend the nomination previously entered on the Electronic Communications System pursuant to the provisions of Clause 3.4.1.3a, nominating a quantity of Gas for the redelivery at the Redelivery Point for the next Gas Day by submitting a Redelivery Nomination compliant with Clause 3.4.1.4. In the event that a User fails to submit a Redelivery Nomination by the above deadline, the Redelivery Nomination previous made will be deemed to be valid. In the event that the Redelivery Nomination does not comply with the provisions of Clause 3.4.1.4, the provisions of Clause 3.4.1.8 will apply.



d. The User may, at any time prior to the deadline envisaged by Clause 3.4.1.3c, amend the Redelivery Nomination.

e. A nomination made pursuant to Clause 3.4.1.3a and/or 3.4.1.3c will be deemed to be **Redelivery Nomination**.

f. In the event that a Redelivery Nomination is refused by SRG, the Operating Company will promptly inform the User which will send an alternative Redelivery Nomination. In the event a Redelivery Nomination is rejected by SRG, the Operating Company shall inform the User which will send an alternative Redelivery Nomination.

#### 3.4.1.4 Nomination Conditions

The User may, on any Gas Day, nominate a quantity of Gas for redelivery which meets all the following requirements:

- a) the nominated quantity shall be less than or equal to the User's Inventory (expressed in MWh) for such Gas Day
- b) the nominated quantity shall be sufficient to release its Percentage Share of the available space in the Terminal's tanks at the arrival of the subsequent LNG Carrier, as envisaged by Clause 3.3.1;
- c) the nominated quantity shall not exceed the maximum redelivery capacity of the Gas, taking into consideration the User's Continuous Redelivery Service, any Interruptible Redelivery Service, in addition to the published Maintenance Schedule and/or other operational requirements (e.g. any Unplanned Service Reductions, correction of the Wobbe index and/or circumstances associated with the delivery of the Off-Spec LNG) that are made available to the User through the Electronic Communications System or that the Operating Company notifies to the User;
- d) the nominated quantity shall not be lower than the capacity equivalent to the Minimum Redelivery Obligation, or than the capacity determined by the Operating Company based on other operational requirements (e.g. correction of the Wobbe index and circumstances associated with the delivery of the Off-Spec LNG) that are available to the User.

The User that has exercised its right to nominate quantities of Gas pursuant to this Clause 3.4.1.4 will be required to pay the Charge for the Nomination Flexibility Service.

#### 3.4.1.5 Redelivery Renominations

a) Starting from 14:00 and by and no later than 15:00 of each Gas Day, the User may renominate, through the Electronic Communications System, a quantity of Gas for Redelivery at the Redelivery Point for the current Gas Day, by submitting a Redelivery Nomination. In the event that a User fails to submit a Redelivery Nomination by the aforementioned deadline the Redelivery Nomination previously made for the Gas Day in question will be deemed valid. In the event that the Redelivery Nomination does not comply with the provisions of Clause 3.4.1.6, the provisions of Clause 3.4.1.8 will apply.

b) The User may, starting from 14:00 and until the deadline envisaged by Clause 3.4.1.5a), amend the Redelivery Nomination, on the assumption that in the first twelve hours of the current Gas Day the Operating Company has redelivered to the User 50% of the volumes of Gas envisaged by its previous Redelivery Nomination.

c) A renomination made pursuant to Clause 3.4.1.5a) will be deemed to be a **Redelivery Nomination**.

d) In the event that a Redelivery Nomination is refused by SRG, the Operating Company shall inform the User, which will send a Redelivery Nomination.

e) It being understood that the Operating Company may, for technical and operational reasons, amend, suspend and/or cancel the availability of the Redelivery Nomination, envisaged by Clause 3.4.1.6, for a certain Gas Day, informing the Users thereof through the Electronic Communications System by 14:00 on the Gas Day affected by such event.

The User that has exercised its right to nominate quantities of Gas pursuant to this Clause 3.4.1.5 will be required to pay the Charge for the Renomination Flexibility Service.

#### 3.4.1.6 Renomination Conditions

Provided that the Users have collectively nominated a quantity of Gas of not less than **46,300 MWh**, for a certain Gas Day, each User may, on each Gas Day, renominate, exclusively in relation to the Continuous Redelivery Services envisaged by Clause 3.4.1.7, solely the quantity of Gas which meets the following requirements:

- a) that envisaged by Clause 3.4.1.4 for the nomination processes;
- b) a daily minimum quantity calculated as follows (**Minimum Renomination**):

$$\text{Minimum Renomination}_x = QPx \cdot (\sum \text{nomina Utentex} + 46.300) \cdot \frac{12}{24}$$

where **(Add)ina Utentex** refers to the sum of the quantities requested for redelivery by the Users on a certain Gas Day.

It being understood that the Minimum Renomination will be permitted if the User has nominated, for certain Gas Day, a quantity of Gas not less than its Minimum Redelivery Obligation; or

- c) a daily maximum quantity calculated as follows (**Maximum Renomination**):

$$\text{Maximum Renomination}_x = QPx \cdot (\sum \text{nomina Utentex} + 144.300) \cdot \frac{12}{24}$$

where  $\sum \text{nomina Utentex}$  refers to the sum of the Continuous Redelivery Services requested by the Users on a certain Gas Day.

It being understood that the Maximum Renomination will be permitted if the User has nominated, for a certain Gas Day, a quantity of Gas that does not exceed its Continuous Redelivery Service.

#### 3.4.1.7 Continuous Redelivery Services and Obligations of Minimum Redelivery

- a) The maximum quantity of Gas (expressed in MWh/Gas Day) which each User is entitled to nominate on a continuous basis will be equal to the Percentage Share owing to such User on that Gas Day of 144,300 MWh (**Continuous Redelivery Service**).

- b) With exclusive reference to the Gas Day(s) on the Unloading takes place, in departure from the provisions of Clauses 3.4.1.3, 3.4.1.4, 3.4.1.5 and 3.4.1.6, the Operating Company will provide the User, through the Electronic Communications System, with the quantity of Gas expected to be Redelivered starting from 06:00 on the Gas Day on which the LNG Carrier is expected to be All Fast and until 05:59 on the Gas Day on which the disconnection of the loading arms is envisaged. Such quantities of Gas expected to be Redelivered will be initially estimated by the Operating Company in the determination of the Annual Unloading and Loading Schedule and in each subsequent updating thereof pursuant to Clause 3.3.2.2, assuming, for a specific LNG Carrier, an ETA of 06:00 of the Scheduled Arrival Window associated with the Delivery Slot in question, unless otherwise notified by the User. It being understood that following the Operating Company's receipt of subsequent updates of the ETA pursuant to Clause 3.7.1.1, of the information contained in the Cargo Information Notice, of the actual start of the Unloading and specific operational needs that emerged during the Unloading operations, the quantity expected to be Redelivered will as a consequence be updated and made available to the User through the Electronic Communications System. For the purposes of the Nomination, the User will be deemed to have in any case nominated a quantity of Gas equal to the quantities made available on the Electronic Communications System.

- c) Subject to the provisions of Clause 3.4.1.7b), the User shall at least nominate and/or renominate, or will be deemed to have nominated and/or renominated, a quantity of Gas at least Percentage Share of 4,450 MWh for each Gas Day, subject to specific operational requirements related to the maintenance of the safety conditions of the Terminal that will be promptly notified by the Operating Company and for which a Users' Redelivery Nomination and/or Renomination in proportion to their Percentage Share is required (**Minimum Redelivery Obligation**).

- d. Notwithstanding Clause 3.4.1.7c) I, the User shall be excused from its Minimum Redelivery Obligation to the extent that other Users have nominated/renominated an aggregate quantity of Gas that exceeds such other User's Minimum Redelivery Obligation.

#### 3.4.1.8 Operating Company's Right to modify or reject Redelivery Nominations

- a) The Operating Company will assess whether or not the Redelivery Nomination and/or Renomination submitted by the User is acceptable and will:

- (i) approve the Redelivery Nomination and/or Renomination in accordance with the requirements envisaged by Clauses 3.4.1.4, 3.4.1.6, 3.4.1.7a) and 3.4.1.7c); or
  - (ii) refuse or amend, as specified in Clause 3.4.1.8, any Redelivery Nomination and/or Renomination that does not comply with such requirements.
- b) Subject to the User's responsibility to make the nominations in accordance with the requirements envisaged by Clauses 3.4.1.4, 3.4.1.6, 3.4.1.7a) and 3.4.1.7c), the Operating Company agrees to inform the User through the Electronic Communications System of any rejection of a Redelivery Nomination and/or Renomination pursuant to Clause 3.4.1.8(a)(ii), by 12:00 for the Redelivery Nomination relating to the first session and by 19:00 for the Redelivery Nomination relating to the second session or by 15:30 for the Redelivery Renomination.
- c) In the event that its Redelivery Nomination and/or Renomination is rejected, the Operating Company will maintain the validity of the last Nomination or Renomination previously accepted or the Default Redelivery Profile of the User that has not validly exercised its right of Redelivery Nomination and/or Renomination .
- d) Where available, the Operating Company will assign the Interruptible Redelivery Service to the User that has submitted the relevant request pursuant to Clauses 3.4.1.3 and 3.4.1.5. In the event that other Users also submit the same request, and there is not sufficient availability of such services, the Operating Company will allocate such service among the Users in proportion to their Percentage Share on Gas Day in question.
- e) In the event that the User has delivered Off-Spec LNG, or following such delivery, the LNG present at the Terminal is found to be Off-Spec LNG and this results in a variation of the Terminal's redelivery capacity, the same User will be subject to a reduction of its Continuous Redelivery Service or to an increase of its Minimum Redelivery Obligation to the extent required to address such variation. In the event that on a certain Gas Day and following the delivery of Off-Spec LNG, the Terminal's redelivery capacity is lower than the sum of the quantities nominated or renominated by the other Users on the Gas Day in question, the User that has delivered Off-Spec LNG agrees to deliver to the Virtual Exchange Point to the other Users on the same Gas Day the quantities that the Operating Company has been unable to redeliver in compliance with the Redelivery Nomination and/or Renomination. The Operating Company will inform the interested Users of (i) the quantities of delivered Off-Spec LNG, (ii) the name of the User that made the delivery of the Off-Spec LNG, (iii) the names of the Users to which the quantities shall be redelivered and (iv) the corresponding quantities to be redelivered to the Virtual Exchange Point. The Operating Company will not be liable in the event that the User that delivered the Off-Spec LNG fails to fulfil its obligations to the other Users.
- f) In the event that all the LNG stored in the terminal's tanks becomes Off-Spec LNG due to the ageing of the LNG itself and this results in a variation of the Terminal's redelivery capacity, all the Users will be subject to a reduction of the Continuous Redelivery Service or an increase of their Minimum Redelivery Obligation required to address such conditions, in proportion to their Percentage Shares.
- g) In the event that all the Nominations and/or Redelivery Renominations submitted by all the Users are lower than that envisaged by Clause 3.4.1.7c), the Operating Company will increase the quantities of Gas expected to be redelivered to each User up to its Minimum Redelivery Obligation. The Operating Company will not be liable in relation to the incremental quantities of Gas expected to be redelivered pursuant to Clause 3.4.1.8g).
- h) In the event that all the Redelivery Nominations submitted by all the Users are different from those envisaged by Clause 3.4.1.7b), the Operating Company will modify the quantities of Gas expected to be redelivered to each User by a value equal to that envisaged by Clause 3.4.1.7b). The Operating Company will not be liable in relation to any quantities of Gas thus amended and expected to be redelivered pursuant to Clause 3.4.1.8h).
- i) In order to permit the Unloading of a LNG Carrier which finds itself in the conditions envisaged by Clauses 3.7.2.2b) and 3.7.2.2c), the Operating Company will reduce the Nomination and/or Redelivery Renomination of each User so as to release the relevant Percentage Share of the available space in the Terminal's tanks at the arrival of the subsequent LNG Carrier, as envisaged by Clause 3.3.1;
- j) In order to permit the Unloading of an Early LNG Carrier, provided that such LNG Carrier does not arrive more than twenty-four (24) hours before the Scheduled Arrival Window, the Operating Company will increase the Nomination and/or Redelivery Renomination of each User so as to release

the relevant Percentage Share of the available space in the Terminal's tanks at the arrival of the LNG Carrier, as envisaged by Clause 3.3.1. It being understood that such increase will take place within the limits of the Continuous Redelivery Service of each User;

k) It being understood that, in the event that the User decides to avail itself of the provisions of article 13.6 of TIRG, it will provide the Transportation Service users specified by such article with all the information envisaged by Clause 3.4.1 and the Operating Company with the Redelivery Nominations or the Redelivery Renominations divided among the Transportation Service Users.

l) In the event that, as a result of the failure to load the LNG on to the Small Scale Carrier in the context of one or more Small Scale Slots, the Operating Company needs to regasify the quantities of LNG not delivered to the Small Scale User, the Operating Company may limit, suspend or amend the Users' right of nomination or renomination. The Operating Company agrees to do everything within its powers to ensure that the effects of the non-delivery of LNG to the Small Scale User do not affect the rights of nomination or renomination of Users other than the Small Scale User to which the non-delivery of the quantities of LNG may be ascribed.

#### **3.4.1.9 Redelivery Allocation**

a) Following the acceptance or modification of the Redelivery Nominations and/or Renominations, the Operating Company shall enter the necessary data in relation in the relevant schedules in the System and provide the relevant nominations to SRG pursuant to the Network Code.

b) By 13:00 on Gas Day G+1, the Operating Company will make available to each User through the Electronic Communications System the quantity of Gas redelivered to the Redelivery Point on Gas Day G which, subject to the provisions of Clauses 3.8.1 and 3.8.2, will coincide with that nominated and/or renominated by the User.

c) The quantity notified pursuant to Clause 3.4.1.9b) will be determined, for each User, by the Operating Company based on the Nominations and/or Redelivery Renominations made by the User for Gas Day G and possibly by the application the allocation rules envisaged by Clause 3.4.1.10. Such quantities will also be used by SRG to determine the User's balancing pursuant to chapter 9 of the Network Code.

d) It being understood that the quantity notified pursuant to Clause 3.4.1.9b) for each User with regard to Gas Day G may be subsequently reviewed by the Operating Company and consequently used by SRG to determine the User's balancing, by the first Business Day subsequent to Gas Day G or, in the case of an error of measurement or error of communication of the measurement, by the twentieth (20<sup>th</sup>) Day of the Month subsequent to that on which such event occurred.

#### **3.4.1.10 Criteria for Allocating regasification shortfalls or excesses**

a) In the event that, on a Gas Day, the Operating Company redelivers, subject to the provisions of the OBA signed with SRG, an overall quantity of Gas that falls short the aggregated Redelivery Nominations and/or Renominations of the Users due to a Permitted Variation of the Regasification Service or a Variation of the Regasification Service, such shortfall will be allocated in proportion to the relevant Percentage Shares in the following order of priority, until the lower quantities redelivered have been completely absorbed:

- (i) first, in the event that such shortfall was caused by a User or group of Users, the quantities nominated and/or renominated by such User(s) using the Interruptible Redelivery Service will be reduced;
- (ii) second, the quantities nominated and/or renominated by the Users that did not cause such shortfall but which have used the Interruptible Redelivery Service;
- (iii) third, in the event that the quantities nominated and/or renominated by the Users using the Interruptible Redelivery Service have been reduced to zero (0) and such shortfall was caused by a User or group of Users, the quantities nominated and/or renominated by such User or group of Users will be reduced; and
- (iv) fourth, having applied the provisions of the previous points, any further shortfall will be assigned to all the Users involved that did not cause such reduction in proportion to their Percentage Shares.

b) In the event that, on a Gas Day, the Operating Company redelivers, net of the quantities managed pursuant to the provisions of the OBA signed with SRG, an overall quantity of Gas that

exceeds the aggregated Nominations and/or Redelivery Renominations of the Users due to a Permitted Variation of the Regasification Service or a Variation of the Regasification Service, such excess will be allocated in proportion to the Nominations and/or Redelivery Renominations of each User for such Gas Day, in the following order of priority, until the excess quantities redelivered have been completely absorbed:

- (i) first, in the event that such excess regasification was caused by a User or group of Users, the relevant Nominations and/or Redelivery Renominations will be increased as a consequence;
- (ii) second, any additional excess will be applied to all the Users concerned that have not caused such reduction in proportion to the User's Inventory.

It being understood that aggregated Nominations and/or Redelivery Renominations of the Users shall have the meaning given to it in Clause 3.8.3c).

#### **3.4.1.11 Acceptance of Gas**

a) Since the Gas must be injected by the Operating Company into the National Transmission System at the Redelivery Point on behalf of any Transportation Service User and/or Users specified in article 13, paragraph 6 of TIRG, the Gas allocated by the Operating Company at the Redelivery Point will be considered:

- (i) accepted and available to the User if such Gas is accepted by SRG in accordance with the provisions of the Network Code; or
- (ii) refused by the User and considered a Variation of the Regasification Service if such Gas is refused by SRG because it is Off-Spec Gas due to a default by the Operating Company, and only if the LNG was not Off-Spec LNG when it was Unloaded.

b. Without prejudice to Clause 3.6.5.2, if Gas is rejected pursuant to Clause 3.4.1.11(a)(ii), the Operating Company shall, at its own expense, take all such actions as may reasonably be required to dispose of or procure the disposal of such Gas to the extent required to manage the situation, provided always that the Operating Company shall comply with all Applicable Laws.

#### **3.4.1.12 Changes to the Redelivery Period and the Redelivery profile**

a) In the case of particular operating conditions (such as, for example, a discontinuous scheduling of the Unloading during the Months of a certain Gas Year or in concurrence with the Peak Shaving Service) which make it necessary to bring forward the redelivery of the Cargo expected to be Unloaded before the Unloading takes place due to the quantities of LNG present in the Terminal, subject to Clause 3.4.1.8, the Operating Company, may provide the User, at the end of the process for determining the Ninety Day Unloading and Loading Schedule envisaged by Clause 3.3.2.2 and/or when the latter is subsequently updated including after the allocation of FCFS regasification capacity pursuant to Clause 2.1.9.2 with a specific Default Redelivery Profile for a corresponding Redelivery Period and allocate its volumes of LNG at the Terminal to the User.

