

## Terms and Conditions for North/West Europe Auctions GY 2021 (for Subletting Products)

### Preamble:

- Eni S.p.A. ("Eni"), as shipper, within the transportation capacity contracted for its commercial needs respectively on the TRANSITGAS and GRTgaz Pipeline Systems (hereinafter collectively the "**NW Pipeline System**"), intends to make available transportation capacity ("**Available Capacity**") in the period starting from 01/10/2021, 06:00 a.m. and up to 01/10/2022, 06:00 a.m. ("**Offering Period**"), for the entire period ("**GY product**") and for three-month periods starting respectively on 01/10/2021 (06:00 a.m.) ("**Q4-21 product**"), 01/01/2022 (06:00 a.m.) ("**Q1-22 product**"), 01/04/2022 (06:00 a.m.) ("**Q2-22 product**") and 01/07/2022 (06:00 a.m.) ("**Q3-22 product**") (collectively called "**Quarterly products**").
- On 04/06/2021 Eni has published on its web site ([www.eni.com](http://www.eni.com) Operations - Auctions and Tenders section) all the relevant information regarding the North/West Europe Auctions GY 2021 (for Subletting Products).
- At least 20 days before each Auction in the Offering Period Eni will publish the number of Lots offered for each **Section** and the related **Reserve Prices**.
- The **Available Capacity** will be allocated to Bidders through non-discriminatory and transparent single-round auctions according to the "System Marginal Price" rule ("**Auctions**").

Now therefore, the following Auction Procedure shall apply:

### 1. Definitions

As used in this Auction Procedure:

- 1.1. "**Bid Price**" has the meaning ascribed to it in Article 10.2.1.
- 1.2. "**Confidential Information**" means any and all data, reports, records, correspondence, notes and other information disclosed directly or indirectly between Eni, and/or companies belonging to its corporate group, and each Applicant/Bidder, and/or companies belonging to its corporate group, if any, regardless of the manner in which such information is provided within the Auctions or which comes to their knowledge (including but not limited to Bid Prices and Marginal Bid Prices).
- 1.3. "**Framework Subletting Agreement**" or "**FSA**" has the meaning ascribed to it in Article 2.

- 1.4. **“Individual Contract”** shall mean the document defining the specific Subletting Product awarded to the Winning Bidder(s). The relevant form is attached to the FSA as Annex D.
- 1.5. **“Primary Bank”** means a bank with rating Standard and Poor’s Corporation not under “BBB-” or Moody’s Investors Service Inc. not under “Baa3” or Fitch Ratings, Inc./Ltd. not under “BBB-”.
- 1.6. **“Reserve Price”** means the base price of each Section, that will be published at least 20 days before each Auction.
- 1.7. **“Section”** means, for each Subletting Product, each of the following routes:
  - Transitgas (Oltingue – Passo Gries) – Section 1
  - Exit Oltingue + Transitgas (Oltingue – Passo Gries) – Section 2
- 1.8. **“Subletting Product(s)”** has the meaning ascribed to it in Article 2.3.

For the avoidance of doubt, comma is used as separator of decimal places of the figures of this document.

## 2. Product details

- 2.1. The Available Capacity on one or more of the pipeline systems of the NW Pipeline System will be offered on different routes through Subletting Products. The Available Capacity shall be allocated only among the interested operators that have completed the registration process as set forth in Article 4 (**“Bidder(s)”**), by means of an auction in accordance with the terms and conditions set forth herein (**“Auction Procedure”**).
- 2.2. The Subletting Products are offered, for the Offering Period, on the basis of an agreement for the subletting of natural gas transmission capacity (**“Framework Subletting Agreement”** or **“FSA”**).
- 2.3. The Subletting Product on the routes of one or more of the pipeline systems of the NW Pipeline System will allow the Winning Bidder to be redelivered at Passo Gries interconnection point the same amount of energy that has been made available at the relevant intake point (depending on the Section), as set forth in the FSA.

## 3. Auction details

- 3.1. For each Subletting Product a separate allocation process shall be carried out.
- 3.2. For the Subletting Products each lot shall consist of a quantity of 30 MWh/h (**“Lot”**).
- 3.3. The offered Available Capacity (number of Lots and Reserve Price(s)) shall be published at least 20 days before each Auction.

