**BINDING TERM SHEET**

1. Ital Gas Storage S.p.A. (“**IGS**”) is an Italian company authorised to build and operate a facility for the storage of natural gas (the “**Gas Storage Facility**” or the “**GSF**”) in a depleted reservoir at Cornegliano Laudense, Lodi Province, Region of Lombardy, under a public concession regulated under Law No. 170/1974 and Legislative Decree No. 164/2000, granted by the Ministry for Economic Development, in agreement with the Ministry for Protection of the Environment, Territory and Seas and the Region of Lombardia on 15 March 2011.
2. The commercial operations of the GSF started in 2018 following the gas volumes injection in the storage reservoir to maintain adequate pressure and deliverability rates throughout the withdrawal phase into the reservoir (the “**Cushion Gas**”).
3. In the period encompassed between 16 March 2020 and 22 April 2020, IGS has tendered an auction for the awarding of the supply of additional quantities of Cushion Gas and the re-sale of part of it for test purposes (the “**Auction**”). On the basis of the offers received by the companies that participated to the Auction, the Buyer decided to award to the Seller the supply of certain amounts of Cushion Gas and the sale and purchase of a part thereof pursuant to the terms and conditions set forth below and the offer presented by the Seller during the Auction (the “**Offer**”), which shall be consider as integral and substantial part of this term sheet.
4. By entering into this binding term sheet (the “**Term Sheet**”), the Parties undertake to perform the transaction outlined in the table below (the “**Transaction**”). Save for the above, the Parties currently contemplate that the Transaction will be further addressed in a more detailed agreement (the “**Gas Sale and Purchase** **Agreement**”) which will contain additional terms and conditions, and undertake to enter into good faith negotiation in order to enter into the Gas Sale and Purchase Agreement, on the basis of the main terms and conditions stipulated in this Term Sheet, within 30 June 2020. It is however understood that any delay in signing the Gas Sale and Purchase Agreement or failure to sign it will not affect, delay or otherwise jeopardise the Transaction contemplated below and the relevant rights and obligations of the Parties.

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| 1. **Seller** | [*to be filled out by Offer*] |
| 1. **Buyer** | **Ital Gas Storage S.p.A.** a company incorporated under the laws of Italy and having its registered office at Via Meravigli No. 3 – 20123 Milan (Italy), registered with the Companies Register of Milan, Tax Code and VAT Registration No. 08751271001, share capital Euro 10,000,000 fully paid in. |
| 1. **Scope** | Seller will make available to the Buyer at the Delivery Point natural gas at the terms and conditions set forth in this Term Sheet (the “**Buy Gas**”). Buyer shall pay for the Buy Gas supplied by the Seller and taken at the Delivery Point at the terms and conditions set forth in this Term Sheet.  Buyer will resell to the Seller at the Redelivery Point certain quantities of natural gas at the terms and conditions set forth in this Term Sheet (the “**Sell Gas**”). Seller shall pay for the Sell Gas supplied by the Buyer and taken at the Redelivery Point at the terms and conditions set forth in this Term Sheet.  Except for the Nominated Daily Buy Quantities and the Nominated Daily Sell Quantities, the Buyer shall have no obligation to purchase Buy Gas from or sell Sell Gas to the Seller under this Term Sheet. |
| 1. **Delivery Point/Redelivery Point** | Delivery Point means the HUB Ital Gas Storage exit point and the Redelivery Point means the HUB Ital Gas Storage entry point, both as defined by Snam Rete Gas S.p.A. and interconnected with the national gas pipeline network. |
| 1. **Effective Date and Supply Period** | This Term Sheet and the rights and obligations of the Parties hereunder shall be valid and binding starting from the date on which the Term Sheet is signed by both Parties.  The Supply Period shall be the period encompassed between 06.00 a.m. CET of 1 May 2020 and 06.00 a.m. CET of 1 April 2022. |
| 1. **Quantities and Nominations** | BUY GAS   * In the course of the Supply Period, the Seller shall make available to the Buyer the MaxTotal Quantity of Buy Gas at the terms and conditions of this Term Sheet. Under no circumstance will the Seller be bound to make available to the Buyer or the Buyer be entitled to nominate or off-take, in the course of the Supply Period, more Buy Gas than the MaxTotal Quantity of Buy Gas. * No later than 14.00 hours CET of each Working Day the Buyer shall notify to the Seller the Nominated Daily Buy Quantity for: (i) the following Working Day (D+1) and (ii) any Day preceding the D+1 (*e.g.* Saturday and Sunday). It is understood that under no circumstances will the Buyer be entitled to nominate, for each Day, an amount of Buy Gas which is higher than the MaxDBQ. Such notice shall be binding on the Buyer and shall entail the obligations for the Buyer to off-take the quantities so nominated. * Should the Buyer fail to indicate or nominate, as the case may be, the Nominated Daily Buy Quantity, the relevant estimate or nomination for that Day will be equal to 0 (zero) kWh.   