

INVITATION TO TENDER

**Proposal for a tentative Road Map to increase
electricity exchanges in the Med Eastern zone**

**Definition of Requirements and Operational
Agreements**

TEASIMED Project

**Task 3 “Identification and put into operation of the selected Interconnected
Electricity Exchange Zones (IEEZ), with a view to increasing electricity
exchanges”**

**Activity 3.2 Elaboration of zonal target regulatory framework and tentative
roadmap for the Eastern Mediterranean Zone**



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1. Introduction

Med-TSO - Mediterranean Transmission System Operators, is a recognized association established in Rome, on 19 April 2012, involving the Mediterranean companies performing the activity of transmission system operators (TSO).

Med-TSO has its legal headquarters in viale Egidio Galbani 70, 00156 Rome - Italy and Operational Headquarters in via della Marcigliana, 911 - 00138 Rome – Italy.

The TEASIMED project (ENI/2020/417-547) “Towards an efficient, adequate, sustainable and interconnected Mediterranean electricity system” is the third project developed by Med-TSO with the financial support of the European Commission, after the Mediterranean Project I (2015-2018), hereinafter referred to as MP1, and the Mediterranean Project II (2018-2020), hereinafter referred to as MP2. TEASIMED is developed according to the following activities:

1. Revision and update of the Mediterranean Masterplan (MMP), i.e. the multi-annual HV Transmission Network Development plan and improvement of methodologies for its delivery;
2. Consolidation of the common technical regulatory framework;
3. Identification and put into operation of some selected Interconnected Electricity Exchange Zones (IEEZ), with a view to increasing electricity exchanges in the region;
4. Optimized planning capacities and operation procedures;
5. Med-TSO Knowledge Sharing System;
6. Efficient support to the UfM Regional Electricity Market Platform, in close collaboration with the Association of the Mediterranean Regulators for Energy, MEDREG.

The Technical Committee Regulation (TC Regulation) of Med-TSO is in charge for developing the activities referred at point 2 and 3 above.

In particular, activity 3, corresponding to task 3 of TEASIMED Project, namely “Identification and put into operation of the selected Interconnected Electricity Exchange Zones (IEEZ)” has been divided in two subtasks:

3.1 Executing short-term demonstration project in the Maghreb Region;

3.2 Elaboration of zonal target regulatory framework in the Eastern Region.

The main objective of the sub-task 3.2 “Execute a short-term demonstration project in the Eastern Region” is to contribute to the drafting of a roadmap and the definition of prerequisites and responsibilities of the key Stakeholders that should cooperate for implementing a platform for electricity exchange and trading in the Mediterranean Eastern Region.

DISCLAIMER: the final decision and the real implementation of the trading platform are NOT in the scope of this tender.

2. Scope of work of the expert

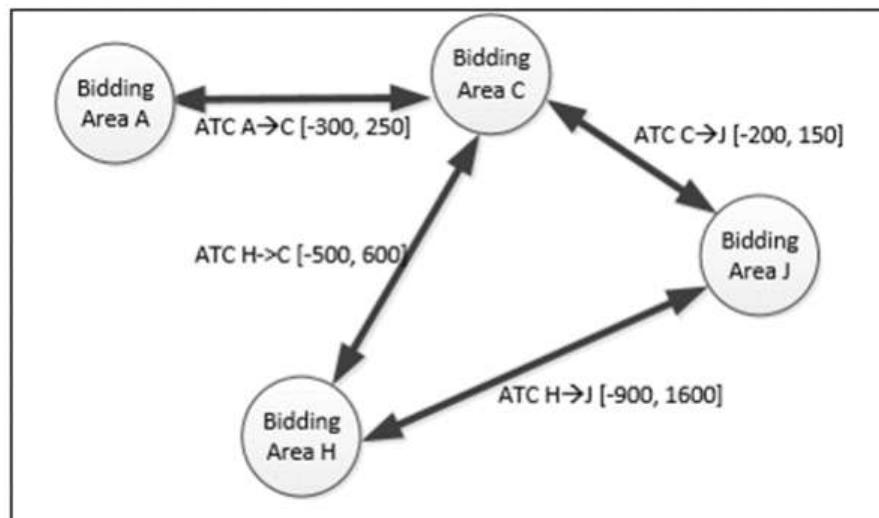
The identification of zonal pilot projects has been accomplished in the previous MP2 project as a subtask related to activity 2.2 “Elaboration of zonal target regulatory framework and tentative roadmap”. This identification was based according to two dimensions:

