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PROCEDURE FOR THE RECEIPT OF QUANTITIES OF LIQUEFIED NATURAL GAS BY OLT OFFSHORE LNG TOSCANA S.P.A. FOR THE COOL-DOWN AND GAS-UP ACTIVITIES OF THE PLANT

30/09/2024

1. Premises

Given that:

- i. For the purposes of returning to operation the “FSRU Toscana” regasification terminal (**Terminal**) owned by OLT Offshore LNG Toscana S.p.A. (**OLT**) it is necessary to introduce quantities of LNG into the Terminal tanks to be used for the “cool-down” and “gas-up” activities, to be understood respectively as the complex of activities necessary for the cooling of the storage tanks of the LNG and of all the cryogenic parts of the plant at the operating temperature ($<-120\text{ }^{\circ}\text{C}$) (**Cool-down**) and as the displacement of the inert gas (nitrogen) which is replaced by the LNG vapours to put “in gas” the Terminal (**Gas-up**), both preparatory to the offer of the Regasification Service.
- ii. Pursuant to the tariff regulation criteria for the liquefied natural gas regasification service for the sixth regulatory period 2024-2027 (**RTRG**), annex A to Resolution No. 196/2023/R/gas, “filling gas is the gas used for the following purposes:
 - *initial filling of the pipeline connecting the terminal to the physical point where the gas is delivered to the national gas pipeline network;*
 - *reaching the minimum level of LNG in the tanks required to guarantee terminal operation”.*
- iii. Pursuant to the same RTRG (art. 4.4) the costs of filling and cooling gas are “determined equal to the acquisition value resulting from specific competitive procedures in order to comply with the principle of cost-effectiveness of the investments made”.
- iv. For the purposes referred to in the preceding premises, OLT intends to carry out this competitive procedure (**Procedure**) to identify the subject able to unload a quantity of LNG functional to the *Cool-down* and *Gas-up* activities under the terms and conditions referred to in this Procedure (**Service**).



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- v. In order to respect the principle of cost effectiveness referred to in premise iii), the awarding of the Service will take place directly on the basis of the lowest economic offer (**Unit Price**).
- vi. The LNG owned by the successful awardee (**Supplier**) will be delivered to the Terminal according to the methods set out in the general conditions of the Regasification Code and the **Service Contract** (Annex 1 of this Procedure), without prejudice, among other things, to the provisions relating to the Deadline of Discharge (**TUD**), which, to allow the correct provision of the Service, is inclusive, not only of the time necessary for *Cool-down* and *Gas-up*, but also of any further operation that may be necessary (for instance, a possible unmooring and second mooring of the LNG carrier), not exceeding 144 hours. Well in advance of the start of the Service, OLT will make available to the Supplier any documentation requested relating to the operations necessary to be carried out on the Terminal for the provision of the Service. In any case, OLT remains entitled to extend, at its discretion, the TUD applicable pursuant to the foregoing by a maximum of 72 hours.
- vii. The LNG unloaded at the Terminal will be used for the Service, without prejudice to OLT's obligation to return to the Supplier at the Entry Point of Livorno - (**Redelivery Point**) the quantities of LNG corresponding to those made available by the Supplier for the Service referred to in the following Article 2 net of the quantities of gas corresponding to the consumption and losses related to the Regasification Service, equal to 0.99% of the discharged quantities, according to the redelivery profile indicated in Article 3 of the Service Contract.

2. Object of the Procedure

Unless otherwise defined in this Procedure, capitalised terms have the meaning assigned to them in the Regasification Code, which will also apply to any aspect that has not been expressly regulated by this Procedure or by the Service Contract.

The object of this Procedure is the identification of a subject available to provide the Service and, therefore, undertakes to:

- unload at the Terminal, in the period between the 3rd of November and the 12th of November 2024 (**Mooring Window**), a load of LNG equal to 200,000 MWh (equivalent to approximately 30,000 liqcm) (the quantity of LNG that the Supplier offers to unload pursuant to the foregoing, as indicated in its offer, the **Offered Quantity**);



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– accept, therefore, that the subsequent redelivery of the discharged LNG takes place net of the quantities of gas corresponding to the consumption and losses attributable to the regasification service and according to the timing and redelivery profiles referred to in Article 3 of the Service Contract, in order to carry out the Service;

– accept that, as part of the *Gas-up* activity and the management of the *boil off gas (BOG)* produced, it may be necessary to resort to controlled discharges into the atmosphere (*vent*).