SELL GAS   * In the course of the Supply Period, the Buyer shall have the right to sell to the Seller the MaxTotal Quantity of Sell Gas at the terms and conditions of this Term Sheet. Under no circumstance will the Buyer have the right to nominate and sell to the Seller, in the course of the Supply Period, more Sell Gas than the MaxTotal Quantity of Sell Gas. * No later than 14.00 hours CET of each Working Day the Buyer shall notify to the Seller the Nominated Daily Sell Quantity for: (i) the following Working Day (D+1) and (ii) any Day preceding the D+1 (*e.g.* Saturday and Sunday). It is understood that under no circumstances will the Buyer be entitled to nominate, for each Day, an amount of Sell Gas which is higher than the MaxDSQ. Such notice shall be binding on the Buyer and shall entail the obligations for the Buyer to deliver the quantities of Sell Gas so nominated. * Should the Buyer fail to indicate or nominate the Nominated Daily Sell Quantity, the relevant estimate or nomination for that Day will be equal to 0 (zero) kWh. |
| 1. **Buy Price and Sell Price** | BUY PRICE  The Price to be paid by the Buyer to the Seller for the Buy Gas shall be equal to:  **HEREN PSV ASSESSMENT MID DA/WE + the Buy Fee**  Where:  HEREN PSV ASSESSMENT MID DA/WE shall be equal to:   * where such Day is a Price Assessment Day, the MID price (calculated as the arithmetic average of BID and ASK) published under the heading PSV Price Assessment (expressed in €/MWh), quoted by HEREN ESGM (European Spot Gas Markets report) in respect of such Day on the immediately preceding Price Assessment Day; * where such Day is a weekend or public holiday, the MID price (calculated as the arithmetic average of BID and ASK) under the heading PSV Price Assessment (expressed in €/MWh), quoted in the last available issue of HEREN ESGM.   Buy Fee shall be equal to the Buy Fee offered by the Seller in the course of the Auction as indicated in the Offer and notified by the Buyer in the Awarding Notice.  \*\*\*  SELL PRICE  The Price to be paid by the Seller to the Buyer for the Sell Gas shall be equal to:  **HEREN PSV ASSESSMENT MID DA/WE + the Sell Fee**  Where:  HEREN PSV ASSESSMENT MID DA/WE shall be equal to:   * where such Day is a Price Assessment Day, the MID price (calculated as the arithmetic average of BID and ASK) published under the heading PSV Price Assessment (expressed in €/MWh), quoted by HEREN ESGM (European Spot Gas Markets report) in respect of such Day on the immediately preceding Price Assessment Day; or * where such Day is a weekend or public holiday, the MID price (calculated as the arithmetic average of BID and ASK) under the heading PSV Price Assessment (expressed in €/MWh), quoted in the last available issue of HEREN ESGM.   Sell Fee shall be equal to the Sell Fee offered by the Seller in the course of the Auction as indicated in the Offer and notified by the Buyer in the Awarding Notice. |
| 1. **Transportation Agreements, Costs and Charges** | For the entire duration of the Supply Period, the Seller shall keep its transportation contract with Snam Rete Gas S.p.A. and/or its right to operate at PSV (having signed the PSV Conditions as defined in the Network Code) in full force and effect in order to allow the Seller to perform its obligations under this Term Sheet.  The Buyer shall perform all the duties set forth in Article 10bis of Resolution 167/2005 as amended by Resolution 297/2012/R/GAS published by ARERA on 19th July 2012.  Save for the above, the transportation capacity charges (including the CVU component, pursuant to ARERA Resolution No. 201/2019) and costs due for reserving the transportation capacity at the Delivery/Redelivery Point required to perform the Transaction contemplated herein as well as any overrun charges due to the use by the Buyer of more transportation capacity than that reserved, if applicable, shall be borne by the Buyer and paid by the Buyer to Snam Rete Gas S.p.A. |
| 1. **Daily Settlements** | Any difference between the Nominated Daily Buy or Sell Quantity the Actual Daily Buy or Sell Quantity will be calculated as follows:  (Actual Daily Buy/Sell Quantity - Nominated Daily Buy/Sell Quantity) \* Purchase/Sale Imbalance Price  where:   * the Sale Imbalance Price if the Actual Daily Buy Quantity is lower than the Nominated Buy Quantity or the Actual Daily Sell Quantity is higher than the Nominated Sell Quantity * the Purchase Imbalance Price if the Actual Daily Buy Quantity is higher than the Nominated Buy Quantity or the Actual Daily Sell Quantity is lower than the Nominated Sell Quantity   (collectively the “**Daily Settlements**”). |
