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Da: Colombo Tiziano

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Oggetto: International ITT & Contract Standards System Project for Upstream activities

Dear all,

With the target of aligning eni worldwide contractual main terms and conditions, please be informed that Corporate Procurement has concluded the International ITT & Contract Standards System Project for Upstream activity, launched in July 2009.

The project aimed at building and sharing, with the competent functions, standard eni's upstream worldwide Tender and Contract documents, which have been prepared and agreed with Compliance, Legal and Insurance subject matter experts as well as technical references.

The main project objectives were the following:

- setting up a library of standard T&C including ITT forms, for international contracts.
- support the start-up of new Affiliates and new Projects
- speed up ITT process and Contracts definition and simplify Contracts emission process
- promote a common and validated approach amongst Affiliates
- consolidate contract language and terms to reduce risk and uncertainty associated with undocumented or poorly documented trades or frequently customized non-standard contracts
- maintain system reliability and updating by means of a constant process of improvement and adaptation to operation needs.

The adoption of standard T&C across Eni subsidiaries will enable the Company to:

- reduce risks exposure
- eliminate bottlenecks in contracts creation
- ensure compliance (Code of Ethics, Human Rights)
- reduce maintenance of standards since variations/customization are to be incorporated in the Special Conditions
- shorten contracts approval cycle time
- expedite negotiation: Parties are already familiar with the basic contract provisions (T&C)
- increase productivity of individuals and teams
- execute contracts faster
- reduce overheads (attorneys' and subject matter experts costs)

On the basis of the above principles standard T&C have been developed according to the following criteria:

- Medium-high complexity of the contract object
- Adoption of the Common Law as governing law (Eni affiliates outside the Common Law are requested to tailor the package as to fit their local requirements)
- Adoption of the "knock-for-knock" insurance liabilities principle

The **package** is composed by:

- General Conditions
- Special Conditions
- Tender documents
- Guarantees

The documents attached herein are meant to be considered as a general guideline for preparing tenders and contracts; in order to fit them into the specific environment and situations, users are requested to customize the package on a case by case basis.

The following first set of documents have been prepared and attached herein for immediate utilization. More General Conditions templates will follow afterwards.

General Conditions

- Purchase of Goods (including LLI/CI)
- General Services
- Engineering Services
- EPC/EPF
- EPIC

Special Conditions

Each eni affiliate will have the opportunity to develop Special Conditions of Contract to customize the above T&C as to address the followings:

- PSA/PSC/SC/JOA Requirements
- Local Law Requirements
- Deviations from T&C
- Contract or scope peculiarities
- Negotiation results
- Etc.

In order to facilitate the mentioned customization process, 5 Special Condition templates for Services and Goods are provided herein as guidelines:

- Special Conditions template for Services
- Special Conditions template for Goods
- Special Conditions template for Engineering Services
- Special Conditions template for EPC/EPF
- Special Conditions template for EPIC

Tender package

- Invitation To Tender
- Instructions to Tenderers
- Form of Acknowledgement and Confidentiality Agreement
- Form of Tender
- Technical Commercial Checklist

Guarantees

- Performance Bond
- Retention Bond
- Parent Company Guarantee
- Advance Payment Guarantee

Procurement Manager are kindly requested to properly consider the attached "standards" in order to complement and/or improve, as necessary, their ITT & Contract Standards in line with local boundaries,

governance rules, constraints as identified within PSA, JOA, etc.

The implementation of the subject standards and the alignment of the eni foreign affiliates ITTs and Contracts with the principles and the rules provided therein will allow a better protection of eni interest and will also consent to achieve all the objectives and benefits previously quoted.

For your reference, the package can also be found at:

<https://eprocurement.eni.it> (english version)

→ INTERNAL USERS

→ PRIVATE AREA

Procurement Manager will have the password and login for the exclusive access to the Private Area. Any request for additional names to access shall be made in writing sending an e-mail to mailbox:

[Mbx International ITT and Contract Standards System@eni.com](mailto:MbxInternationalITTandContractStandardsSystem@eni.com)

→ Procurement Community

→ International ITT & Contract Standards System

The “Regulations Analysis and Model Contracts” Unit is in charge of:

- communicating any further update and integrations to standards
- responding to any queries about understanding and application of standards
- considering any proposal for improvements.

Please address your e-mail to mailbox: **Mbx**
[International ITT and Contract Standards System@eni.com](mailto:InternationalITTandContractStandardsSystem@eni.com)

Regards,

Tiziano Colombo

Eni S.p.A.

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