The Service will be carried out by unloading a LNG carrier (**Discharge**) which must arrive in the period mentioned above according to the methods and times indicated below:

- by the 21st of October 2024 OLT will communicate a time window of 5 days (**Time Window**) within the Mooring Window within which the Discharge shall commence;
- with an advance of 3 days from the start of the Time Window, OLT will communicate to the Supplier the date within Time Window on which the Discharge shall commence (**Discharge Date**).

Rescheduling of the Discharge Date to a different date will be possible by agreement between the parties.

The arrival of the cargo on a date subsequent to the Discharge Date, unless agreed between the parties, if not accepted by OLT, will be considered a failure to supply for which the provisions of this Procedure and Article 9 of the Service Contract.

The LNG unloaded at the Terminal by the Provider of the Service shall have a Wobbe Index not exceeding 53.50 MJ/Sm³, and the transfer of the LNG shall take place exclusively by means of LNG carrier authorized by OLT itself according to the provisions set out in the Regasification Code.

The injection of LNG, as well as its use for the purposes of making the Service available, are regulated according to the provisions defined by this Procedure, by the relevant Service Contract and, to the extent not derogated, by the OLT Regasification Code.

The injection/redelivery of LNG into/from the Terminal's tanks will be regulated by the Service Contract and the Regasification Code which, with the relevant annexes, constitute an integral and substantial part of the Contract itself.

OLT will book the transportation capacity necessary to make the regasified LNG quantities available to SNAM Rete Gas for redelivery to the Supplier as part of the transportation service. The Supplier is required to pay OLT the fees relating to the transport service as specified in Article 10 below.



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3. Quantity and delivery and redelivery obligations related to the Service

The Supplier undertakes to provide the Offered Quantity to OLT at the Terminal, according to the modalities and timing referred to in Article 2 of this Procedure, and in accordance with the provisions set out in the Regasification Code and in the Service Contract. For the purposes of verifying the compatibility of the LNG carrier, the Supplier communicates to OLT, within the deadlines set by the Regasification Code, the LNG carrier that will provide the Service as well as, in the event that such LNG carrier is not included in the list of LNG carrier approved by OLT, the documentation necessary for the purposes of performing compatibility in accordance with the provisions of the Regasification Code.

It is understood that the Supplier undertakes to deliver LNG via LNG carriers compatible with the specifications of the Terminal, to be authorized according to the established procedures, assuming the risk of failure to complete the authorization procedures. In such case it will be considered a failure to supply for which the provisions of this Procedure and Article 9 of the Service Contract will be applied.

According to the timing and the redelivery profile indicated in Article 3 of the Service Contract, the redelivered LNG quantities referred to in the point vii) of the Premises of this Procedure will be carried out at the Redelivery Point. It is understood that the estimates of quantities, times and durations referred to in this Procedure and in the Service Contract shall be considered as the best estimate currently available, subject to any adjustments where necessary.

4. Criteria for admission to the tender

The participation to the tender procedure is allowed only to subjects who, at the time of submitting the offer:

- a) undertake to stipulate or hold an import contract, i.e. an LNG supply contract, with delivery at the Terminal or with a delivery point located abroad integrated by a maritime transport contract(s) from the point of delivery to the Terminal itself:
 - valid on the effective date of the Service Contract referred to in point c) below and for the entire period in which the Discharge must be carried out;
 - for quantities necessary and sufficient to guarantee the effective entry of the Offered Quantity;
- b) have or undertake to have an LNG carrier for unloading at the Terminal authorized by OLT itself in accordance with the provisions set out in the Regasification Code;
- c) undertake to sign the Service Contract, within the terms set out in Article 8 of this Procedure;



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- d) have adhered or undertake to adhere to the Snam Rete Gas Code by the Discharge Date and for the entire period during which the gas will be redelivered to the Supplier (**Redelivery Period**);
- e) are not subject to bankruptcy or liquidation procedures, nor to debt collection actions by OLT.