- 3.4. Each Bidder is entitled to bid for a maximum number of different bid fees equal to the minimum between 10 (ten) and the number of Lots for each Section as published from time to time.

#### 4. Registration

- 4.1. In order to participate in the Auction(s) interested operators ("**Applicants**") shall submit their requests to Eni by:

- 24/06/2021, 4:00 p.m. for the GY product
- 22/07/2021, 4:00 p.m. for the Q4-21 product
- 21/10/2021, 4:00 p.m. for the Q1-22 product
- 27/01/2022, 4:00 p.m. for the Q2-22 product
- 21/04/2022, 4:00 p.m. for the Q3-22 product

at the latest, pursuant to the hereinafter specified conditions for online registration (the "**Online Registration**").

The Online Registration will be performed in one step only (for more details please refer to the Bidder Manual published as Annex 5), where each Applicant has to complete and send to Eni the Online Registration via web-interface.

All necessary verifications shall be performed by Eni on the basis of Article 8.

Once the Online Registration is successfully completed, such registration will be considered valid for all the remaining Auctions of the Offering Period.

#### 5. Bid Bond/Cash Deposit

- 5.1. In order to participate to one or more Auction(s), Applicants have to submit to Eni, as per Article 8, an adequate guarantee alternatively as per letter a) or as per letter b) below:

- a) One valid and correctly filled in bid bond issued by an internationally Primary Bank (the "**Bid Bond**") for an amount equal to Euro 200.000,00 (two hundred thousand/00).
- b) One valid **Cash Deposit** for an amount equal to Euro 200.000,00 (two hundred thousand/00).

- 5.2. The Bid Bond must be in original and in the form published as Annex 3, with place, date and bank signature in all places indicated in Annex 3, in order to avoid being considered void, causing the exclusion of the Applicant from the participation to the Auction Procedure.

- 5.3. The cash deposit must be a non-interest bearing deposit. The payment shall be made by bank transfer Sepa (Sepa Credit Transfer – SCT) to the Credit

Institute Banque ENI S.A, c/c IBAN no. BE39968190360219, held in the name of Eni S.p.A. The reason of the payment shall be “Eni Subletting North/West Europe Auctions GY 2021”.

- 5.4. The Bid Bond, or alternatively the Cash Deposit, is provided to ensure that Applicant who is assigned one or more Lot(s) (“**Winning Bidder**”) will submit the bank guarantee(s) requested in the FSA (the “**Bank Guarantee**”).
- 5.5. Should a Winning Bidder fail to submit the relevant Bank Guarantee(s), Eni will enforce the Bid Bond or the Cash Deposit. Furthermore, Eni reserves the right to exclude it from the participation in the upcoming Auctions.
- 5.6. The Cash Deposit shall be provided for each Auction within the time limit set forth in Article 8.4 and shall remain in effect until:
  - 16/08/2021 for the GY product
  - 13/09/2021 for the Q4-21 product
  - 13/12/2021 for the Q1-22 product
  - 21/03/2022 for the Q2-22 product
  - 13/06/2022 for the Q3-22 product.
- 5.7. The Bid Bond can be provided to cover the requirements either of a single Auction or of more Auctions (for example, it is possible to provide a unique Bid Bond for all the (remaining) Auctions of the Offering Period) and shall remain in effect until 46 days after the last Auction in which the Applicant intends to participate; after this date it will be in any case null and void. For example, a Bid Bond expiring on 13/06/2022 will cover the requirements for all the (remaining) Auctions of the Offering Period.
- 5.8. The Bid Bond will be returned according to the following conditions:
  - if it is expired;
  - if the Bidder has not been awarded any Lot in the last Auction and if the Bid Bond is not valid for the following Auction;
  - if the Winning Bidder has submitted the due Bank Guarantee(s) and if the Bid Bond is not valid for the following Auction;
  - upon request of the Applicant if i) the Bidder has not been awarded any Lot in the last Auction, ii) the Bid Bond is still valid for following Auction(s) and iii) the Acceptance Notice for the following Auction has not been sent yet by Eni to the Applicant;
  - upon request of the Winning Bidder once it has submitted the due Bank Guarantee(s), if the Bid Bond is still valid for following Auction(s) and the Acceptance Notice for the following Auction has not been sent yet by Eni to the Applicant.

