

**Transmed S.p.A. Second Offer for Primary Capacity
from October 1st, 2019 to October 1st, 2029**

Key Contractual Terms of the Gas Transportation Agreement

Foreword

The following is a summary of the general terms and conditions common to each and every GTA between Transmed S.p.A. ("TRANSMED") and Shipper.

Each GTA shall be filled in with Shipper specific information, such as company data, GTA duration and Committed Flow Rate.

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

1. Definitions

Effective Date: the date on which the last of the conditions precedent has been satisfied.

Capacity Reduction: an event occurring on the Transportation System and due to any reasons including, but not limited to, Force Majeure and Maintenance, resulting in a temporary inability, total or partial, by TRANSMED to make available to Shipper its Committed Flow Rate.

Delivery Point: the inlet point at Cap Bon Compression Station on Tunisian territory, where gas is delivered by Shipper to TRANSMED under the GTA and where the TMPC Transportation System is connected to the Gas Transportation System owned by Sotugat.

Redelivery Point: the outlet point at Mazara del Vallo Measuring Station on Italian territory, where gas is redelivered by TRANSMED to Shipper under the GTA and where the TMPC Transportation System is connected to the Gas Transportation System owned by Snam Rete Gas.

Gas Transportation Agreement or GTA: the Gas Transportation Agreement between TRANSMED and Shipper.

Natural Gas or Gas: any hydrocarbon or mixture of hydrocarbons and non-combustible gases, which when extracted from underground in its natural state separately or together with liquid hydrocarbons is in the gaseous state, object of the Transportation Service performed under the GTA.

Starting Date: the 1st of October of the year on which the Transportation Service shall start.

TMPC Transportation System: The Natural Gas Transportation System crossing the Sicily Straits and referring to the offshore pipelines and onshore Terminals owned by TMPC. The Transportation Capacity of said System is leased to TRANSMED for the execution of the Natural Gas Transportation Services pursuant to the GTA.

2. Conditions Precedent

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

- a) The coming into force of a Transportation Agreement between Shipper and TTPC for the transportation of Natural Gas on Tunisian territory, with the same Committed Flow Rate and for the same duration of the GTA to be concluded with TRANSMED.
- b) The submission by Shipper of the original of the Bank Guarantee or of the Parent Company Guarantee, issued in favour of TRANSMED, if requested, as provided in the GTA.

In the event that any of the conditions precedent above is not fulfilled within 5 (five) business days before the Starting Date, the GTA shall terminate.

3. Transportation Service

The scope of the GTA is the transportation service rendered by TRANSMED to Shipper. Such service shall consist of:

- exclusive availability to Shipper of the Committed Flow Rate on a "ship-or-pay" basis and with a constant hourly flow rate during each day;
- the transportation of the quantities of Natural Gas made available by Shipper at the Delivery Point;
- the redelivery to Shipper at the Redelivery Point of an amount of Natural Gas equivalent in terms of energy to the quantity made available by Shipper at the Delivery Point as set forth in the GTA.

In any single Contractual Year, TRANSMED shall be entitled to reduce or interrupt the transportation service, for maintenance and other Transportation System management purposes, for a maximum period of 15 (fifteen) days equivalent at full capacity, without any corresponding reduction of the Shipper's obligation to pay in full the transportation charge. Should the actual number of reduction / interruption days exceed, in a Contractual Year, 15 (fifteen) days equivalent at full capacity, the Shipper shall be entitled to tariff reduction pursuant to the provision of the paragraph "Capacity Reduction".

4. Measurement and Quantity

The Algerian Gas transported by TRANSMED is measured at the Measuring Station in Mazara del Vallo located on Italian territory immediately downstream of the physical connection between the TMPC Transportation System and Snam network, owned and operated by Snam.

The quantity of Gas made available by Shipper to TRANSMED at the Delivery Point and the amount of Gas redelivered by TRANSMED to Shipper at the Redelivery Point shall be determined in accordance with the allotment procedure of the total quantity of gas measured at the Measuring Station owned and operated by Snam Rete Gas located in Mazara del Vallo in Italy.

5. Quality and Pressure

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

6. Capacity Reduction

In case of reduction of the transportation capacity on the Transportation System, due to any reasons including, but not limited to, Force Majeure events and Maintenance on the Transportation System, such reduction shall be allocated between all Users proportionally to their Committed Flow Rate.

TRANSMED, acting as a Reasonable and Prudent Operator, shall make every reasonable effort to minimize the impact of the transportation capacity reduction on the Users, also compensating the reduction with the unallocated transportation capacity, if available. The remainder of the reduction, if any, shall be allocated between all Users proportionally to their Committed Flow Rate.