5. Submission of bids

To participate in the tender, subjects who satisfy the requirements set out in the previous Article 4 are required, under penalty of exclusion from this Procedure, to send the documentation listed below in compliance with the following requirements:

1. to transmit, within the precise time limits indicated below, its economic offer and the related supporting documentation to the address asta.gas@oltoffshore.it in a single e-mail bearing the words "PROCEDURE FOR THE RECEIPT OF QUANTITIES OF LIQUEFIED NATURAL GAS BY OLT OFFSHORE LNG TOSCANA S.P.A. FOR THE COOL-DOWN AND GAS-UP ACTIVITIES OF THE PLANT" and the indication of the sender's company name;
2. to attach to the e-mail the documents containing the declarations and commitments listed below:
 - a. full acceptance of the Procedure, including the attachments (Annex 3);
 - b. declaration of being a user of the transport system managed by SRG for the gas year 2024-2025 or of having signed an access contract with the latter for the gas year 2024-2025 (Annex 3);
 - c. irrevocable commitment in case of award to sign the Service Contract (Annex 3);
 - d. identification of a contact person (whose personal data and the position held in the bidder's organization chart will be provided) as the recipient of all communications envisaged in carrying out this Procedure, with specification of the e-mail and fax address (Annex 5);
 - e. a copy of the SWIFT message relating to the sending of the autonomous financial guarantee, enforceable on first request, in the amount of 5,000,000 (five million/00) Euros, issued by an Approved Credit Institute as defined by the Regasification Code or, alternatively, creation of a non-interest-bearing security deposit. In this case, the transfer must be executed at least 3 (three) working days before the deadline for the submission of bids and OLT reserves the right to exclude any tenderer for which the bank receiving the transfer is not able to confirm the deposit within the day before the deadline for submission of bids;



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- f. the form referred to in Annex 2 of the Procedure in which the Unit Price expressed in €/MWh, which may also be negative, is reported with indication of three (3) decimal points and the separate specification of the applicable VAT. If more than three decimals points are indicated, the value will automatically be rounded down to the third points.

It is understood that such Unit Price refers exclusively to the fee for making the Service available.

The documents listed above must be prepared using the templates referred to in this Procedure and must be attached to the e-mail, duly signed by the person with the relevant powers and in a non-amendable format (PDF file).

The submitted bid shall be binding until the completion of this Procedure coinciding with the signing of the Service Contract.

It is specified that, to guarantee the secrecy of bids OLT, under its own responsibility, will prevent the offers received from being opened before the scheduled opening date as specified below.

6. Terms of participation in the tender

The documentation referred to in Article 5 must be sent **from 9:00 to 12:00 on the 10th of October 2024**. Offers sent before or after this deadline will not be taken into consideration and will be automatically excluded. Critical issues in the transmission of the e-mail which cause the deadline specified above to be exceeded constitute a risk borne by the tenderer. Therefore, OLT will exclude offers not received within the deadline indicated regardless of the reasons for such delay, except for events attributable to OLT and recognized by the latter.

Upon receiving the e-mail, the system will automatically issue a delivery receipt certifying the date and time of receipt.

7. Tender award

The award will take place as follows:



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- i. after the deadline for submitting the documentation referred to in Article 5, OLT will access the e-mail inbox and open the e-mails received in compliance with the provisions of the same Article 5 and will proceed to verify the completeness and conformity of the documentation therein contained;
- ii. OLT will order the offers received starting from the lowest Unit Price. The subject who has submitted the bid with the lowest Unit Price will be awarded the supply of the quantity covered by this Procedure;
- iii. in the event that two or more subjects offer the same Unit Price, the award will go to the one who submitted the bid first.

No later than the 11th of October 2024, OLT will communicate the outcome of the tender to the Supplier by e-mail. If, when opening bids, documentation is found to be incomplete or not compliant with the provisions of Article 5, the bidder may be excluded.

Furthermore, single offers submitted jointly by two or more participating companies are not permitted. In the event that an operator presents multiple offers, if the conditions are met, only the one presented last in chronological order will be considered valid, while the others will be considered null and void. If multiple offers are submitted by the same operator at the same time, they will all be excluded.