- 1) a geographical aspect, assessing limited zone in the Mediterranean region where a wide set of issues can be selected and developed for a tentative roadmap to be then more easily implemented, and
- 2) regulatory considerations on the current legislative framework in each region.

In this context, the existence of interconnections among countries was considered necessary for a proposed pilot project in the short-term.

With a view to regional integration of a Mashreq electricity market, it is necessary to draft a roadmap in order to harmonize certain aspects within the pilot zone.

At a glance, the purpose of the call for tender is to define a roadmap for the implementation and assessment of different options to allow trading of electricity between different countries in the Eastern Mediterranean Zone and to design the relevant minimum requirements and cooperation principles.



The activity to be performed by the expert could be divided in 3 milestones:

First milestone is to propose, together with the concerned TSOs, a roadmap for the implementation of harmonized rules in the Eastern Mediterranean Area, taking into consideration that this area covers a wide region that includes three continents. This roadmap shall define the necessary steps and actions to be realized by the concerned countries/TSOs in order to set up a regional platform for electricity exchanges.

Second milestone is to propose the minimum requirements to have harmonized rules agreed from the parties concerned by the interconnections, to operate the interconnected system safely and efficiently

Third milestone is the definition of cooperation principles and operational agreements for the different configurations of the electricity exchange platform. The expert should present different alternative proposals in order to achieve the main objective to have effective improvements of electricity exchanges between Mashreq electricity systems. For each solution it is required the **definition of the minimum requirements, from technical, operational and regulatory point of view**. These proposals could span from the “*easy win*” solutions (bilateral enhancements) to the most ambitious trading framework (multinational power pools).

The selected consultant will be asked to develop at the end a recommendation which must entail a road map to fill up the gap between the current situation and the suggested final model.

3. Experts profile requirements

The experts invited to this call for tenders shall have the necessary skills in relation to electricity market regulation, economic fundamentals but also concrete implementation experience. The experts profile requirements are the following:

- ✓ Proved experience in the development of benchmarking in the field of electricity market and power trading
- ✓ Proved experience in cross-border exchange procedures: rules for the allocation and usage of interconnections and information exchanges
- ✓ Proved experience in ancillary services mechanisms development
- ✓ Proved experience in Dispatching Operations in the context of open market
- ✓ Proved experience in the Long/short term coordinated planning of transmission system and Management of interconnections in the integrated electricity market
- ✓ Experience in operation and system services development of ENTSO-E and/or Mediterranean electricity networks
- ✓ Proved knowledge of the organization and structure of multi-national Power Pools
- ✓ Experience in working in an EU financed project is considered an asset.
- ✓ Skills in communication in two essential languages: English and Arabic.

4. Activities of expert and required man days

Work program items	Required man/days	Deadline	
		Start	End
1st Milestone: elaboration of the roadmap for the implementation of harmonized rules in the Eastern Mediterranean Area	up to 20	April 2022	June 2022
2nd Milestone: proposal of appropriate set of rules, models and definition of the minimum requirements to operate the interconnected system safely and efficiently.	up to 40	June 2022	July 2022
3rd Milestone: definition of cooperation principles and operational agreements for the different possible configurations of the electricity exchange platform.	up to 40	July 2022	November 2022

5. Steps of the work Activity 3.2 “Executing short-term demonstration project in the Eastern Region: zonal platform for power trading”