In case of an unforeseen event causing transportation capacity reduction, TRANSMED shall promptly inform Shipper of the reasons, the impact on transportation capacity and the estimated duration of the event.

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

Transportation capacity reductions due to Force Majeure events shall result, for the entire reduction period, in a proportional reduction *pro quota* and *pro rata temporis* of the obligation to pay the Transportation Charge in accordance with the GTA.

Transportation capacity reductions concerning the upstream and/or downstream transportation systems, due to whatever reason including Force Majeure, do not

constitute transportation capacity reduction of the Transportation System and consequently the obligation to pay in full the Transportation Charge in accordance to the GTA.

7. Transportation Charges

Transportation charges provided for in the GTA shall refer to the transportation services rendered by TRANSMED to Shipper and shall be calculated as herein specified.

The unit transportation charge UCT_0 is based on an estimate of future aggregate Committed Flowrate and is therefore to be considered provisional. Upon conclusion of the Capacity Bid Round, but in any case, before signature of the GTA, TRANSMED shall give Shipper written notice of either confirmation or modification of these values.

Starting from the first day of transportation under the GTA and for the entire duration of the GTA itself, for each month k during the contractual year j , Shipper shall pay to TRANSMED a monthly fee MF^{kj} expressed in USD calculated as follows:

$$1) MF^{kj} = \sum_{i=1}^n UCT_L^{kj} \cdot Q_i$$

where

- UCT_L^{kj} is the Unit Capacity Tariff given by formula (2) below;
- Q_i is the hourly flowrate corresponding to each Capacity Band i booked by the Shipper;

$$2) UCT_L^{kj} = KD_L \cdot UCT_0 \cdot IND^j$$

where

- KD_L is equal to the KD_i corresponding to the longest duration D_i among the Capacity Bands reserved by the Shipper where KD_i is the degressivity factor function of the duration D_i and its value for each duration D_i is given as follows:

D_i	1	2	3	4	5	6	7	8	9	10
KD_i	1,04	1,03	1,02	1,01	1,00	1,00	1,00	1,00	1,00	1,00

- $UCT_0 = 2,475$ USD/month per each Cm³/h of reserved capacity;
- IND^j is the indexation factor, given by the formula (3) below;

$$3) IND^j = 0,50 + 0,35 \cdot S_j + 0,15 \cdot I_j$$

where

- a) The coefficient S_j shall be periodically revised, pursuant to the provisions of present sub-section (a), the revision occurring at the beginning of each Contractual Year numbered one after the other until Contractual Year (10).

Contractual Year (1) starts on October 1st, 2019 while Contractual Year (10) starts on October 1st, 2028 and ends on September 30th, 2029.

S_j is defined as follows:

$$S_j = \frac{t_j}{t_o}$$

t_j for Contractual Year (j) equals to the arithmetic average of the monthly values corresponding to:

Index "Long-Term Government Bond Yields: 10 years" for the United States as published by the "Federal Reserve Bank of St. Louis" at <https://fred.stlouisfed.org/series/IRLTLT01USM156N> applied to a period of twelve consecutive months ending on September 30 immediately preceding the beginning of Contractual Year (j).

t_o equals to the arithmetic average of the index mentioned above for the second quarter of 2019, ie 2.65%.

For Contractual Year (1) the coefficient $t_1 = 2.65$

- b) The coefficient I_j shall be periodically revised, pursuant to the provisions of present sub-section (b), the revision occurring at the beginning of each Contractual Year numbered one after the other until the Contractual Year (10)

Contractual Year (1) starts on October 1st, 2019 while Contractual Year (10) starts on October 1st, 2028 and ends on September 30th 2029.

I_j is defined as follows:

$$I_j = (0,7x \frac{PPI_j}{PPI_o} + 0.3x \frac{SO_j}{SO_o})$$

where

PPI_j for Contractual Year (j) equals to the arithmetic average of the monthly values corresponding to:

Index (in a 2010 base) "Producer Price Index by Commodity Industrial Commodities " (PPIIDC), as published by the "Federal Reserve Bank of St. Louis" at <https://fred.stlouisfed.org/series/PPIIDC> applied to a period of twelve consecutive months ending on September 30 immediately preceding the beginning of Contractual Year (j).

PPI_o equals to the arithmetic average of the index mentioned above for the second quarter of 2019, ie 107.42%.

For Contractual Year (1) the coefficient $PPI_1 = 107.42$

SO_j for Contractual Year (j) equals to the arithmetic average of the monthly values corresponding to:

Index (in a 2015 base) "Hourly Earnings : Manufacturing for the United States" as published by the "Federal Reserve Bank of St. Louis" at <https://fred.stlouisfed.org/series/LCEAMN01USM661N> applied to a period of twelve consecutive months ending on September 30 immediately preceding the beginning of Contractual Year (j).