The Cash Deposit will be returned on the same bank coordinates: i) if the Bidder has not been awarded any Lot in the last Auction or ii) if the Winning Bidder has submitted the due Bank Guarantee(s).

## 6. Declaration

- 6.1. In order to participate to the Auction(s), Applicants have to submit to Eni, as per Article 8, a duly signed declaration in the form published as Annex 4 (the "Declaration"). For the avoidance of doubt, it is requested to provide a unique Declaration for all the Auctions of the Offering Period. The Applicant shall promptly submit an updated version of the Declaration within the relevant time limit set forth in Article 8.4 in case of any changes of the content of the Declaration in relation to the Applicant (by way of example and without limitation, Applicant's name or address, personnel entitled to act in the name and on behalf of the Applicant within the Auctions).

## 7. Framework Subletting Agreement (FSA)

- 7.1. In order to participate to the Auction(s), Applicants have to submit to Eni, as per Article 8, a duly completed and signed FSA in the form published as Annex 2. For the avoidance of doubt, it is requested to provide a unique FSA for all the Auctions of the Offering Period. The Applicant shall promptly submit an updated version of the FSA in case of any changes of the content of the FSA in relation to the Applicant (by way of example and without limitation, Applicant's name or address).
- 7.2. The FSA enters into force on the date of its signature by Eni and by the Applicant.
- 7.3. Parties acknowledge that the subscription of the FSA does not entail an obligation for the Applicant to participate to any of the Auctions in the Offering Period.
- 7.4. The terms and conditions set forth in the FSA are not negotiable and have to be accepted by any Bidder.

## 8. Submission of the Documentation

- 8.1. The signed Declaration, the signed FSA and, if applicable, the proof of the finalization of the Cash Deposit in accordance with Articles 5, 6 and 7 shall be delivered by courier to Eni in an envelope (or separate envelopes) clearly indicating the name and address of the Applicant. Applicant has also the possibility to send such documents electronically signed via certified e-mail (PEC<sup>1</sup>) at [glp.dispacciamentosdm@pec.eni.com](mailto:glp.dispacciamentosdm@pec.eni.com); in this latter case it is not mandatory for the Applicant to send also the hardcopies to Eni.

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<sup>1</sup> PEC stands for Posta Elettronica Certificata, i.e. "certified e-mail"; a certified e-mail guarantees legal

8.2. The hardcopy of the Bid Bond, if applicable, in accordance with Article 5, shall be delivered by courier to Eni in an envelope (the same envelope described above or a separate envelope) clearly indicating the name and address of the Applicant.

8.3. All the envelopes related to the Auctions shall be marked as follows:

***Documentation for NW-E Auctions GY 2021 (for Subletting Products)***

and shall be addressed as follows:

***Eni S.p.A.***

***Piazza Ezio Vanoni 1***

***20097 San Donato Milanese (MI), Italy***

***Att.: Andrea Terenzi, Unit LOG***

8.4. The Declaration, the FSA, the receipt of the Cash Deposit or the Bid Bond (together the "Documentation") shall be received by Eni at the latest by:

- 25/06/2021, 4:00 p.m. for the GY product
- 23/07/2021, 4:00 p.m. for the Q4-21 product
- 22/10/2021, 4:00 p.m. for the Q1-22 product
- 28/01/2022, 4:00 p.m. for the Q2-22 product
- 22/04/2022, 4:00 p.m. for the Q3-22 product.

8.5. Only after receipt of the Documentation within the time limit set forth in Article 8.4 and the verification of its completeness and correctness Eni will send to the Applicant via e-mail the login information ("Credentials") and an electronic copy of the FSA and the Declaration completed with signature by Eni. The Credentials will be sent only to the e-mail inserted in the Online Registration and they will be valid for all the remaining Auctions of the Offering Period.

Additionally, for each Auction in which the Applicant is entitled to participate, Eni will send an acceptance notice ("Acceptance Notice") by e-mail to all the e-mail addresses indicated by the Applicant in Article 10 of the Declaration.

In case the Documentation is not received by Eni within the time limit set forth in Article 8.4 and/or is incomplete or not correctly filled in and/or is proved to be false, Eni shall inform the Applicant by e-mail about its exclusion from the participation to the relevant Auction.

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certainty of the sender's identity, of the date and time of sending and receiving the e-mail, and of its content.