It being understood that, subsequent to the Unloading of the planned Cargo, the Operating Company will only redeliver to the User the remaining quantities and will do whatever is required to restore the quantities of LNG in the Terminal.

Once notified the specific Default Redelivery Profile and the corresponding Redelivery Period will be deemed to be the Default Redelivery Profile and the Redelivery Period, respectively, and the Clauses of this Regasification Code will apply to them.

b) It being understood that in the event that it is necessary to bring forward all or part of the volumes owned by the Operating Company and/or the Peak Shaving Service provider in respect of the Unloading, each User will be considered a Debtor User and the provisions envisaged by Clause 3.1.7 will apply.

c) In the event that, following the allocation processes envisaged by Clauses 2.1.9.1 and 2.1.9.2 the first Delivery Slots for Month M+1 have not been allocated, the Operating Company will grant Users with Cargo scheduled in Month M the right to extend the Redelivery Period at the end of the Gas Day prior to the Scheduled Arrival Window of the first Cargo confirmed or scheduled in Month M+1 or to any other earlier date determined by the Operating Company. It being understood that:

- (i) for each User, on each Gas Day of the new Redelivery Period, for the purposes of calculating and allocating the Continuous Redelivery Service, the same Percentage Share as determined Month M without any recalculation thereof will apply; and

(ii) the Users will continue to pay the Regasification Service Charges and the Transportation Service Charges with no increase due to the extension of the Redelivery Period.

### 3.4.2 Consumption and Losses of the Terminal

#### 3.4.2.1 Allocation of Consumption and Losses

- a) The Operating Company will allocate to each User the quantities of LNG and/or Gas destined to be used by the Operating Company as fuel for the basic operation of the Terminal and for the Regasification Service (**Consumption and Losses**) at the moment of the Unloading.
- b) The consideration in kind (expressed as a percentage of the quantity Unloaded) to be paid to the Users will be approved by the ARERA in the context of the process of verification and approval of the tariff proposals submitted annually by the Operating Company and will be published on the Operating Company's website.
- c) Each User will transfer to the Operating Company the ownership of the quantities of LNG and/or Gas to cover the Consumption and Losses and the Operating Company may use such quantities with no additional costs.
- d) In the event that the User has informed the Operating Company, in accordance with Clause 3.3.2.1(a)(ii), that a part of Unloaded LNG will be intended for one or more Small Scale Slots, the Consumption and Losses will be calculated on the whole quantity of Unloaded LNG and will be fully deducted from the sole quantities of LNG intended for the Regasification Service.

### Chapter 3.5 RECEIPT, STORAGE AND REGASIFICATION OF LNG

#### 3.5.1 Shared Storage

The Users shall share the available Terminal storage capacity, and no User shall have dedicated storage capacity rights subject to the provisions of Clause 3.5.3 below.

#### 3.5.2 User's Inventory

- a) The Operating Company will calculate and will make available on the Electronic Communications System on a daily basis each User's Inventory taking into consideration:
  - (i) the quantities of LNG allocated to the User;
  - (ii) the quantities of Gas redelivered at the Redelivery Point to the Transportation Service User or Users specified by the User;
  - (iii) the quantities relating to the Consumption and Losses allocated to each User;
  - (iv) the LNG debit and credit positions of the Users pursuant to Clause 3.3.7 and/or any redeliveries brought forward by the Operating Company pursuant to Clause 3.4.1.12;
  - (v) LNG ownership transfers among Users; and
  - (vi) Percentage Share recalculated for each User pursuant to Clause 3.3.8
- b) The quantities of LNG relating to the Unloading will be credited to the User following the submission of the final version of the unloading report based on the provisions of Clause 3.3.7 and conventionally allocated on the Gas Day on which the Unloading started.
- c) The Users may reciprocally transfer the ownership of the LNG at their disposal in the Terminal's tanks. To such end, the Operating Company will make available on its website the LNG transfer form (Annex 6) which shall be duly completed and sent by the interested Users to the Operating Company by 17:00 on Gas Day G so that the transfer may take effect at 06:00 on Gas Day G+1.

#### 3.5.3 Extended Storage Service

The Operating Company may provide Users with a storage service for quantities of LNG (**Extended Storage Service**) as follows:

- a) in the event that the Extended Storage Service is provided to a User, the latter will be entitled to receive quantities of LNG included in the service in a Redelivery Period other than that in which the redelivery was envisaged pursuant to the Ninety Day Unloading and Loading Schedule; or in the event that it intends to allocate such quantities to the Small Scale Service, the latter will be entitled to load the quantities of LNG included in the service in a different Month from that in which it acquired the ownership of the LNG.
- b) The consumption and losses connected to the storage will be deducted from the quantities of LNG included in the Extended Storage Service. The Operating Company will publish on its website the procedure for calculating the consumption and losses connected to the Extended Storage Service.

The Operating Company reserves the right to assess at its sole discretion the conditions that permit the provision of the Extended Storage Service, it being understood that if such service is provided to Users, it will be provided in an impartial and non-discriminatory manner.

If the Operating Company intends to provide the Extended Storage Service, interested Users will be required to send the Operating Company the forms for requesting access to the service which will be made available on the Operating Company's website and accept the Extended Storage Service Charge envisaged by Clause 5.2.1.7. The Extended Storage Service will be allocated, until the available storage capacity is exhausted, to the first Users to make the request by giving written notice thereof by the second (2<sup>nd</sup>) Business Day after the expiry of the deadline for the submission of requests, which will be published by the Operating Company on its website.

Any User which is allocated the right to use the Extended Storage Service will be required to pay the Operating Company the Extended Storage Service Charge, including in the case in which it does not have LNG at the Terminal in the period covered by the relevant Extended Storage Service.



## **Chapter 3.6 - OWNERSHIP OF LNG AND GAS AND MEASUREMENT OF DELIVERED LNG AND REDELIVERED GAS**

### **3.6.1 Ownership of LNG and Gas**

#### **3.6.1.1 Transfers of Ownership**

Subject to the provisions of Clauses 3.3.8 and 3.4.2.1, ownership of the User's LNG will remain with the legal and beneficial owner until such ownership is transferred (by the User, or by the owner) and will not be transferred to the Operating Company.

- a) The User warrants to the Operating Company that, at the time when the relevant Cargo is Unloaded at the Terminal, the LNG or the Gas is free from liens and from any other encumbrances, and that in relation to such Cargo:
  - i. the User has, at such time, full ownership of all of the User's LNG and User's Gas; or
  - ii. the Person that is supplying the LNG and Gas at the Terminal on behalf of the User has, at such time, full ownership of all of the User's LNG and User's Gas,
- b) The User warrants to the Operating Company that, at the time when the relevant Cargo is Unloaded at the Terminal, in respect of any User's LNG and User's Gas that is not legally and beneficially owned by the User, the User is duly authorised and appointed by the legal and beneficial owners of such LNG and Gas to act as agent for and on behalf of such owner.
- c) The Operating Company represents and warrants that Gas injected at the Redelivery Point by the Operating Company on behalf of the User shall be free from any lien or from any other encumbrance created by the Operating Company, unless the Operating Company is required to impose any such encumbrance by an order of a Competent Authority. If the Operating Company is required to impose any such encumbrance by an order of a Competent Authority, the Operating Company shall not be liable towards the User and the User waives any rights it may have to bring any claim or action against the Operating Company.

#### **3.6.1.2 Indemnities**

The User or Small Scale User agrees to indemnify, defend, and hold the Operating Company harmless in respect of any Loss of any kind suffered or incurred by the Operating Company (other than the Operating Company's loss of revenue) arising from:

- a) any lien or any other encumbrance arising or already existing on the User's or Small Scale User's LNG and the User's or Small Scale User's Gas, on the User's Inventory (where applicable); and/or
- b) third-party claims, including by any legal and beneficial owner of the LNG and/or Gas, submitted for any reason in relation to the User's or Small Scale User's LNG and User's or Small Scale User's Gas, including any claims arising from a default or false statement by the User pursuant to Clause 3.6.1.1a) and/or 3.6.1.1b).

#### **3.6.1.3 Commingling of the LNG and Gas**

The User acknowledges and agrees that:

- a. the Operating Company will commingle the User's LNG with the LNG of other Users in the Terminal;
- b. the Operating Company will commingle the User's Gas with that of other Users in the Terminal; and
- c. subject to Clauses 3.6.3 and 3.6.5, Gas redelivered at Redelivery Point may be of a different composition and may not consist of the same molecules as the LNG Unloaded by or on behalf of the User at the Delivery Point.

### **3.6.2 Measurement of LNG**

The quality and quantity of the LNG Unloaded by or on behalf of the User at the Terminal shall be determined in accordance with the procedures set forth in Annex 8.

### **3.6.3 Measurement of Gas**

The quantity, quality and pressure of Gas made available at the Redelivery Point to the User shall be determined in accordance with the procedures set forth in Annex 8.