SOo equals to the arithmetic average of the index mentioned above for the second quarter of 2019, ie 110.17%.

For Contractual Year (1) the coefficient S1 = 110.17

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

8. Invoicing and Payment

TRANSMED shall issue to Shipper a monthly invoice by the 7th business day of each Month, with reference to the Transportation Service of the preceding Month. Its amount in USD will be invoiced in Euro at the exchange rate of the invoice issuing date.

The invoice or, where applicable, a courtesy copy of the same shall be anticipated by e-mail or fax and sent in hard copy by courier.

Shipper shall pay the invoice to the bank account indicated by TRANSMED within the 25th of the month of its issuance.

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

9. Transportation Programs

Shipper shall communicate to TRANSMED by letter, within the 15th of September of the current Contractual Year (Y), its indicative, not binding annual transportation program monthly detailed for the following Contractual Year (Y+1).

Shipper shall communicate to TRANSMED, within the 15th of the current Month (M), its indicative, not binding monthly transportation program weekly and daily detailed for the following Month (M+1).

Shipper shall communicate to TRANSMED, by 18:00 GMT+1 of every Tuesday, its indicative, not binding weekly transportation program daily detailed for the Week starting the following Sunday. The communicated daily quantities are intended for a constant hourly flow rate during each Day and not exceeding the Committed Flow Rate. Such program shall be automatically considered as confirmed if Shipper receives no modification by Wednesday 18:00 GMT+1.

Shipper shall at any time have the right to modify the above-mentioned weekly program, provided that these modifications are in accordance with the relevant provisions of the GTA.

10. Governing Law

The GTA shall be governed by and construed in accordance with the laws of Italy.

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

11. Assignment

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

12. Guarantees

- a) With the exception of the provisions set forth in paragraphs b) herein below, Shipper shall be required to provide TRANSMED, upon execution of the GTA, with a first demand Bank Guarantee issued by a primary credit institution, as per the form annexed to the GTA.
- b) Should Shipper have a credit rating no lower than Standard & Poor BBB or Moody BAA3 or Fitch BBB, Shipper shall not be required to provide TRANSMED with the Bank Guarantee indicated above. In the event that Shipper does not have the above-mentioned credit rating, but its parent company does, then Shipper shall be entitled to ask TRANSMED approval for the issuance of a Parent Company Guarantee, as per the form annexed to the GTA, in replacement of the Bank Guarantee.

Should Shipper have, upon conclusion of the GTA, a credit rating lower than Standard & Poor BBB or Moody BAA3 or Fitch BBB, it shall immediately inform TRANSMED and shall provide the Bank Guarantee as per paragraph above.

The above Bank Guarantee or Parent Company guarantee shall be issued in favour of TRANSMED for an amount equal to: i) USD **8,00** for each Cm³/h of Committed Flow Rate in case of GTA with a duration up to 4 (four) years or ii) USD **16,00** for each Cm³/h of Committed Flow Rate in case of GTA with a duration of and over 5 (five) years.

The above-mentioned amount shall be calculated for each different Product (Cm³/h x duration), if applicable.

13. Suspension and Termination

TRANSMED shall be entitled, at its own discretion and without prejudice of any other rights, to suspend, until payment of at least 1 (one) overdue invoice, the Transportation Service if Shipper fails to pay 2 (two) consecutive invoices or 3 (three) non-consecutive invoices.

TRANSMED shall be entitled, at its own discretion and without prejudice of any other rights, to terminate the GTA if Shipper fails to pay 4 (four) consecutive invoices or 5 (five) non-consecutive invoices or to provide TRANSMED with the original of the Bank Guarantee or Parent Company Guarantee.

In case of termination of the GTA, Shipper, without prejudice of any other rights for TRANSMED, shall pay to TRANSMED the unpaid Transportation Charges and a penalty equal to the 100% of the amount calculated multiplying the monthly Transportation Charge at the date of early termination for the number of months from such a date until the original date of expiration of the GTA.

14. Operatorship

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

15. Confidentiality, Privacy and Compliance

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

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

TRANSMED adopted an organizational and control model, which includes Code of Ethics, in accordance with the legislation in force regarding the administrative liability of legal entities for offences committed by their directors, employees and/or agents ("Model 231"). The documents above are available on the website www.transmed-spa.it

16. Annexes and Documents

Please note that the following documents in original copy shall be submitted to TRANSMED no later than August 28th:

1. Registration Form (and documents to be provided);
2. Declaration form;
3. Power of Attorney.