## 9. Bids as Binding Offers

- 9.1. Each Bidder acknowledges and agrees that each bid submitted to Eni shall constitute a binding offer, according to the terms and conditions laid down herein and in the signed FSA.
- 9.2. The bid(s) submitted to Eni shall be deemed to constitute an undertaking to provide the Bank Guarantee and to pay the Final Price for the relative Section in accordance with the Framework Agreement and the Individual Contract, in case the Bidder is awarded capacity in accordance with the Auction Procedure.

## 10. Auction Procedure

- 10.1. Eni will perform the Auctions by a web-tool via the internet according to the "System Marginal Price" rule. Only those Applicants who have received the Acceptance Notice as per Article 8.45 above ("**Bidder(s)**") are entitled to participate to the Auction.
- 10.2. The following shall be considered a short overview - for reference only - of an auction based on the "System Marginal Price" rule. A detailed description of how to manage - inter-alia - log in, creation of bid(s), submission of bid(s) in the web-tool is in the "Bidder Manual" published as Annex 5.

The Auction according to the "System Marginal Price" rule is carried out in one single round and takes place as follows:

### 10.2.1 Bidding Window

Eni will simultaneously invite all Bidders via e-mail to take part to the **Auction** submitting the bid(s) within the period of time published on Eni website for each Auction ("**Bidding Windows**").

For each Section the Bidder is asked to insert:

- the number of Lot(s) it wishes to bid for;
- the binding premium ("**Bid Price**") over the Reserve Price, expressed in €/MWh(25°C)/h/Month, it is available to pay for said Lot(s), with two (2) decimal places with comma as separator.

The total number of bidden Lot(s) and of different bid fees for each Section shall respect the corresponding limits set forth in Article 3.4.

Based on the validly received bid(s) Eni will allocate, for each Section, the Lot(s) according to the Bid Prices offered by the Bidders, starting from the highest Bid Price until all the available Lot(s) have been allocated.

In case of two or more bids with the same Bid Price made for the last available Lot(s) in the same Section, the following rules shall be applied:

- a) firstly, the rule “first-come-first-served” shall be applied taking into account the time when the bid has been submitted (timestamp logged automatically by the Auction web application). This means that the bid with the earliest timestamp shall have priority;
- b) secondly, if the time of submission is the same, the remaining Lot(s) will be split among the Applicants offering the same Bid Price, on a pro rata basis upon the total number of Lots with same Bid Price and time of submission.

#### 10.2.2 The Final Price

In application of the “System Marginal Price” rule, each Winning Bidder shall pay, for all assigned Lot of each Section, the sum of the Bid Price of the last allocated Lot (“**Marginal Bid Price**”) and of the relevant Reserve Price (“**Final Price**”). For the avoidance of doubt:

$$\text{Final Price} = \text{Marginal Bid Price} + \text{Reserve Price}$$

where:

- Marginal Bid Price is the Bid Price expressed in €/MWh(25°C)/h/Month offered for the last allocated Lot for each Section of the Subletting Product;
- Reserve Price is the price expressed in €/MWh(25°C)/h/Month for the relevant Section.

#### 10.3. Basic Auction rules:

- a) Bidder(s) submitting a bid for 0 (zero) Lots or not submitting any bid will be excluded from the Auction.
- b) Bidder(s) are only allowed to use the web-tool to submit their bids.
- c) Bidders are not allowed to modify their bid(s) by the web-tool.

10.4. After the conclusion of each Bidding Window, Eni shall notify each Winning Bidder by e-mail<sup>2</sup> within 1,5 hours by the end of the Bidding Window about the number of assigned Lot(s) and about the relevant Final Price at which such Lot(s) have been assigned.

10.5. All the information regarding each positive result will be reported in an Individual Contract, which will become an integral part of the FSA.

10.6. The Lot(s) assigned to a Winning Bidder shall be deemed not to have been allocated in case such Winning Bidder fails to submit the Bank Guarantee of the relevant Individual Contract as per Article 11.

10.7. It is understood that in such case, Eni reserves the right not to re-allocate the non-allocated Lot(s).

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<sup>2</sup> to all the e-mail addresses indicated by the Applicant on Article 9 of the Declaration.