### **3.6.4 LNG Quality**

#### **3.6.4.1 LNG Compliance**

LNG Unloaded or to be Unloaded by or on behalf of the User at the Terminal shall comply with the LNG Quality Specifications when Unloaded as stated in **Annex 8**. With respect to each Cargo, the User shall notify the Operating Company of the envisaged LNG quality at the time of the Cargo arrival at the Terminal taking into account, among other things, the LNG Carrier navigation time and any other possible causes of ageing of the LNG. This notice shall be provided as part of the Cargo Information Notice pursuant to Clause 3.7.1.2 and in the event that the LNG:

- a) to be Unloaded at the Terminal is or will be Off-Spec LNG once Unloaded, the User, the Ship Owner or the Master of the LNG Carrier (as the case may be) will promptly inform the Operating Company of such circumstances, informing it also of the quantity and quality of such Off-Spec LNG. The Operating Company will, immediately after receiving such notice, use all reasonable endeavours to accept and Unload such Off-Spec LNG and to reduce or prevent any cost or delay caused by such Off-Spec LNG and will notify its decision to the User in accordance with the provisions of Clause 3.6.4.2 below.
- b) during the Unloading phase, is found not to conform to the LNG Quality Specification, the Operating Company will use all reasonable endeavours to accept and continue to Unload such Off-Spec LNG and will notify its decision to the User in accordance with the provisions of Clause 3.6.4.2.

It being understood that the Operating Company may not in any way be held liable in the event that it is unable to receive the Off-Spec LNG.

#### **3.6.4.2 Acceptance or rejection of Off-Spec LNG**

- a. Subject to any applicable Maritime Regulations, the Operating Company may accept Off-Spec LNG (in whole or in part) only where it believes in its sole discretion, that acceptance of such Off-Spec LNG would not cause damage to the Terminal or prejudice the safety of Terminal personnel or cause the redelivered Gas to be Off-Spec Gas. In all other circumstances, the Operating Company shall reject a Cargo consisting of Off-Spec LNG.
- b. In the case that Clause 3.6.4.1a) applies, the Operating Company shall notify the User as soon as reasonably practicable, and in any case by the Business Day after receipt of the notice envisaged by Clause 3.7.1.2, of its decision either to accept or to reject such Off-Spec LNG. If the Operating Company rejects such Off-Spec LNG, upon receipt of a notice of rejection, the User shall not be allowed to berth and Unload at the Terminal and, in the event that the Unloading has already started, it will immediately cease and the User will cause the LNG Carrier to depart from the Terminal. It being understood that in the event that the Operating Company refuses or suspends the unloading at the Terminal, the User will still be required to pay the Charges.
- c. The User shall, notwithstanding Clause 5.3.1.1, indemnify the Operating Company against all Loss suffered as a result of the User's Off-Spec LNG being Unloaded into the Terminal, including all Losses incurred by the Operating Company in mixing any such Off-Spec LNG with other LNG, or disposing of such Off-Spec LNG (including any delays associated with it), and Loss arising from the disposal of such Off-Spec LNG including in the event that the Operating Company has not given notice of its refusal of the Off-Spec LNG pursuant to Clause 3.6.4.2b.
- d. The acceptance of Off-Spec LNG may result in a reduction of the Continuous Redelivery Service or an increase of the Minimum Redelivery Obligation to the extent required to address the variation in the redelivery capabilities of the Terminal due to the Terminal's acceptance of such Off-Spec LNG. In such event, the User delivering the Off-Spec LNG shall have its entitlement to Firm Redelivery Service reduced as required to accommodate that reduction. If such reduction on the relevant Gas Day is not sufficient, the provisions of Clause 3.4.1.8e) will apply.

### **3.6.5 Gas Quality**

#### **3.6.5.1 Gas Compliance**

The Operating Company undertakes to redeliver at the Redelivery Point Gas that complies with the Gas Quality Specifications, as established in Annex 8. As soon as it becomes aware that Gas redelivered or to be redelivered at the Redelivery Point is Off-Spec Gas, the Operating Company will inform the relevant Users and SRG, and will use all reasonable endeavours to minimise or to avoid any costs or delays caused by such Off-Spec Gas.

#### **3.6.5.2 Acceptance or Rejection of Off-Spec Gas**

In the event that the Gas injected or to be injected into the National Transmission System is Off-Spec Gas, the provisions of the Network Code will apply. Without prejudice to cases of intent or gross negligence on the part of the Operating Company, in the event that the Off-Spec Gas is definitively refused by SRG and the Gas is Off-Spec due to the Operating Company's Default, the Regasification Service Charges owed by the User will be reduced in proportion to the quantities of Off-Spec Gas made available and redelivered at the Redelivery Point. It being understood that in such case the User will have no other rights, with any rights to compensation also being ruled out, and, as a result, the Operating Company will not incur any liability arising from or associated with such Off-Spec Gas. It is also understood that no remedy will be available to the User that delivered the Off-Spec LNG. In the event that the Gas to be injected in the National Transmission System is Off-Spec Gas due to the ageing of the LNG already stored at the Terminal, this will not constitute a default on the part on the Operating Company, since the User expressly accepts such risk.

### **3.6.6 Transfer of LNG to Small Scale Users**

In the event that the Small Scale User which holds a Small Scale Slot scheduled for month M does not have LNG at its disposal at the Terminal in the same month M, it will be required to procure the transfer of the quantities of LNG that it intends to allocate to the Small Scale Slot in accordance with Clause 3.6.6.1, provided that the Small Scale User is also a User, or Clause 3.6.6.2, in the event that the Small Scale User does not hold regasification capacity.

If there is no LNG available to be allocated to the Small Scale Service, it will be impossible for the Operating Company to provide the Small Scale Service, without prejudice to the Small Scale User's obligation to pay the Small Scale Service Charge.

#### **3.6.6.1 Transfer of LNG to Small Scale Users in storage**

By and no later than the seventh (7<sup>th</sup>) Business Day before the date associated with the Small Scale Slot, the Small Scale User holding the Small Scale Slot and a User holding a Delivery Slot scheduled for the same Month as the Small Scale Slot shall send a notice in accordance with Annex 6AS to inform the Operating Company that the ownership of a certain quantity of LNG has been transferred by the User to the Small Scale User to be allocated to the Small Scale Service.

The transfer of LNG pursuant to this Clause 3.6.6.1 may only take place if the Small Scale User to which quantities of LNG have been transferred is also a User holding a Delivery Slot scheduled for the same Month as the Small Scale Slot to which it intends to allocate the quantities of LNG which have been transferred to it.

It being understood that if the Small Scale User to which quantities of LNG have been transferred to be allocated to the Small Scale Slot does not load such quantities on to the Small Scale Carrier, the Operating Company will regasify and redeliver to the User such quantities in such a way as to cause the least harm possible to the rights of nomination and renomination of the other Users.

#### **3.6.6.2 Transfer of LNG to Small Scale Users at the flange**

By and no later than the seventh (7<sup>th</sup>) Business Day before the date associated with the Small Scale Slot, the Small Scale User holding the Small Scale Slot and a User holding a Delivery Slot scheduled for the same Month as the Small Scale Slot shall send a notice in accordance with Annex 6BS to inform the Operating Company that the ownership of a certain quantity of LNG will be transferred, as a result

of being loaded on to Small Scale Carrier, by the User to the Small Scale User to be allocated to the Small Scale Service.

It being understood that if the Small Scale User that intends to be the transferee of quantities of LNG to be allocated to the Small Scale Slot fails to load them on to the Small Scale Carrier, such quantities will remain under the ownership of the User which intended to transfer them and the Operating Company will regasify and redeliver to the User such quantities in such a way as to cause the least harm possible to the rights of nomination and renomination of the other Users.

## Chapter 3.7 - LNG DELIVERY OPERATIONS

### 3.7.1 Notices

#### 3.7.1.1 Notice of ETA (Estimated Time of Arrival)

a) The User shall give or cause its LNG Carrier operator or the Master to give a notice by fax or e-mail of the ETA at the Terminal to the Operating Company and to the relevant Maritime Authorities (as may be required) (an **ETA Notice**). Each ETA Notice shall be submitted, updated or confirmed (as the case may be) at the following intervals, and at any other time required by Maritime Regulations:

- (i) upon departure from the port of loading;
- (ii) seventy-two (72) hours before the then current ETA;
- (iii) forty-eight (48) hours before the then current ETA;
- (iv) twenty-four (24) hours before the then current ETA;
- (v) twelve (12) hours before the then current ETA; and
- (vi) thereafter for any ETA change of more than two (2) hours.

b) If the Cargo to be Unloaded has been purchased by or on behalf of the User or diverted to the Terminal after the departure of the relevant LNG Carrier from the port of loading or after the relevant time specified in 3.7.1.1a) for sending the ETA Notice, the ETA Notice shall be sent as soon as possible, but in any event taking into account any applicable requirement for the final time by which the arrival of the Cargo shall be notified to the Maritime Authorities.

c) For operational management purposes, the Operating Company will consider the last ETA communicated prior to 06:00 of the Gas Day prior to the Arrival Window.

d) The Small Scale Carrier will be subject to the same obligation to send ETA Notices starting from the commencement of the journey to the Terminal or seventy-two (72) hours before the ETA envisaged at that time if the journey has not yet started before such deadline. The Operating Company will consider the last ETA notified before 6.00 on the Day on which the Small Scale Slot is envisaged.