The following table provides an analysis of the individual steps and an allocation of the responsibilities:

Steps of the work:	External Expert (EE)	TF Maghreb of TC Regulation	Deliverable & Deadline
1st Milestone	Elaboration of a road-map for the implementation of harmonized rules in the Eastern Mediterranean Area, Expected outcome: a report proposing a road-map for the Eastern Mediterranean Area, taking into consideration the deliverable 3.2.A and the previous or ongoing attempts of integration of the zone	<ul style="list-style-type: none"> - Provided information - Review of EE Report 	<p>Del. 3.2. B Proposal of tentative Road Map for a practical implementation of harmonized rules in the eastern zone.</p> <p>June 2022</p>
2nd and 3rd milestone	Definition of cooperation principles, Determination of the minimum requirements necessary for the proper functioning of the electricity exchange and regional market at its first stage and development and establishment of the Operational Agreement. 1. A feasibility report of each proposal	<ul style="list-style-type: none"> - Provided information - Review of EE Report 	<p>Del 3.2. C Definition of Requirements and Operational Agreements</p> <p>July and November 2022 Detailed report + Executive Summary</p>

	<p>,setting the minimum requirements to operate the interconnected systems safely and efficiently.</p> <p>2. a detailed report defining the cooperation principles and operational agreements for the different possible configurations of the electricity exchange platform.</p>		
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6. Timetable for the call tender process

Stages	Indicative period
1. Publication of the call	14 February
2. Deadline for submitting applications	10 March
3. Evaluation period	11-26 March
4. Information to tenderers	30 March
5. Signature of contract	By 31st March
6. Starting date of the activity	1st April

7. Tenderers

The tender is organized by invitation.

The following companies have been invited to apply for this call:

- **AFRY**
- **ARTELYS**
- **CASTALIA Consulting**
- **CESI**
- **COMPASS LEXECON**
- **EDF**
- **ELIA GRID INTERNATIONAL**
- **ENER21**
- **ENERGINET**
- **FRONTIER ECONOMICS**
- **IANUS**
- **MBS Consulting**
- **MERCADOS-ARIES INTERNATIONAL**
- **OMNIA GmbH**

Consortia are allowed but must be led by one of the companies listed above.

The Expert will present its CV according to the knowledge and skills requested and names and CVs of the proposed experts who will work in the contract must be clearly declared. The substitution of an expert can only take place with an expert with similar professional experience and, in every case, the substitution must be approved by Med-TSO.

8. General Conditions

The Expert must be aware that the activity is co-funded by the EC and subject to all EU standard procedures.

All the documents proposed by the Expert are subject to approval. The approval does not change the responsibility of the Expert on the final result. All the documents can be updated during the activity, whenever unpredictable facts arise. In all cases, major changes introduced by the Expert have to be notified to Med-TSO for approval. The final documentation has to be consistent with the activity, in terms of scope and time.

9. Procedure for the Submission of Proposals

The tendering Expert shall submit its Proposal in three folders, named:

“[NAME OF THE TENDERER_Folder A] ”

“[NAME OF THE TENDERER_Folder B]”

“[NAME OF THE TENDERER_Folder C]”

Folder A - Administrative documentation – the following documents shall be included:

This request for offer, signed by the legal representative of the Expert, with a copy of its ID attached; the request can also be signed by a solicitor of the legal representative and, in this case, a certified copy of the attorney has to be attached;

A valid chamber of commerce Expert registration for the Expert. This document must have an international format and in any case must be in English.

If the Expert participates in the tender with other companies, the relative agreement among the Parties must also be attached, with the specification of the parts of the service that will be performed by the individual companies.

Folder B – Economic offer - the cost of the work including VAT, taxes, expenses, contributions and other due fiscal charges, according to the applicable law of the Expert, shall be indicated.