Exclusion from the Procedure as well as non-award will be communicated to the bidder by **the 11th of October 2024**.

8. Service Contract

The Supplier must send to OLT, **by 12:00 on the 16th of October 2024**, the Service Contract duly signed and complete in all its parts.

The Service Contract will regulate the methods for rendering the Service as well as the terms and conditions for the Discharge and for the regasification and redelivery of the quantities of gas corresponding to the Discharge, net of what is stated in point vii) of the Premises.

It is understood that any quantities unloaded exceeding the Offered Quantity, considering a tolerance of 2% on the quantity discharged, will not be the object of this Procedure and, therefore, the provisions of the



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Regasification Code will apply to the latter. In particular, the applicable fees will be those approved by ARERA with Resolution 279/2023/R/gas.

Failure to comply with the aforementioned deadline for delivery of the Service Contract to OLT, as well as with the confirmation of sending of the financial guarantee sent via SWIFT or the security deposit referred to in the following Article 9, will result in the forfeiture of the award for the defaulting Supplier and the application of a penalty equal to 5,000,000 (five million/00) Euros to be borne by the latter, therefore proceeding without warning or formal notice, to the enforcement of the autonomous financial guarantee referred to in Article 5 issued in interest of the successful bidder or to the definitive appropriation of the security deposit. OLT may award the Service to the person who came first among the unsuccessful bidders, being understood that the new successful tenderer may refuse to provide the Service or can accept the award by giving notice in writing (also by e-mail) no later than 3 (three) days from the date on which OLT communicated the relevant award and, in case of acceptance of the award, completes the activities referred to in this Article within the following 3 (three) days from the date of acceptance.

Where there are no reasons preventing the signing of the Contract, OLT will return to the Supplier a copy of the Service Contract digitally countersigned by its legal representative/attorney and will release the autonomous financial guarantee of 5,000,000 (five million/00) Euros or return the security deposit of 5,000,000 (five million/00) Euros referred to in Article 5 to the Supplier and to the other unsuccessful bidders who have provided them.

9. Financial guarantee requested from the successful tenderer

The Supplier shall present a suitable independent financial guarantee, enforceable on first request, or a non-interest-bearing security deposit (**Guarantee relating to the Service Contract**) valid until the 31st of December 2024, for an amount equal to 25,000,000 (twenty-five million/00) Euro, issued in favour of OLT to guarantee compliance with the commitments set out in the Service Contract itself. The guarantee must be issued via SWIFT message by an Approved Credit Institute as defined by the Regasification Code.

In the event of a security deposit, the Supplier shall provide OLT (at the following e-mail address oltcommercial@legalmail.it) with the receipt of the transfer to OLT bank account of the due amount as a deposit, including VAT (copy of the bank transfer or irrevocable order to reclaim).



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Failure to present the Guarantee relating to the Service Contract by the Supplier, at the latest, at the same time as the delivery to OLT of the duly signed Contract, will result in the termination for serious breach of the Contract, with the consequent enforcement by OLT against the Supplier of a penalty equal to 5,000,000 (five million/00) Euros, therefore proceeding without warning or formal notice, with the enforcement of the independent financial guarantee issued in the interest of the successful tenderer or to the final appropriation of the non-interest-bearing security deposit referred to in letter e) of Article 5. A similar penalty will be applied, not only in the case - provided for by the Procedure - of failure to sign the Contract and/or failure to timely deliver it to OLT, but also in the event of nullity or cancellation of the Contract itself for reasons attributable to the Supplier.

OLT will have the right to terminate the Contract, pursuant to art. 1456 of the Italian Civil Code, by sending a communication via registered e-mail or certified e-mail to the Supplier and to apply a penalty equal to 25,000,000 (twenty-five million/00) Euros in the following cases:

- a. failure, incomplete or delayed supply by the Supplier of the Offered Quantity in compliance with the provisions of this Procedure and the Service Contract;
- b. the Supplier has not adhered to the Snam Rete Gas Network Code by the Discharge Date and for the entire Redelivery Period referred to in Article 4 of this Procedure;
- c. the Supplier reschedules the aforementioned Discharge without respecting the deadlines set out in this Procedure and in the Service Contract;
- d. further provisions set out in the Service Contract.