#### 3.7.1.2 Cargo Information Notice

In addition to the provisions of Clause 3.7.1.1, for each Cargo to be delivered to the Terminal, the User shall provide or cause to be provided by the Ship Owner or the Master the following information in respect of such Cargo:

- a) port of loading of the LNG Carrier;
- b) the name of the LNG Carrier used;
- c) date and time of completion of the LNG loading operations;

and, on a daily basis, starting from the date of loading of the Cargo and possibly still at the same time, the following information:

- d) quantity of LNG loaded at the port of loading, quantity of LNG in the LNG Carrier's tanks before loading, quantity of LNG expected to be Unloaded at the Terminal, quantity of LNG in the LNG Carrier's tanks and quantity of LNG expected to remain in the LNG Carrier's tanks upon completion of the Unloading;
- e) pressure in the LNG Carrier's tanks;
- f) temperature of the LNG in the LNG Carrier's tanks;
- g) quality of the LNG measured at the port of loading.

Such notice shall be sent to the Operating Company and, where necessary, to the relevant Competent Authorities, as soon as the LNG Carrier transporting such Cargo has left the port of loading, or if the Cargo to be Unloaded has been purchased by or on behalf of the User or deviated towards the Terminal after the departure of the relevant LNG Carrier from the port of loading, as soon as possible after the purchase or deviation (**Cargo Information Notice**).

### 3.7.1.3 Notice of Readiness

- a. The User shall give or cause to be given by the Ship Owner or the Master to the Operating Company and/or to the Operating Company's Group a notice (**Notice of Readiness**) by fax or e-mail to moor and Unload as soon as the LNG Carrier:
  - (i) has arrived at the Pilot Boarding Station;
  - (ii) has cleared the necessary formalities with the Maritime Authorities and all other relevant Competent Authorities, has complied with all necessary customs notification requirements and all other necessary authorisations have been obtained including in relation to the requested maritime and port services; and
  - (iii) is ready in all respects, including having received the Spool Pieces, to proceed to moor at the Terminal and commence Unloading.
- b. Subject to the provisions of Clause 3.7.1.3c, the Notice of Readiness envisaged by Clause 3.7.1.3a will be received and accepted by the Operating Company and/or by the Operating Company's Group at any time on any Day and shall become effective as follows:
  - (i) for an LNG Carrier submitting the Notice of Readiness at any time prior to its Scheduled Arrival Window, at the earlier to occur of (i) start of the Scheduled Arrival Window or (ii) the LNG Carrier being All Fast;
  - (ii) for an LNG Carrier submitting the Notice of Readiness at any time during its Scheduled Arrival Window, at the time when it is given;
  - (iii) for an LNG Carrier submitting the Notice of Readiness at any time after the expiration of its Scheduled Arrival Window, upon the Operating Company's notice to the LNG Carrier that it is ready to receive the LNG Carrier at the berth.
- c. The Operating Company and/or the Operating Company's Group may reject a Notice of Readiness at any time before the LNG Carrier is All Fast, where:
  - (i) such Notice of Readiness:
    - (1) does not contain the information required pursuant to the Technical Manuals; and/or
    - (2) contains material information that the Operating Company has reasonable evidence is incorrect;
  - (ii) any of the requirements set forth in Clause 3.7.1.3a have not been satisfied;
  - (iii) the Operating Company, acting as a Reasonable and Prudent Operator, raises safety concerns;
  - (iv) the User no longer complies with the Service Conditions.

In the event of rejection of the Notice of Readiness, the Operating Company and/or the Operating Company's Group shall promptly notify the User and Master of the relevant LNG Carrier of such rejection.

- b) In departure from the provisions of Clause 3.7.1.3a(iii), the Operating Company may, once the User has demonstrated that they are compatible with the Terminal's loading arms, agree to the use of spool pieces other than the Spool Pieces without prejudice to the fact that, in light of such departure, the User accepts, including in departure from the provisions of the Regasification Code, that it is fully liable for any Loss and/or loss of revenue that may be suffered by the Operating Company and/or by the Operating Company's Group for having used, or as a result of the use of, such spool pieces. Therefore, the User agrees to indemnify and hold harmless the Operating Company from and against any Loss and/or loss of revenue that may be suffered or incurred by it or the Operating Company's Group, as a result of or in connection with the use of the spool pieces of the LNG Carrier including in the event that the use of such spool pieces has been agreed with the Operating Company.

## 3.7.2 Mooring

### 3.7.2.1 Mooring Priorities

Save to the extent required to comply with Maritime Regulations and/or to protect persons, property or the environment from harm or damage due to adverse operational or safety conditions and subject to Clauses 3.7.2.2a and 3.7.2.3, the Operating Company shall give priority in the mooring of LNG Carriers, in the following descending order, to:

- a) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company during its Scheduled Arrival Window; then
- b) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company after its Scheduled Arrival Window (a **Late LNG Carrier**); then
- c) an LNG Carrier in respect of which a Notice of Readiness is received and accepted by the Operating Company prior to its Scheduled Arrival Window (an **Early LNG Carrier**),

provided that a Late LNG Carrier shall not have priority over an Early LNG Carrier if the Operating Company determines, in its sole discretion, that the result of Unloading the Late LNG Carrier would be that the Early LNG Carrier would not be able to proceed to moor within its Scheduled Arrival Window.

In the event that two or more LNG Carriers fall within each of the categories specified in Clause 3.7.2.1a), 3.7.2.1b) and 3.7.2.1c), above, mooring priority will be given on a “first-come, first-served” basis.

### **3.7.2.2 Permitted Delay of LNG Carrier**

- a. Notwithstanding Clause 3.7.2.1a), to accommodate a Late LNG Carrier and at the written request of the User of the Late LNG Carrier and with the prior acceptance, whether tacit or express, of the other Users pursuant to Clause a), the Operating Company may delay the Scheduled Arrival Window for the next LNG Carrier by a maximum of twenty-four (24) hours, without the consent of the relevant User whose Arrival Window has been delayed to accommodate the Late LNG Carrier. The User of the Late LNG Carrier shall reimburse the Operating Company for the Demurrage and any excess boil-off payable by the Operating Company to the affected User whose Scheduled Arrival Window is delayed to accommodate the Late LNG Carrier in accordance with the provisions of Clauses 3.7.3.4e) and 3.7.3.4f). Subject to the rights held by the affected User in its capacity as Creditor User of the User of the Late LNG Carrier envisaged by Clause 3.1.7, the affected User will only be entitled to reimbursement arising from Demurrage and compensation in respect of excess boil-off payable by the Operating Company for having accommodated a delayed or Late LNG Carrier and no other indemnity shall be payable by the Operating Company or the User of the Late LNG Carrier.
- b) In the event that the mooring of a Late LNG Carrier causes a reduction of the Gas redelivery in respect of that Nominated/Renominated by the Users, such reduction will, if possible, be attributed first to the User of the Late LNG Carrier and then, if necessary to the other Users in proportion to their Redelivery Nominations and/or Renominations.
- c) In the event that the mooring of a LNG Carrier, which falls within the priority envisaged by Clause 3.7.2.1a), is delayed exclusively due to Adverse Weather Conditions, any reduction of the Gas redelivery in respect of that Nominated/Renominated by the Users will be shared among all the Users in proportion to their Redelivery Nominations and/or Renominations.
- d) In the event that the mooring of a LNG Carrier, which falls within the priorities envisaged by Clause 3.7.2.1a), is delayed exclusively due to Adverse Weather Conditions, the Operating Company will reschedule the Arrival Window of the relevant User, as well as of all subsequent Users that may in turn be affected by the rescheduling, in such a way as to ensure that the LNG Carrier(s) may be received as rapidly as possible.

### **3.7.2.3 Early and Late LNG Carriers**

If the User gives or causes to be given a Notice of Readiness to the Operating Company at any time not within its Scheduled Arrival Window which the Operating Company does not reject, the Operating Company will do everything that is reasonably possible to permit the mooring of such LNG Carrier in accordance with the priority set forth in Clause 3.7.2.1 or, otherwise at the first opportunity, provided there is sufficient Ullage available at the Terminal to unload the Cargo without affecting other Users' rights and holding harmless the Operating Company from and against any possible Loss suffered by the latter in connection with the Unloading of such Cargo and provided that such mooring does not raise safety concerns. Once seventy-two (72) hours have lapsed between the expiry of its Scheduled Arrival Window and the subsequent sending of the Notice of Readiness, The Operating Company shall have no obligation to use such efforts to berth a Late LNG Carrier.

### 3.7.3 Unloading

#### 3.7.3.1 Commencement and Completion of Unloading

The Operating Company and the User shall commence receiving and Unloading (as appropriate), or cause receiving and Unloading to be commenced, as soon as practicable after the completion of mooring, and shall complete receiving and Unloading, or cause receiving and Unloading to be completed, safely, effectively and expeditiously taking into account the prevailing weather conditions and relevant operating conditions of the LNG Carrier and the Terminal.