PLEASE NOTE: Med-TSO is an international non-profit Association. Due to its nature and in compliance with Italian tax law, Med-TSO has no VAT number, but only a tax code: 97697840581, like a natural person.

Since Med-TSO is unable to manage any VAT transaction (credit and / or debit VAT) deriving from the contractual relationship with the supplier (e.g. reverse charge), Med-TSO pays all services including VAT.

Therefore, all offers must include VAT to be added to the price of the offered service.

The legal representative of the Expert, with a copy of its ID attached, shall sign the Economic offer; a solicitor of the legal representative can also sign the offer and, in this case, a certified copy of the attorney has to be attached.

Folder C - Technical offer – The Technical offer shall describe how the activity will be performed including all details deemed relevant, list of references and CVs of experts that will perform the activities.

The Technical offer shall not include any economic information. Any violation of this requirement will determine the exclusion of the Expert from the bidding procedure.

The legal representative of the Expert, with a copy of its ID attached, shall sign the Technical offer; a solicitor of the legal representative can also sign the offer and, in this case, a certified copy of the attorney has to be attached.

Financial and Technical offers shall be drawn in English. Folders A, B, and C shall be sent by electronic mail to tenders@med-tso.com. This email shall have as object: “**EastMed Electricity Exchange Zone**”. The deadline for the submission of the proposal is 10 March 2022. The date of the email received will be valid. Any queries could be submitted by 20 February 2022. Answers to those queries will be sent to all prospects by 24 February 2022. Med-TSO reserves the right to verify self-attested titles, competencies and experiences and the faculty of this Administration to not proceed to the award shall not be affected. If there is a need to have other information, Med-TSO Secretariat may contact the tenderer for this purpose during the tender process.

10. Award Criteria

The award will be assigned to the most economically advantageous tender, following this scoring table:

EVALUATION ELEMENTS		Weight
1+2	References and qualifications	80%
	Technical Offer	
3	Economical Offer	20%

TOTAL		100%
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I STEP

The score will be assigned on the base of technical criteria and of the evaluation elements as follows:

1 . References and qualifications	Max Scores
Knowledge of English and Arabic	5
Proved knowledge of Mashreq power systems and regulation	10
Experience in managing Stakeholder Engagement	5
Proved experience in the development of framework for international trading of electricity (e.g. regulatory frameworks, economical models, legislative, operational)	12
Proved experiences in the development of operational agreement for trading of electricity	12
Experience with TSOs, NRAs and Government	6

2 . Technical Offer	Max Scores
General Evaluation about the “how”: 1) How the activity will be performed; 2) How the expert will fulfill the requirements of this call	20
List of the possible use cases that will be assessed in the benchmarking activity	14
Gantt of activities	8
Work plan including consultation to ensure Stakeholders engagement and acceptance	8

The minimum score (Reference + Technical) requested is 75 points (out of 100)

II STEP

The formula for economical offer evaluation is:

$$ES = 20 \times CP/EP$$

Where: ES is the Economic Score, CP the cheaper proposal and EP the Economic Proposal considered.

The tenderer obtaining the highest combined technical and economical score is invited to a negotiation and to sign the contract already provided in Annex 1.

11. Confidential Information

Any non-public information of confidential or proprietary nature; whether of a commercial, financial or technical nature related to the object of this call, or all information otherwise exchanged between Med-TSO/Med-TSO members and the companies shall be deemed to be “Confidential Information”.

“Confidential Information” shall not be used or exchanged for purposes other than in direct relation with the object of this call as specified in Article 9.1 of the draft contract (Annex 1).

12. Annex 1 – Draft Contract

Company

Name

Address

Object: Consulting Service for XXXXXX within the activity 3.2 of the TEASIMED Project co-funded by the European Commission through the GRANT CONTRACT - EXTERNAL ACTIONS OF THE EUROPEAN UNION ENI/2020/417-547.