It is also specified that OLT will fully enforce the Guarantee relating to the Service Contract in the event of non-payment of the aforementioned penalties.

10. Service Fees

If the awarding of the Service referred to in this Procedure occurs through acceptance of a positive Unit Price, the fee for making the Offered Quantity available will be paid to the Supplier in accordance with the provisions of Article 11 below in relation to the quantities of energy actually delivered under this Procedure by the Supplier at the Terminal multiplied by the Unit Price expressed in €/MWh referred to this Procedure.



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If the awarding of the Service occurs through acceptance of a negative Unit Price, the Supplier will pay OLT the fee for making the Offered Quantity available in accordance with the provisions of Article 11 below, in relation to the quantities of energy actually delivered under this Procedure by the Supplier at the Terminal multiplied by the Unit Price expressed in €/MWh referred to in this Procedure.

The aforementioned fee is fixed and invariable. No variation will be granted for any reason to the Supplier who therefore recognizes the random nature of the Contract pursuant to and for the purposes of art. 1467 of the Italian Civil Code.

It is understood that the Supplier will not have to pay OLT any compensation relating to the regasification capacity allocated for the purposes of providing the Service and within the limits of the Offered Quantity.

The Supplier will pay OLT the unit fee relating to the transport service for the purposes of providing the Service where applicable.

All costs related to the towing, pilotage and mooring services necessary for the provision of the Service which will be charged to the Supplier will be reimbursed by OLT, which will fully bear the cost.

11. Invoicing and Payment

The Supplier shall be acknowledged by OLT the product between the Offered Quantity expressed in MWh and the economic value indicated in its offer as the Unit Price expressed in €/MWh, if positive, or the Supplier shall recognise to OLT the product between the Offered Quantity expressed in MWh and the economic value indicated in its offer as the Unit Price expressed in €/MWh, if negative, as determined on the basis of what provided in Article 10.

Payments made by OLT to the Supplier will be made by bank transfer with a fixed currency in favour of the Supplier to the bank account in the name of the same Supplier and indicated by the latter at the time of awarding the tender.

Payments made by the Supplier to OLT, including the fee for the transport service and any security deposit, will be made by bank transfer with a fixed currency in favour of OLT to the bank account in the name of the same OLT at Banca Monte dei Paschi di Siena branch 3700 – Livorno headquarters identified by means of the IBAN code: IT 23 P 01030 13900 000006005155.



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12. Force Majeure

If one of the parties is prevented, due to Force Majeure as defined under the Regasification Code, from meeting its obligations, it must immediately notify the other party, indicating the circumstances, nature and consequences of such event of Force Majeure, as well as an estimate of the time necessary to remedy it, it being understood that - without prejudice in any case to the hypotheses referred to in the previous Article 9 - the other party will not be able to withdraw from (or declare the Contract terminated for the Service unless after the Force Majeure event has lasted for at least ten (10) calendar days.

The provisions of Article 10 of the Service Contract apply, which prevail in the event of conflict with the preceding provisions and/or with those of the Regasification Code.

13. Final clauses

OLT reserves the right to modify, cancel, revoke, suspend, interrupt the Procedure, at its sole discretion, by communicating it on its website, within the deadline for notification of the award, without a potential successful bidder is able to boast expectations of arising regarding the awarding and signing of the Service Contract, nor any right to compensation, reimbursement or compensation of any kind.

Any time referred to in the Procedure is to be understood as referring to Italian time.

OLT is the data controller of the data referred to in this Procedure.

Each subject participating in the Procedure acknowledges, by taking part in the Procedure itself, of having read the information on the processing of personal data published by OLT on its website pursuant to articles. 12-14 of Regulation (EU) 679/2016, regarding the provision of personal data to OLT and regarding the processing of the same data by the aforementioned OLT for the purpose of providing the services offered.

The following attachments, made available in the Commercial section of OLT website, constitute an integral part of this procedure:

Attachment list:



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- Annex 1 – Service Contract;
- Attachment 2 – Bid Form;
- Attachment 3 – Declaration Form;
- Annex 4 – Financial Guarantee Offer;
- Attachment 5 – Communications Form;
- Annex 6 – Declaration in lieu;
- Annex 7 – Financial Guarantee Service Contract.