#### 3.7.3.2 Unloading Limits

a. The User shall not Unload or cause to be Unloaded into the tanks at the Terminal a quantity of LNG greater than the regasification capacity associated with a specific Delivery Slot as stated in the most current version of the Annual Unloading and Loading Schedule.

b. In the event that the User requests a quantity of LNG that exceeds the value of the regasification capacity associated with the Delivery Slot specified in the Annual Unloading and Loading Schedule, the Operating Company will take all reasonable steps to allow the Unloading of such quantities, provided that the additional volume does not affect the other Users' right to the Regasification Service. The User will hold harmless the Operating Company from and against any Losses suffered or incurred by the latter in connection with the Unloading of such Cargo and, if the unloading authorised by the Operating Company exceeds the value of the regasification capacity associated with the Delivery Slot by 5% for regasification capacity values lower than or equal to 135,000 m<sup>3</sup>liq or by 2% for higher values the provisions of Clause will apply.

#### 3.7.3.3 Avoidance of Unloading Delays

If, after a Notice of Readiness has been given, any problem occurs or is foreseen to occur that will or is reasonably expected to cause a delay to the LNG Carrier in mooring, Unloading or departing within the Allowed LNG Carrier Laytime or the Allowed Terminal Laytime as defined in Clause 3.7.3.4, the Parties agree to use reasonable endeavours to minimise or to avoid the delay and co-operate with each other to find countermeasures to minimise or avoid the occurrence of any similar delay in the future.

#### 3.7.3.4 Allowed Laytime

a) Subject to Clauses 3.7.2.2 and 3.7.2.3, the allowed laytime of the Operating Company is respectively thirty two (32) hours, in the event that the scheduled Unloading volume is equal or lower than 135,000 m<sup>3</sup>liq and fifty-four (54) hours in all the other cases, and commences when the LNG Carrier is All Fast (as declared by the Master), and the LNG Carrier is ready in all respects to Unload the Cargo, subject to any extensions in accordance with Clause 3.7.3.4b), and ends when the unloading arms have been disconnected (**Allowed Terminal Laytime**).

b) Except where the delay is caused by an Operating Company's Default, the Allowed Terminal Laytime shall be extended by any period of delay that is caused by:

- (i) reasons, including Off-Spec LNG, attributable to the LNG Carrier, the User, Ship Owner or Master or any directors, officers, employees, agents and representatives of the foregoing;
- (ii) the carrying out of any Planned Service Reduction;
- (iii) Force Majeure;
- (iv) night time transit restrictions;
- (v) Adverse Weather Conditions;
- (vi) compliance by any person with the Maritime Regulations;
- (vii) safety concerns or specific operational needs of the Terminal Manager or the Master; or.
- (viii) quantities Unloaded in excess of the regasification capacity associated with a specific Delivery Slot according to the provisions of Clause 3.7.3.2b).

c) The allowed laytime of the LNG Carrier is respectively forty (40) hours, in the event that the scheduled Unloading volume is equal or lower than 135,000 m<sup>3</sup>liq and sixty-two (62) hours in all the other cases, and commences when the Notice of Readiness becomes effective and ends when the LNG Carrier has left the Exclusion Zone, subject to any extensions in accordance with Clause 3.7.3.4d) (**Allowed LNG Carrier Laytime**).



d) Unless the delay is caused by the User or the User's Group, Allowed LNG Carrier Laytime shall be extended by any period of delay that is caused by:

- (i) reasons attributable to the Operating Company or any of its directors, officers, employees, agents and representatives of the previous parties (including any sub-contractor and/or the O&M Contractor);
- (ii) the carrying out of any Planned Service Reduction;
- (iii) Force Majeure;
- (iv) night time transit restrictions, where envisaged by the Applicable Law;
- (v) Adverse Weather Conditions;
- (vi) compliance by any person with the Maritime Regulations; or
- (vii) safety concerns or specific operational needs of the Master or the Terminal Manager.

e) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed Terminal Laytime (after taking into account any extensions of Allowed Terminal Laytime in accordance with Clause 3.7.3.4b), the Operating Company shall pay to the User, demurrage in the amount of €60,000 per Gas Day for each Gas Day of delay, and pro rata on an hourly basis for any partial Gas Day of delay (**Demurrage**).

f) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed Terminal Laytime (after taking into account any extensions of Allowed Terminal Laytime in accordance with Clause 3.7.3.4b)) beyond twenty four (24) hours, the Operating Company shall pay to the User an additional sum to compensate the User for excess boil-off from the LNG Carrier for each hour of delay beyond such twenty four (24) hours, determined as follows:

Cargo volume scheduled to be Unloaded x 0.005% x Monthly Market Price

g) The sums payable under Clauses 3.7.3.4e) and 3.7.3.4f) for such delay to that LNG Carrier may not in any case exceed an amount equal to the value envisaged by Clauses 3.7.3.4e) and 3.7.3.4f) due for four (4) Gas Days' delay per Unloading. Further, the sums envisaged by Clauses 3.7.3.4e) and 3.7.3.4f) are the sole and exclusive remedies available to the User for the Operating Company exceeding the Allowed Terminal Laytime.

h) If, for a particular LNG Carrier, Actual Laytime exceeds Allowed LNG Carrier Laytime (after taking into account any extensions of Allowed LNG Carrier Laytime in accordance with Clause 3.7.3.4d)), the User shall pay to the Operating Company Demurrage for each Gas Day of delay, and pro rata for any partial Gas Day of delay as provided in Clause 3.7.3.4e) subject to Clause 3.7.3.5.

### **3.7.3.5 Operating Company Remedies for Delay**

a) If an LNG Carrier fails to unmoor from the Terminal as soon as possible, and by no later than the end of the Allowed LNG Carrier Laytime, the Operating Company may:

- (i) subject to any provisions of the Technical Manuals and the Maritime Regulations, require the LNG Carrier to cease Unloading (if Unloading has not been completed) and/or unmoor from the Terminal and leave the Exclusion Zone; and
- (ii) take all safe and necessary steps to effect the removal of the LNG Carrier from the Terminal's berth at the User's expense.

b) In taking any action pursuant to Clause 3.7.3.5a), the Operating Company:

- (i) shall not act in a manner that may be expected to endanger the LNG Carrier, its Cargo or crew; and
- (ii) shall use reasonable endeavours to permit the LNG Carrier to continue to Unload, provided that, at the Operating Company's discretionary opinion, such continued Unloading does not affect the Operating Company's ability to comply with its obligations to the other Users or conflict with any Planned Service Reduction.

c) The Operating Company's remedies under Clauses 3.7.3.4h) and 3.7.3.5 shall be considered to be in addition to the compensation for any greater loss caused.

### **3.7.3.6 Incomplete Unloading**

Should it be necessary due to Adverse Weather Conditions, safety or other reasons for an LNG Carrier to leave the Terminal before the Unloading is completed, the Operating Company shall bear no responsibility or liability for any damage to the departing LNG Carrier or to its crew due to the Sloshing of the LNG remaining on board. It is the responsibility of the User to ensure that the LNG Carrier is always able to leave the Terminal in conditions of safety at any time during Unloading by ensuring *inter alia* that the LNG Carrier is designed to operate at all filling levels and that the Master acts in accordance with all necessary procedures and plans for unloading the Cargo, in particular to prevent Sloshing.

### **3.7.4 Priority of the Regasification Service and Late Small Scale Carriers**

#### **3.7.4.1 LNG Carrier delay and waiver of the Small Scale Service**

In the case of a Late LNG Carrier that in any case has the right to moor at the Terminal pursuant to this Chapter 3.7, in order to avoid any or further delays to the next LNG Carriers and in implementation of the principle of the priority of the Regasification Service over the Small Scale Service, the Operating Company may delay the next Small Scale Carriers by deferring the dates envisaged for the relevant Small Scale Slots without the consent of the Small Scale User concerned until such time as the LNG Carriers are no longer delayed in respect of the Arrival Windows envisaged by the Ninety Day Unloading and Loading Schedule.

In the event that a Small Scale Carrier cannot moor at the Terminal on the Day on which the Small Scale Slot was scheduled for reasons not ascribable to the Operating Company or the Small Scale User such as, by way of example, Small Scale Service Adverse Weather Conditions or Force Majeure, the Small Scale Carrier will only be permitted to moor at the Terminal and access the Small Scale Service if this does not interfere with the Unloading operations of an LNG Carrier, in which case, due to the priority assigned to the Regasification Service, the Operating Company may:

- a) postpone the Small Scale Slots to the first Day available after the completion of the Unloading of the LNG Carrier; or
- b) cancel the Small Scale Slot if it cannot be rescheduled before the expiry of the Redelivery Period relating to the Month in which the Small Scale Slots had been scheduled.

In the event that the Operating Company has delayed the Small Scale Slot pursuant to this Clause 3.7.4.1a) for a period subsequent to 11 (eleven) Days (or the Small Scale Carrier cannot receive the Small Scale Service due to the priority assigned to the Regasification Service with a consequent delay of at least 11 - eleven - Days) the User of the Small Scale Service may decide to waive its Small Scale Slot by informing the Operating Company thereof within 2 (two) Days of the date on which the Operating Company informed it of the new date of the Small Scale Slot (or of the date on which the Operating Company informed it of any subsequent further delay). In the event that the Small Scale User exercises its right to waive the Small Scale Slots or the Operating Company cancels it pursuant to Clause 3.7.4.1b), the Small Scale User will no longer be required to pay the Operating Company the Small Scale Charge, without prejudice to the fact that in no case may the Small Scale User avail itself of other remedies in respect of the Operating Company, it being understood and accepted by the Small Scale User that in no case may the Operating Company be held liable for the loss of the Small Scale Slot or for any other consequence arising from the Operating Company's decision to postpone the Small Scale Slot.