1. DEFINITION OF THE PARTIES

This Contract is stipulated in the context of the TEASIMED Project (hereinafter “Project”),
between:

Med-TSO Mediterranean Transmission System Operators, fiscal code 97697840581, with registered office in Viale Egidio Galbani 70, 00156 Rome and operational headquarters in Via della Marcigliana 911, 00138 Rome – hereinafter referred to as the “Customer”, represented in this Contract by the Secretary General, Mr. Angelo Ferrante,

and

XXXXXXXX. —, VAT number/Fiscal Code XXXXXXXXX, with registered office inXXXXX, XXXXXXXXX – hereinafter referred to as the “Service Provider and/or Expert”, represented in this Contract by XXXXXXXX, as Legal Representative of the Company.

2. SUBJECT OF THE CONTRACT AND DESCRIPTION OF THE ACTIVITIES

2.1 Subject of the Contract

The purpose of this Contract is to define a roadmap for the implementation and assessment of different options to allow trading of electricity between different countries in the Eastern Mediterranean Zone and to design the relevant minimum requirements and cooperation principles.

2.2 Activities description

The activity to be performed by the Service Provider is described in the terms of reference of the tender (ME/P2022/XXXX) and in the technical offer submitted by the Service Provider (ME/A2022/XXX), which is inherent part of this Contract. The substitution of an expert can

only take place with an expert with similar professional experience, and must be always approved by Med-TSO.

3. DURATION AND CHRONOLOGICAL SCHEDULE

This Contract comes into force on the date of its signature and ends with the realization of the service by XXXXX.

The activities referred to in the above art. 2.2 shall be fulfilled according to the work program defined in the terms of reference of the tender.

4. CONTRACT MANAGEMENT

The Secretary General is responsible for providing the management of this Contract.

All the communications between the Expert and the Customer concerning this Contract shall be forwarded exclusively in writing, by e-mail to angelo.ferrante@med-tso.com or by post to the following address:

Med-TSO

Via della Marcigliana 911

00138 Rome

to the kind attention of Mr. Angelo Ferrante

The reference person of the Consultant is XXXXXX and all communication will be forwarded to: XXXXX, XXXXXX - XXXXXX, XXXXX, XXXXXX, XXXXX.

5. IMPLEMENTATION IN ACCORDANCE WITH BEST PRACTICE

With the acceptance of this Contract, the Expert undertakes to guarantee the Customer that all activities will be carried out according to the best available techniques and best practice, in relation to the quality level assumed for the activities themselves.

6. FEES AND AMOUNTS OF THE CONTRACT

For the accomplishment of the activities referred to in paragraph 2 of this Contract, Med-TSO will pay the total amount of XXXXXX EUR, including VAT and any tax and duty, withholding tax and social security contributions, where due,

Any expense incurred and duly documented for the accomplishment of this Contract will be reimbursed to the Expert only prior written authorization from the Customer.

The contractually defined prices are proposed and accepted by the Expert in complete and thorough knowledge of the quantity and kind of work to be fulfilled; for this reason, the Expert declares to waive any claim of an economic nature that should result from incorrect

assessment or lack of knowledge of the quantities, modalities and characteristics of the works object of the Contract.

7. ARRANGEMENTS FOR INVOICING, PAYMENTS, TRACEABILITY OF FINANCIAL FLOWS, ASSIGNMENT OF CREDITS

7.1 Arrangements for invoicing

The amount of the Contract in the previous art. 6 relative to the activities referred to in the paragraph 2.2 of this Contract, may be invoiced by the Expert, as follow:

- 100% (one hundred per cent) of the share of the activity linked to the monthly attendance of the expert as in the timesheet and report sent to and approved by the Secretary General by the last working day of each calendar month;
- 100% (one hundred per cent) of the amount of the reimbursable travelling expenses, authorized and documented, up to 10% of the amount of the contract.

The Expert shall attach the attendance Expert sheet to the invoice and a brief report of the fulfilled activities in the period concerned.