| 1. **Invoicing and Payment terms** | BUY GAS   * The Seller shall issue invoices with respect to Buy Gas no later than the 10th Day of Month M+1. * The Buyer shall pay each invoice issued by the Seller within thirty (30) days from receipt thereof.   SELL GAS   * The Buyer shall issue invoices with respect to Sell Gas no later than the 10th Day of Month M+1. * The Seller shall pay each invoice issued by the Buyer within thirty (30) days from receipt thereof.   **Set off**  Any payment to be performed by the Buyer and the Seller on the same Payment Date will be off-set by way of a compensation letter to be agreed and countersigned by the Parties in advance in respect of the Payment Date (the “**Compensation Letter**”).  **General provisions on payments and invoicing**  Payment will be made on the due date for payment except when the due date is not a Working Day. In such case payment will be made on the previous Working Day.  In order to reduce their financial exposure hereunder, the Parties may agree upon the increase of the number of invoices to be issued each month (*e.g*. every 10 days)  Unless otherwise agreed by the Parties, all payments due under this Term Sheet will be by electronic funds transfer to the bank account notified in the relevant invoice.  Buyer will have the right to suspend payments in the event that the transportation agreement and or PSV Conditions as defined in the Network Code, in place between the Seller and Snam Rete Gas S.p.A., ceases to be in full force and effect or its effectiveness is otherwise posed at risk due to a reason ascribable to the Seller (including pursuant to § 1.4.1 of Chapter 5 of the SRG Network Code).  **Default Interest**  If any Party fails to pay to the other Party any undisputed sum due under this Term Sheet on the date such payment becomes due, the Seller or the Buyer (as the case may be) may apply to the other Party default interest on the amount of such delayed payment at a per annum rate that is 3% above the EURIBOR rate in effect on the due date for the relevant payment (or if such date is not a Day on which clearing banks are generally open for business in Milan, the immediately preceding Day on which clearing banks were generally open for business in Milan) which rate will be applied to the delayed amount for the period commencing from, and including, the date the payment was due until, but excluding, the date when payment is made in full. |
| 1. **Allocations** | The Parties agree that, for the purposes of calculating the Buy Gas and Sell Gas actually delivered at the Delivery/Redelivery Point under this Term Sheet, the allocations made by Snam Rete Gas S.p.A. will be considered binding on the Parties. |
| 1. **Title and risk of loss** | Title and risk in all Buy Gas delivered at the Delivery Point hereunder will pass from the Seller to the Buyer at the Delivery Point upon delivery of the Buy Gas.  Title and risk in all Sell Gas delivered at the Redelivery Point hereunder will pass from the Buyer to the Seller at the Redelivery Point upon delivery of the Sell Gas.  The Seller warrants to the Buyer that it has the right to transfer full entitlement to all Buy Gas to be delivered at the Delivery Point free and clear of any adverse claims, pledges, liens or any other encumbrances and the Seller will indemnify the Buyer against any such adverse claims, pledges, liens or other encumbrances.  The Buyer warrants to the Seller that it has the right to transfer full entitlement to all delivered quantities of Sell Gas to be delivered at the Redelivery Point free and clear of any adverse claims, pledges, liens or any other encumbrances and the Buyer will indemnify the Seller against any such adverse claims, pledges, liens or other encumbrances. |
| 1. **Guarantees** | Buyer’s Guarantee  If so provided in the Offer, the Buyer shall deliver and keep in full force and effect until the date falling 60 days after the end of the Supply Period the IGS’ Bank Guarantee (as defined in the 2020 Auction Procedure) within the term indicated therein.  In case the Seller enforces the IGS’ Bank Guarantee, the Buyer will restore it up to the maximum guaranteed amount within 20 Working Days from Seller’s written request.  If the Buyer has delivered to the IGS’ Bank Guarantee above and the rating of the issuing bank falls below the Minimum Rating (as defined in the 2020 Auction Procedure), then the Buyer will promptly inform the Seller and will deliver to the Seller, within 10 Working Days from Seller’s request, an IGS’ Bank Guarantee with the required rating.  Seller’s Guarantee  If so provided in the Offer, the Seller shall deliver and keep in full force and effect until the date falling 60 days after the end of the Supply Period the Parent Company Guarantee or the Bidder’s Bank Guarantee (as such terms are defined in the 2020 Auction Procedure) within the term indicated therein.  In case the Buyer enforces the Bidder’s Bank Guarantee, the Seller will restore it up to the maximum guaranteed amount within 20 Working Days from Buyer’s written request.  If the rating of the Parent Company or the issuing bank, as the case may be, falls below the Minimum Rating, then the Seller will promptly inform the Buyer and will deliver to the Buyer, within 10 Working Days from Buyer’s request, a Bidder’s Bank Guarantee with the required rating. |