It being understood that the quantities of LNG envisaged to be loaded on to the Small Scale Carrier in relation to the Small Scale Slot that has been waived or cancelled by the Operating Company will be regasified and redelivered to the User or the Small Scale User that owns the quantities of LNG intended for the Small Scale Slot that has been waived or cancelled by the Operating Company, which will regasify and redeliver such quantities in such a way as to cause the least possible harm to the rights of nomination and renomination of the other Users in accordance with Clause 3.4.1.8l).

#### **3.7.4.2 Late Small Scale Carrier and cancellation of the Small Scale Slot**

The Small Scale User will directly give, or will ensure that the Ship Owner or the Master of the Small Scale Carrier give, notice to the Operating Company and/or the Operating Company's Group (**Notice of Readiness**), by fax or email, of the mooring and the Unloading as soon as the Small Scale Carrier:

- (i) has arrived at the Pilot Boarding Station;
- (ii) has cleared the necessary formalities with the Maritime Authorities and all other relevant Competent Authorities, has complied with all necessary customs notification requirements and all other necessary authorisations have been obtained including in relation to the requested maritime and port services; and
- (iii) is ready in all respects, including having installed any hose adapters in accordance with the provisions of the Technical Manuals, to moor at the Terminal and commence loading the GNL.

In the event that the Notice of Readiness is sent after 10:00 on the Day on which the Small Scale Slot was scheduled or in the event that the User of the Small Scale Service has informed the Operating Company in writing that the Small Scale Carrier will not be able to send the Notice of Readiness by such deadline, the Small Scale Carrier will be considered to be late (**Late Small Scale Carrier**).

Save for the case in which the Late Small Scale Carrier is delayed for reasons ascribable to the Operating Company pursuant to the Regasification Code, the Operating Company may cancel the relevant Small Scale Slot or in the event that it considers at its sole discretion that it is able to reschedule the Small Scale Slot in the same Month, it may reschedule the relevant Small Scale Slots by informing the Small Scale User within 2 (two) Days of the moment at which it became aware of the Late Small Scale Carrier, provided that the rescheduling of the Small Scale Slot does not affect any of the rights of the other Users or the Small Scale Users, in which case the rescheduling of the Small Scale Slot will be subject to the consent of the Users or the Small Scale Users whose rights will be affected by the rescheduling. In the event that the Operating Company fails to inform the Small Scale User with a Late Small Scale Carrier of the rescheduling, the Small Scale Slot will be deemed to be automatically cancelled and the quantities of LNG envisaged to be loaded on to the Late LNG Carrier will be automatically restored as part of the Cargo of the Small Scale User in its capacity as a User of the Regasification Service, without prejudice in any case to the User's obligation to pay the Operating Company the Small Scale Charge and the Variance Charge envisaged by Clause 3.3.6 due to the greater quantity of LNG included in the Regasification Service.

In the event that the Small Scale Carrier cannot moor at the Terminal on the date envisaged for the relevant Small Scale Slot for reasons ascribable to the Operating Company, the latter agrees to do everything possible to allow the Small Scale Carrier to moor at the Terminal as soon as possible, without prejudice to the priority of the Regasification Service over the Small Scale Service. In order to allow the Small Scale Carrier to moor, the Operating Company may delay the subsequent Small Scale Carriers for up to 2 (two) Days without the consent of the relevant Small Scale Users, and the Small Scale Users expressly accept such risk. Only in the event that the Small Scale Carrier cannot moor within 5 (five) Days of the date envisaged for the Small Scale Slot may the Small Scale User definitively cancel the Small Scale Slot by informing the Operating Company thereof within 2 (two) Days of the date on which the Operating Company has informed it of the new date of the Small Scale Slots, without prejudice to the liability of the Operating Company pursuant to Chapter 5.3 In the event that the Operating Company is not informed within the aforementioned deadline of 2 (two) Days, the date of the Small Scale Slot notified by the Operating Company will be deemed to be definitively accepted. In the event that the Small Scale User accepts the new date for the Small Scale Slots, the Operating Company may no longer be held liable for the delay.

### 3.7.4.3 Laytime for the Small Scale Service

- a) The allowed laytime of the Operating Company is thirty-two (32) hours, it being understood that in no case may the quantity of LNG that will be loaded on the Small Scale Carrier exceed the capacity associated with the Small Scale Slot and it starts when the Small Scale Carrier is All Fast (as declared by the Master) and the Small Scale Carrier is ready to start loading the LNG, save for any extensions

pursuant to Clause b), and ends when the hoses are disconnected (**Allowed Laytime for the Small Scale Service**).

b) Except where the delay is caused by an Operating Company's Default, the Allowed Laytime for the Small Scale Service at the Terminal shall be extended if the delay is due to:

- (i) reasons attributable to the Small Scale Carrier, the Small Scale User, Ship Owner of the Small Scale Carrier or Master or any directors, officers, employees, agents and representatives of the foregoing;
- (ii) the carrying out of any Planned Service Reduction;
- (iii) Force Majeure;
- (iv) night time transit restrictions, where envisaged by the Applicable Law;
- (v) Small Scale Service Adverse Weather Conditions;
- (vi) compliance by any person with the Maritime Regulations;
- (vii) safety concerns or specific operational needs reported by the Terminal Manager or the Master; or
- (viii) any activity that is required to ensure the priority of the Regasification Service over the Small Scale Service.

c) The Allowed Laytime for the Small Scale Service to the Small Scale Carrier is 40 (forty) hours, it being understood that in no case may the quantity of LNG that will be loaded on the Small Scale Carrier exceed the capacity associated with the Small Scale Slot and it starts when the Notice of Readiness becomes effective and ends when the LNG Carrier has left the Exclusion Zone, subject to any extensions pursuant to Clause 3.7.4.3d) (**Allowed Small Scale Carrier Laytime**).

d) Except where the delay is caused by an Operating Company's Default, the Allowed Small Scale Carrier Laytime shall be extended if the delay is due to:

- i) reasons attributable to the Operating Company or to any directors, officers, employees, agents and representatives of the foregoing (including any subcontractors and/or the O&M Contractor);
- ii) the carrying out of any Planned Service Reduction;
- iii) Force Majeure;
- iv) night time transit restrictions;
- v) Small Scale Service Adverse Weather Conditions;
- vi) compliance by any person with the Maritime Regulations; or
- vii) safety concerns or specific operational needs raised by the Terminal Manager or the Master.

e) If, for a particular Small Scale Carrier, the actual laytime exceeds the Allowed Terminal Laytime (after taking into account any extensions of the Allowed Terminal Laytime in accordance with Clause 3.7.4.3b), the Operating Company shall pay the User demurrage in the amount of €5,000 for each Gas Day of delay, and pro rata on an hourly basis for any partial Gas Day of delay (**Demurrage for Small Scale Carrier**).

f) The sums payable as Demurrage for Small Scale Carrier for such delays to that Small Scale Carrier may not in any case exceed an amount equal to the value envisaged by Clauses 3.7.4.3e) and 3.7.4.3f) due for three (3) Gas Days' delay per Unloading. Further, the sums envisaged by Clauses 3.7.4.3e) and 3.7.4.3f) are the sole and exclusive remedies available to the User if the Operating Company exceeds the Allowed Terminal Laytime

g) If, for a particular Small Scale Carrier, actual laytime exceeds Allowed Small Scale Carrier Laytime (after taking into account any extensions of Allowed LNG Carrier Laytime in accordance with Clause 3.7.3.4d)), the User shall pay the Operating Company Demurrage for each Gas Day of delay, and pro rata for any partial Gas Day of delay as provided in Clause 3.7.4.3e), subject to the provisions of Clause 3.7.4.4.

#### **3.7.4.4 The Operating Company's remedies for delay**

- a) If a Small Scale Carrier fails to unmoor from the Terminal as soon as possible and, in any case, by the end of the Allowed Small Scale Carrier Laytime, the Operating Company may:
  - (i) subject to any provisions of the Technical Manuals and the Maritime Regulations, require the LNG Carrier to cease LNG loading operations, even if partially completed, and/or unmoor from the Terminal and leave the Exclusion Zone; and
  - (ii) take all necessary and safety measures to remove the Small Scale Carrier from the Terminal's berth at the Small Scale User's expense.
- b) In taking the actions envisaged by Clause 3.7.4.4a), the Operating Company:
  - (i) shall not act in a such a way that such actions may endanger the Small Scale Carrier, its Cargo or its crew; and
  - (ii) shall use all reasonable endeavours to permit the Small Scale Carrier to continue its LNG loading operations, provided that, in the Operating Company's discretionary opinion, the continuation of the loading does not affect the Operating Company's ability to comply with its obligations to the other Users or conflict with any Planned Service Reduction.
- c) The Operating Company's remedies under Clauses 3.7.3.4g) and 3.7.3.5 shall be considered to be in addition to the compensation for any greater loss that may be caused.