## 11. Bank Guarantee

- 11.1. The Bank Guarantee is intended to guarantee the event whereby a Winning Bidder fails to pay the Monthly Fee or to fulfil any of its payment obligations under the FSA, as applicable.
- 11.2. The Bank Guarantee form has to be filled in correctly, in accordance with Annex B of the FSA and shall be provided to Eni within the Guarantee Date 1 specified in the Individual Contract.
- 11.3. In case a Winning Bidder does not provide any requested Bank Guarantee, Article 16.3 of the FSA shall apply.
- 11.4. The Winning Bidder shall receive one Individual Contract for each Section and shall submit the relevant Bank Guarantee(s) in accordance with the above terms for each Individual Contract.

## 12. Monthly Fee

- 12.1. In accordance with Articles 3.2 and 10, the fee to be paid each month for the service pursuant to the relevant Individual Contract shall be equal to the relevant Final Price multiplied by 30 MWh/h times the number of assigned Lot(s).
- 12.2. With reference to each Individual Contract, Winning Bidders shall pay every month the Monthly Fee, as relevant and applicable, as specified here above.

## 13. IT Requirements

- 13.1. Bidders shall submit their bids by connecting to a specific website that will be communicated by Eni through the Acceptance Notice.
- 13.2. Bidders have to ensure the minimum requirements to allow a connection to the above mentioned website by respecting the "Technical requirements" available in the "Assistance" section of the eBusiness portal (Link: <https://ebusiness.eni.com/index.php/en/assistenza> ).
- 13.3. Each Bidder connects to the web-tool and the website at its cost and risk. Each Bidder also bears the costs of terminals, telephone and provider charges.

## 14. Electronic Bidding Rules and Regulations

- 14.1. Scope
  - a. The rules expressed in this Article (hereinafter "Electronic Bidding Rules and Regulations") govern the electronic part of the Auction (hereinafter "Bidding") following which the Bidders are invited to submit their bids.

- b. The Bidders take part to the Bidding connecting via Internet to the reserved area of the website (hereinafter "the Portal"). They shall send their bids electronically and in accordance with this Auction Procedure.

#### 14.2. General rules

- a. The Applicant's acceptance of the terms and condition of this Auction Procedure allows the Bidder to participate in the Bidding.
- b. The acceptance of the Electronic Bidding Rules and Regulations has to be confirmed on-line at any access to the Bidding. The non-acceptance will cause the impossibility to gain access.

#### 14.3. Access procedures

- a. The minimum hardware, software and Internet requirements needed for the participation in the Bidding are specified in Article 13. The purchase, installation, configuration and maintenance of the hardware and the software are in sole charge and under the responsibility of the Bidder.
- b. The participation in the Bidding requires the registration on the Portal and the identification of the Bidder by a user code (userId) and an operating code (password) assigned by Eni (the Credentials) and sent to the Bidder by e-mail as specified in Article 8.5.
- c. The Bidder gives to Eni the authorization to carry out in succession the recording of contacts and transactions by telephone or computerized systems occurred during the participation in the Bidding.
- d. Eni will forward any and all information and notices to the Bidders at the e-mail address(es) notified in the Declaration.
- e. Further instructions for the access to and the participation in the Bidding are provided through the Bidder Manual. If either the information required is not given or it is erroneously given or the operating procedures are not observed, it will not be possible for the Bidder to participate to the Bidding.
- f. The Bidder can contact the Service Operations Support (SOS) for technical assistance, even while the Bidding is running, by telephone. There will be a dedicated phone number active for the events of Test Auction and Bidding. This number is indicated in the Bidder Manual.

#### 14.4. Rules for the use of the password

- a. Each Bidder is obliged to change the password at the first access to the Portal and has the right to modify it whenever he wants.
- b. Each Bidder shall keep the password secret. The Bidder is responsible for the safe keeping and the correct use of the userId and the password. The Bidder is also responsible for their improper use, however occurred, even in case of loss or theft.

- c. The direct, indirect, total, partial, voluntary or involuntary divulcation of the password to third parties is wholly under the responsibility of the Bidder, who will be liable for any damage suffered by Eni further to the divulcation of the password. Any and all divulcations will constitute, to all intents and purposes, an authorization for third parties to have access to the Portal.
- d. In case of loss or theft of the password the Bidder has to ask for the immediate blocking of userId by contacting the SOS. The Bidder will be responsible for any use of userId and password until notification of the blocking.

