

Technical Rule no. 11 MGAS rev. 1

(under article 4 of the Natural-Gas Market Rules, approved by the Ministry of Economic Development with its Decree of 6 March 2013, as subsequently amended and supplemented)

Title	Loss of Qualifications or Default by the Bank Issuing the Bank Guarantee
Reference Legislation	Article 55, para. 55.4, and Article 65, para. 65.1 - Natural-Gas Market Rules

In force from 1 September 2016

1. Foreword

Article 55, para. 55.4 of the Natural-Gas Market Rules stipulates that, if the bank issuing the bank guarantee or the parent company issuing the statement referred to in Article 55, para. 55.3 thereof loses one or both of the qualifications set forth in Article 55, para. 55.1 thereof, or if the parent company loses the control of the bank issuing the bank guarantee as per Article 2359, paras. 1 and 2 of the Italian Civil Code, then the guarantees issued by said bank shall remain valid until a date to be specified in the Technical Rules.

Article 65, para. 65.1 of the Rules provides that, if the banks issuing the bank guarantees receive a request for redeeming such guarantees and fail to pay the corresponding amounts within the time limits specified therein, then said guarantees shall remain valid until a date to be specified in the Technical Rules.

2. Loss of qualifications by the bank issuing the bank guarantee

In the event that the institution issuing the guarantee or the parent company that has issued the statement referred to in Article 55, para. 55.3, lose one or both of the requirements set forth in Article 55, para. 55.1, of the Rules, or if the parent company loses control of the institution issuing the guarantee, pursuant to Article 2359, paras. 1 and 2 of the Civil Code., the relevant bank guarantees issued by the same bank as a guarantee given by the Market Participant to GME for the purposes of financial adequacy checks:

- immediately lose their validity in connection with the submission of bids/offers into and the conclusion of trades in the M-GAS;
- remain valid for the coverage of the previous obligations from negotiations already concluded in the MGAS.

3. Default by the bank issuing the bank guarantee

If the banks issuing the bank guarantees receive a request for redeeming such guarantees and fail to pay the corresponding amounts within the time limits stated therein, then the bank guarantees issued by said banks will

- immediately lose their validity in connection with the submission of bids/offers into and the conclusion of trades in the M-GAS;
- remain valid for the coverage of the previous obligations from negotiations already concluded in the MGAS.