#### **3.7.4.5 Allowed delay of Small Scale Carrier**

In the case of delay of a Small Scale Carrier, the Small Scale User holding the relevant Small Scale Slot will lose the right to receive the Small Scale Service for that specific Small Scale Slot.

The Operating Company reserves the right, at its sole discretion, to accept a Late Small Scale Carrier, having verified any impact that its acceptance may have on the other Small Scale Users or the Users.

## Chapter 3.8 - VARIATIONS OF THE REGASIFICATION SERVICE

### 3.8.1 Permitted Regasification Service Variations

The Operating Company shall be entitled to vary the User's Regasification Service in the following circumstances (each of which considered to be a **Permitted Regasification Service Variation**):

- a) a Planned Service Reduction and/or Unplanned Service Reduction within the defined allowances set forth in Chapter 4.1;
- b) a Force Majeure Event affecting the Group of the Operating Company;
- c) a delivery of Off-Spec LNG or if the LNG in the tanks of the Terminal is Off-Spec LNG in the circumstances set forth in Clauses 3.4.1.8e) and/or 3.4.1.8f) including the cases envisaged by Clause 3.6.4.2d;
- d) LNG Carrier berthing delays and reductions in Gas redelivery in the circumstances set forth in Clause 3.7.2.2;
- e) early berthing of the LNG Carrier and increases in the redelivery of the Gas in the circumstances envisaged Clause 3.7.2.3;
- f) any additional event or specific operational need which, in the discretionary opinion of the Operating Company, makes it appropriate to reduce, modify or postpone the User's Regasification Service in order to protect the health and safety of persons and the integrity and operations of the Terminal, including that envisaged by Clause 3.7.3.6 or in the case in which, for any reasons, the Operating Company has to regasify quantities of LNG that were intended for the Small Scale Service.

### 3.8.2 Variation of the Regasification Service

Service variations other than Permitted Service Variations, as well as Permitted Service Variations notified by the Operating Company with a notice inferior to two (2) days other than those envisaged by Clause 3.8.1b), shall be **Regasification Service Variations** and evaluated and compensated as follows:

- a) The Operating Company may, at its sole discretion, bring forward or delay the Scheduled Arrival Window associated with the User's Delivery Slot for up to two (2) Gas Days so long as, in the Operating Company's reasonable determination, having assessed the Ninety Day Unloading and Loading Schedule, such variation will not lead to a cancellation of the Delivery Slot. It is agreed that, if the Arrival Window is postponed, the sole and exclusive remedies available to the User will be the Operating Company's payment of Demurrage and compensation for boil-off in accordance with Clauses 3.7.3.4e), 3.7.3.4f) and 3.7.3.4g).
- b) If the Operating Company cancels the User's Delivery Slot or otherwise fails to complete the receipt of the Cargo after the commencement of the Unloading for any reason that is not a Permitted Service Variation, then the User shall be exempted from payment of the Regasification Service Charges (in whole or in proportion to the service received) for such Delivery Slot
- c) The compensation described in Clauses 3.8.2a) or 3.8.2b), as applicable, is the User's sole and exclusive remedy for a delay in the mooring of the User's LNG Carrier or cancellation or termination of the User's Delivery Slot as described above.
- d) In the event that the Operating Company, on a certain Gas Day, redelivers at the Redelivery Point pursuant to Clause 3.4.1.9, a quantity (expressed in MWh/day) other than that which the User entered in the Electronic Communications System with regard to the last Redelivery Nomination and/or Renomination exclusively in relation to the Continuous Redelivery Service and such variation is not a Permitted Service Variation, such User will be exempted, in relation to a certain Redelivery Period for Month M, from payment of the Regasification Service Charges in a share calculated in accordance with the following formula::

$$RID^{M_k} = (CSR^{M_k}) \times (A^{M_k} - 0,06 \times CDS^{M_k}) / CDS^{M_k}$$

where:

$RID^M_k$  = reduction in € of the Regasification Service Charges applied to the k-th User in Month M;

$CSR^M_k$  = charges in € for the Regasification Service owed by the k-th User in Month M;

$A^M_k$  = sum of the absolute values of the differences (expressed in MWh/day), calculated on each Gas Day of Redelivery Period for Month M, between the quantities actually redelivered to the k-th User and the quantities which the User has entered into the Electronic Communications System with regard to the last possible and non-justifiable Redelivery Nomination and/or Renomination pursuant to a Permitted Variation of the Regasification Service.

$CDS^M_k$  = regasification capacity subscribed by the k-th User in Month M expressed in MWh using the the Gross Calorific Value of the quantities of LNG actually Unloaded in Month M.

Considering that if  $A^M_k$  is lower than  $0.06 \times CDS^M_k$ , then  $RID^M_k = 0$

### 3.8.3 Notification of Regasification Service Variations

- a) In the event that a Variation of the Regasification Service occurs the Operating Company will inform the User as soon as possible of the event that has caused the Variation of the Service (in addition to the Variation itself, if this has already occurred) or of its intention to make a Variation of the Regasification Service, and will provide the User with an estimate of the impact that such Variation of the Regasification Service will have on the provision of the Regasification Service.
- b) In particular, the Operating Company will directly provide the User through the Electronic Communications System with an estimate of the quantities which may be redelivered to the User on one or more Gas Days and which the latter will have to consider for the purposes of the Redelivery Nomination and/or Renomination on Gas Days affected by the Variation of the Regasification Service.
- c) It being understood that for the purposes of the application of the provisions of Clause 3.8.2d) 'last possible Redelivery Nomination and/or Renomination' shall mean the quantity notified to the User by the Operating Company and made available to the User through the Electronic Communications System at the latest four (4) hours before the end of the Gas Day on which a Variation of the Regasification Service is envisaged.
- d) It being understood that the provisions of Clause 3.8.2d) constitute the only and exclusive remedy available to the User in the case of a Variation of the Regasification Service and nothing further may be claimed by the User as a consequence of such event.

## Chapter 3.9 - VARIATIONS OF THE SMALL SCALE SERVICE

### 3.9.1 Permitted Variations of the Small Scale Service

The Operating Company may vary the Small Scale User's Small Scale Service in the following cases (each of which is considered to be a **Permitted Small Scale Service Variation**):

- a) a Planned Service Reduction and/or an Unplanned Service Reduction within the limits envisaged by Chapter 4.1;
- b) a Force Majeure event affecting the Group of the Operating Company;
- c) a delivery of Off-Spec LNG or if the LNG in the tanks of the Terminal is Off-Spec LNG in the circumstances set forth in Clauses 3.4.1.8e) and/or 3.4.1.8f), including the cases envisaged by Clause 3.6.4.2d;
- d) LNG Carrier berthing delays and in any other case in which the variation of the Small Scale Service is necessary to ensure full access to the Regasification Service;
- e) any additional event or specific operational need which, in the discretionary opinion of the Operating Company, makes it appropriate to reduce, modify or postpone the Small Scale User's Small Scale Service in order to protect the health and safety of persons and the integrity and operations of the Terminal, including that envisaged by Clause 3.7.3.6 or in the case in which, for any reason, the Operating Company has to regasify quantities of LNG that were intended for the Small Scale Service.

### 3.9.2 Variation of the Small Scale Service

Service variations other than Permitted Small Scale Service Variations, or Permitted Small Scale Service Variations notified by the Operating Company with less than two (2) days' notice, provided they are different from those envisaged by Clause 3.9.1b), shall be **Small Scale Service Variations** and evaluated and compensated as follows:

- a) The Operating Company may, at its sole discretion, bring forward or delay the scheduled date for the Small Scale Slot by up to two (2) Days provided that, in the Operating Company's reasonable determination, having assessed the Ninety Day Unloading and Loading Schedule, such variation will not lead to a cancellation of such Small Scale Slot. It is agreed that, if the scheduled date for the Small Scale Slot is postponed, the sole and exclusive remedies available to the User will be the Operating Company's payment of Demurrage and compensation for the excess boil-off in accordance with Clauses 3.7.3.4e), 3.7.3.4f) and 3.7.3.4g).
- b) If the Operating Company cancels the Small Scale User's Small Scale Slot or otherwise fails to complete the loading of the LNG on to the Small Scale Carrier after loading has started for any reason that is not a Permitted Small Scale Service Variation, then the Small Scale User shall be exempted from payment of the Small Scale Charge (in whole or in proportion to the quantity of LNG loaded) for such Delivery Slot
- c) The compensation described in Clauses 3.8.2a) or 3.8.2b), as applicable, is the User's sole and exclusive remedy for a delay in the mooring of the User's LNG Carrier or cancellation or termination of the User's Delivery Slot as described above
- d) The compensation described in Clauses 3.9.2a) and 3.9.2b), as applicable, is the Small Scale User's sole and exclusive remedy for a delay in the mooring of the Small Scale User's Small Scale Carrier or cancellation or termination of the Small Scale User's Small Scale Slot as described above.

### 3.9.3 Notification of Small Scale Service Variations



In the event that a Small Scale Service Variation occurs, the Operating Company will inform the Small Scale User as soon as possible of the event that has caused the Small Scale Service Variation (in addition to the Variation itself, if this has already occurred) or of its intention to make a Small Scale Service Variation, and will provide the Small Scale User with an estimate of the impact that such Small Scale Service Variation will have on the provision of the Small Scale Service.