| 1. **Quality and pressure** | The pressure and the quality, including the GCV, of the Buy Gas delivered by the Seller at the Delivery Point will correspond to the relevant specifications required by the Network Code.  The pressure and the quality, including the GCV, of the Sell Gas delivered by the Buyer at the Redelivery Point will correspond to the relevant specifications required by the Network Code. |
| 1. **Governing Law** | Italian law |
| 1. **Dispute resolutions** | Any dispute between the Parties arising out of or in connection with this Term Sheet, will be finally settled under the Rules of Arbitration of the National and International Chamber of Arbitration of Milan by three arbitrators, who will be appointed and be operating in accordance with said Rules of Arbitration.  The arbitrators will apply Italian substantive law and will render their award “*secondo diritto*”.  The seat of the arbitration will be Milan (Italy).  All proceedings of the arbitration, including arguments and briefs, will be conducted in English language and governed (to the extent not provided for by the above mentioned Rules of Arbitration) by Italian procedural rules applicable to arbitrations. |
| 1. **Other Provisions** | The Gas Sale and Purchase Agreement will include provisions customary for transactions of this kind, including but not limited to representations and warranties, commercial operations, force majeure, taxes, confidentiality, termination, etc. |
| 1. **Confidentiality** | The terms and conditions of this Term-Sheet and all information disclosed hereunder shall be treated as strictly confidential and shall not be disclosed in whole or in part without the prior consent of the other Party. |
| 1. **Further Definitions** | “**Actual Daily Buy Quantity**” means the quantity of Buy Gas actually off-taken by the Buyer at the Delivery Point in a Day of the Supply Period.  “**Actual Daily Sell Quantity**” means the quantity of Sell Gas actually off-taken by the Seller at the Redelivery Point in a Day of the Supply Period.  “**ARERA**” means the *Autorità di regolazione per energia reti e ambiente.*  “**Day”**: means a period of time of 24 consecutive hours beginning at 6.00 a.m. on any calendar day and ending at 06.00 am. on the following calendar day with reference to the official CET time.  “**Gross Calorific Value**” or “**GCV**” means the energy quantity produced by the complete combustion of a unitary (mass or volume) quantity of gas, at specific conditions. During the combustion, the pressure is maintained constant and the products return to the initial temperature of the reactants. Gross Calorific Value refers to the total energy produced by the combustion (Inferior Calorific Value refers, instead, to the total energy produced, less the energy necessary for the evaporation of water, formed during combustion).  “**Max** **Daily Buy Quantity**” or “**MaxDBQ**” has the meaning ascribed to such term in the Auction documentation as fixed by the Buyer in the Awarding Notice.  “**Max Daily Sell Quantity**” or “**MaxDSQ**” has the meaning ascribed to such term in the Auction documentation as fixed by the Buyer in the Awarding Notice.  “**Max Total Quantity of Buy Gas**” has the meaning ascribed to such term in the Auction documentation as fixed by the Buyer in the Awarding Notice.  “**Max Total Quantity of Sell Gas**” has the meaning ascribed to such term in the Auction documentation as fixed by the Buyer in the Awarding Notice.  “**Month**”: means each calendar month in the course of the Supply Period.  “**Network Code**” means the Codice di Rete (the Natural Gas Network Code) published by Snam Rete Gas S.p.A. (as subsequently amended, updated and/or integrated) and approved by the ARERA which defines and governs all the rights and obligations of the parties in relation to the transportation of Gas on the National Pipeline Grid, as amended, varied, or supplemented from time to time.  “**Nominated Daily Buy Quantity**” means the amount of Buy Gas that the Seller shall make available to the Buyer and that the Buyer undertakes to off-take in the course of the following Day.  “**Nominated Daily Sell Quantity**” means the amount of Sell Gas that the Buyer undertakes to make available to the Seller and that the Seller undertakes to off-take in the course of the following Day.  “**Parties**” means, collectively, the Buyer and the Seller.  “**PSV**”: means the “*Punto di Scambio Virtuale*” being the virtual trading point operated by Snam Rete Gas S.p.A.  “**Purchase Imbalance Price**” has the meaning ascribed to such term under Section 4.4.1(b), Chapter 9, of the Network Code.  “**Quarter**” means a period of three Month.  “**Sale Imbalance Price**” has the meaning ascribed to such term under Section 4.4.1(a), Chapter 9, of the Network Code.  “**Working Day(s)**” means a day (other than a Saturday or a Sunday) on which the commercial banks are open for general business in Milan. |

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| **Ital Gas Storage S.p.A.** | [*to be filled out by Offer*] |
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