The VAT and/or any tax and duty, withholding tax and social security contributions, where due, shall be highlighted in the invoices. In case of exemption, contemplated pursuant to current tax laws and/or existing Agreements against double taxation, shall be sent to the Customer:

- a certificate of the foreign authority attesting the residence for tax purposes in the foreign State, with the details of the relative VAT number or tax code;
- a declaration of having made the service to Med-TSO in the foreign State;
- in the event that there is an Agreement against double taxation, a certificate proving the existence of the necessary conditions to benefit from the convention scheme.

7.2 Payments

Payment of invoices issued by the Expert will be made with fixed currency for the beneficiary, within the term of 30 days from the date of receipt of the invoice, subject to approval by Med-TSO of the services rendered and the regular performance of the requested activities.

The reference data of this Contract and the reference data of the Main Contract **ENI/2020/417-547** shall be indicated in each invoice, as well as the code and the details in order to allow payment.

Each invoice will have to be headed to:

*Med-TSO
Viale Egidio Galbani, 70
00156 Roma
Tax code 97697840581*

and sent in original to

*Med-TSO
Via della Marcigliana, 911
00138 Roma
to the kind attention of: Mr. Gherardo Alfonso Vichi*

7.3 Traceability of financial flows

In order to guarantee the traceability of financial flows finalized to prevent criminal infiltration, pursuant to and for the effects of article 3, paragraph 1 of Law 136/2010, financial transactions relating the activity referred to in the Contract in question, must be carried out exclusively through the bank or postal transfer instrument, or else with other payment instruments suitable to allow full traceability of transactions.

7.4 Assignment of credits

Parties expressly agree – pursuant to and for the effects of article 1260, paragraph 2 of the Civil Code- that the credits deriving from the execution of this Contract are not transferable to third parties.

Such credits shall not be also the object of any act of disposition by the creditor, even if invested with power of representation and/or management.

8. OBSERVANCE OF LAWS, REGULATIONS AND RULES

This contract is governed by Italian laws. The Expert, under its sole responsibility, must comply with the legislative provisions as well as to observe all the regulations, rules, requirements of the competent Authorities in the field of services, labor contracts, safety and work hygiene and of how much else can, in any way, affect the execution of this Contract.

Moreover, for the entire duration of the Contract, the Expert must guarantee the continuation of the qualification/eligibility requirements agreed when assigning the Contract and the continuation of non-exclusion requirements provided by the General Conditions for the supply of services subsidized by the European Union.

Failure to comply by the Expert with the requirements and obligations charged by it pursuant to the present article, legitimizes the Customer to terminate the Contract pursuant to and for the effects of article 1456 of the Civil Code.

9. PARTICULAR CLAUSES

9.1 Confidentiality

All information collected during the course of this Contract, as well as all documents and reports prepared within the same, shall be considered and treated as confidential and shall not be used for purposes other than the execution of the activities covered by the Contract itself, nor disclosed or otherwise communicated to third parties without the prior written consent of the Customer. Except in cases where:

- it is necessary to comply with regulatory or legal obligations;
- Italian or foreign authorities request it and a motivated refusal could not be opposed;
- the information is already in the public domain;
- the information was already known at the date of issue of this assignment; the information has become public knowledge during the assignment for causes other than failure to comply with confidentiality obligations referred to in this article.

The Expert undertakes to enforce this confidentiality clause to the experts who may be involved by it, however, following the explicit authorization of the Customer, in the activities referred to in this Contract.

At the end of the Contract, the Expert will have to immediately cease to use and destroy, or return, all “Confidential Information” to the Customer.

It is understood that the above confidentiality clause retains its effectiveness even after the conclusion of this Contract.

9.2 Privacy

It is understood that, with reference to the fulfillment by the Expert of the activities provided for in this Contract and in compliance with the provisions of the European Regulation on the protection of personal data (Regulation EU 2016/679), the data already taken or that will be subsequently communicated from the Expert will be used for the sole purpose of carrying out the activities entrusted to it.