#### 14.5. Bidding Procedure

- a. The Bidders shall send their electronic bids on the basis of the Auction Procedure and in accordance with the Bidder Manual.
- b. Each Bidder guarantees that the bids will be sent by a person authorized to represent the Bidder.
- c. The name and number of Bidders are not visible to the other competitors.
- d. Eni guarantees the confidentiality of the technical or commercial information received by the Bidders.
- e. The Bidding may be suspended or delayed upon discretion of Eni due to good reason in particular due to difficulties in the connection with the Portal caused by malfunctions in the Portal or relevant to the Eni IT system.
- f. The Bidder cannot enter its Bid into the Portal after the closure of the Bidding Window.
- g. It is possible to participate to the Bidding only if the provisions of the Auction Procedure are complied with.

### 15. Test and Training Auction

A test and training Auction ("Test Auction") will be held the day before the relevant Auction. Only those Bidders who have received the Acceptance Notice as per Article 8.5 above are entitled to participate to this Test Auction. The Auction described in Article 10 above will be simulated to ensure that the Bidders have the possibility to check if their hardware and software are compatible with the IT requirements mentioned in Article 13 above.

Furthermore, the test Auction serves to remedy hardware and/or software discrepancies, if any.

### 16. Governing Law and Jurisdiction

These terms and conditions as well as the FSA shall be governed by and construed in accordance with the Italian law, with the exclusion of rules and regulations governing conflict of laws.

All disputes arising out of or in connection with this Auction Procedure and the FSA shall be referred to the exclusive jurisdiction of the Court of Milan.

## **17. Liability**

Eni shall not be liable for any information given by telephone. Eni shall not be liable for a technical defects in IT or telecommunications infrastructure that might occur during the Bidding. Eni shall not be liable to Bidders for any damages resulting from negligence other than gross negligence. Eni shall not be liable to Bidders for any indirect or consequential loss or damage incurred by a Bidder (including any loss or damage caused by loss of profit, loss of production or income, loss of business opportunity or business interruption) howsoever arising (whether or not involving the negligent act or omission of Eni, its directors, officers, employees or agents). Nothing in this Auction Procedure shall exclude a Party's liability for fraud or wilful misconduct. The release from and limitation of liability described above shall apply to the fullest extent permitted by law and the benefit thereof shall extend to Eni's directors, officers, employees and agents.

## **18. Language**

The language of communication during the Auction and in all relevant documents shall be English.

## **19. Confidentiality**

The information and documentation received by the Bidder in accordance with Articles 10 and 14 and any other Confidential Information are strictly confidential. They may be used by both parties only for the purpose of this Auction Procedure and may not be disclosed to third parties.

## **20. Data Protection**

The Bidder and Eni declare that they have mutually acknowledged compliance with the obligations related to personal data protection, each for the part under its responsibility.

The Bidder and Eni acknowledge that they both act as autonomous data controllers and are committed to operating in full compliance with the applicable personal data protection legislation to them in relation to the data processing activities related to the execution of this Auction Procedure.

## 21. Miscellaneous

- 21.1. Any reference to time shall be construed as to whatever official time in force in Italy (CET).
- 21.2. Capitalised and upper cases terms in this Auction Procedure shall have the same meaning as given to them in the documents attached hereto unless otherwise expressly stated herein.
- 21.3. Eni reserves the right to amend or supplement this Auction Procedure (including the deadlines and dates contained herein), the Documentation and any other documents, if requested by a competent authority or if necessary in order to correct errors or misleading wording or to extend, at Eni's only discretion, a certain deadline of this Auction Procedure. Such amendments will be communicated to all Applicants via e-mail and/or through Eni web site without undue delay.

Questions related to the Auction Procedure and the other Annexes shall be submitted by the Applicant as soon as possible. Eni reserves not to answer: a) questions sufficiently described in the Auction Procedure, other Annexes and communication made to the Applicant; b) requests by the Applicant about the correct filling in and completeness of the Documentation, that remains exclusive responsibility of the Applicant. Eni shall make its reasonable efforts to sufficiently answer all questions of the Applicants but shall not be liable for any damages whatsoever resulting from late or incomplete answering of any such questions.

San Donato Milanese, 04/06/2021