Such data, which may be partly on paper files and partly on electronic files, will have to be kept in compliance with the security measures provided for in the European Regulation on the protection of personal data (Regulation EU 2016/679), and shall not be disclosed to the outside except in cases in which this will be necessary in the performance of a legal obligation.

In cases in which it is necessary to acquire information or data from third parties for the performance of the activities referred to in this Contract and this requires the consent of the interested parties, it will be the Customer's responsibility to obtain this consent.

It is understood that the Expert has the faculty to exercise, regarding the existence and processing of personal data concerning it, the rights provided for by the European Regulation on the protection of personal data (Regulation EU 2016/679).

It is also noted that the data controller in question is Med-TSO and that the responsible for data processing is the Secretary General, with domicile for the office in Viale Egidio Galbani, 70 – 00156 Rome.

9.3 Property of the works

All the material prepared for the completion of the work is of property of Med-TSO

9.4 Liability for damages

The Expert is responsible for the correct execution of the service.

The responsibility of the Expert during the performance of the service, and until the end of the contractual relationship, must be understood as referring to the damage done to the Customer's people and things and/or third parties, strictly connected to the methods of carrying out the service and to the object of the same. Are included in the responsibility of the Expert any damages that should occur in the different phases to provide the service in accordance with the provisions of the Contract.

The assessment, the evaluation and the settlement of claims for damages shall be performed by the Expert in contradictory with the damaged.

The Expert assumes full responsibility towards the Customer for all obligations deriving from the Contract, ensuring also for the work of the Expert referred to in the previous articles. Therefore, the Expert undertakes to keep the Customer unharmed and free from any liability for accidents and/or injuries which in the execution of the Contract may be caused to the staff of the same and/or of Med-TSO, or to the Expert.

To this end, the Expert will have to underwrite and maintain the following insurance policies for the duration of the present Contract:

1. Medical insurance that indemnifies the Customer from any liability related to medical expenses;
2. Insurance for damages to cover risks in sickness or accident, including the cost of repatriation for health reasons.

The Expert will have to provide proof of the insurance policies and of the regular payment of the insurance premiums, without any delay, at the Customer's first request.

The Expert guarantees and undertakes to keep the Customer unharmed and relieved against any claim that should be advanced by third parties as a result of breaches, even partial, of the contractual rules and/or legal rules by the same or by the Expert.

The Expert undertakes to act with the utmost diligence and to take any necessary and/or opportune initiative to avoid damages of any kind and nature to people and things. In the case these should occur, the same will have to provide in any case for the complete and prompt compensation of them.

The compensation for any damage caused by the Expert to people and things, during the course of the activities referred to the present Contract, is entirely borne by it. Such compensation must be made within a short time and copy of the receipt must be delivered to the Customer within one month from the date of completion of activities.

However, the Expert is obliged without time limits to provide for his care and expenses for the compensation of any damage to its charge that should be claimed, avoiding harassment to the Customer and keeping the Customer relieved of any action initiated against him.

9.5 Domicile

We acknowledge that the Expert, to all contractual effects, elects legal domicile at the address to which this Contract is sent. In relation to this, the Customer, for the entire duration of the same, will make any notification and/or communication to the aforesaid legal domicile.

In the event of a change in this legal domicile, the Expert undertakes to inform the Customer about it by registered letter; in the event of lack of this, notifications and/or communications will be considered such as regularly carried out once they are received at the previously notified legal domicile of the Expert.

10. PENALTIES

In case of delay with respect to the terms of completion referred to in previous art. 3, a daily penalty equal to the ratio between the value of the Contract and the days of carrying out the activities. It is expressly made without prejudice to reimburse further damage in addition to the amount of the penalties.

The relevant amounts will be retained when the invoices are paid in correspondence with the services for which the contractual terms and/or the contractual conditions are disregarded, or at the time of payment of any amount due in connection with the Contract.

The penalties are cumulative, but the relative amount shall not exceed in any case 15% of the total value of the Contract.

When the amount of the penalty has reached the aforementioned limit of 15%, the Customer has the faculty to use the termination clause.

The application of the penalties does not exempt from the observance of all contractual and legal obligations concerning the correct execution of the Contract.

The parties recognize that the implementation of measures to contain the Coronavirus (COVID-1-9) epidemic in Italy {see law 13/20, decree law 18/20 and any other future} and in XXXX could result in the debtor's liability being excluded, under Articles 1218 and 1223 of the Italian Civil Code.

11. DISPUTES

All disputes arising from this Contract, including those relating to its validity, interpretation and execution, shall be entrusted to a board of three arbitrators, of which two named, one by the Expert and one by the Customer, and the third one, having functions of President, by the arbitrators so named.

In case of failure to appoint the arbitrator of the party, or failure to agree on the appointment of the President, the appointment itself will be referred to the President of the Rome Court, on the request of the most diligent party.

The College shall judge by right with the application of the articles 806 and following of the Code of Civil Procedure and shall have seat in Rome (Italy).

12. TERMINATION

In all cases of non-fulfillment by the Expert of the obligations arising from the Contract, the same can be terminated by the Customer, pursuant to the provisions of the Civil Code. The termination works by right in the cases provided for in articles 7, 8, 9 of this Contract and in the cases provided for in the General Conditions for the Supply of services financed by the European Union. It is also the Customer's right to terminate this Contract in the cases provided for in article 38, paragraph 1°, let. F) of the Legislative Decree 163/2006, when the Expert has committed gross negligence or bad faith or a serious error in the execution of the services entrusted by another person.

In the above-mentioned cases, the Customer reserves the right to suspend the Contract, demanding the reimbursement of sums eventually paid, without prejudice, in this case also, to the compensation for damage.

Particularly, the damage may consist of both the emerging damage and the loss of profit, notwithstanding that the total amount of compensation for damages shall not, in any case, exceed the double total value of this Contract.

13. WITHDRAWAL

It is understood that the Customer has the right to withdraw from this Contract, in whole or in part, at any time and at its sole discretion. In this case, the Customer shall correspond to the Expert exclusively the amounts relating to the expenses occurred on the date of withdrawal.

Such sum, as a comprehensive and flat-rate indemnity, is meant to be paid to acknowledgment of each and any claim or right from the Expert, without the latter being able to demand another compensation or indemnity, according to the article 1671 of the Civil Code or for any cause or title or reason.

14. COMPLETION

This Contract is concluded pursuant to the article 1326 of the Civil Code, with full acceptance and without any reservation from the Expert and on condition that the requirements set forth in the following points are fulfilled.

Hereinafter the address at which the Expert shall send the following documentation:

Med-TSO
Via della Marcigliana 911,
00138 Rome
To the kind attention of Mrs. Simona La Cioppa

1. One original of this Contract, stamped and signed by the Legal Representative of the Expert in each sheet for acceptance (attached).

Rome, XX XXXXX 2022

Med-TSO
The Secretary General

The Service Provider
The Legal Representative

Pursuant to and for the purposes of the articles 1341 and 1342 of the Civil Code, are specifically approved the following clauses relating to this Contract:

- Art. 7.2 "Payments"
- Art. 7.3 "Traceability of Financial Flows"
- Art. 8 "Observance of laws, regulations and rules"
- Art. 9.4 "Liability for damages"
- Art. 10 "Penalties"
- Art. 11 "Disputes"
- Art. 12 "Termination"
- Art. 13 "Withdrawal"

Place and date.....

The Service Provider
The Legal Representative

Attachments:

-
- 1. Call for Tender XXXXXXXX (ME/P2022/XXXXXX);
- 2. Offer of the Service Provider (ME/A2022/OXXXX).