TS Energy Italy S.p.A.
a joint stock company with a sole shareholder
with its registered office in Milan (Italy), Galleria San Babila 4/b
Share capital of Euro 110,000.00 fully paid-in
Tax code, VAT number and registration number with the Companies' Register of Milan No.
07921510967 R.E.A. No MI 1990741

ADMISSION DOCUMENT

in connection with the application for admission to trading of the financial instruments named **"TS Energy Italy S.p.A. € 40,000,000 Fixed Rate Senior Secured Notes due 2032"**, ISIN codes and common codes (i) for the purpose of Regulation S, as defined below: respectively XS1442543762 and 144254376 and (ii) for the purposes of Rule 144 A, as defined below: respectively XS1442544141 and 144254414, (issue price: 100 per cent.) on the professional segment (ExtraMOT PRO) of the multilateral trading facility ExtraMOT operated by Borsa Italiana S.p.A.

Upon issue, the financial instruments will be represented by a global note certificate (the "**Global Note Certificate**"). The Global Note Certificate will be in registered form and will be deposited with, and registered in the name of a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**") (together, the "**Clearing Systems**" and such common depositary being the "**Common Depositary"**).

CONSOB AND THE ITALIAN STOCK EXCHANGE HAVE NOT EXAMINED THE CONTENT OF THIS ADMISSION DOCUMENT

This admission document is dated 29 July 2016.

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CLAUSE **PAGE**

1. IMPORTANT NOTICE

1.1 No person is authorised to give any information or to make any representation not contained in this Admission Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Arrangers, the Issuer, the OpCos, the Shareholder or any other person. Neither the delivery of this Admission Document nor any sale or allotment made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the OpCos since the date hereof or the date upon which this Admission Document has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

1.2 To the fullest extent permitted by law the Arrangers accepts no responsibility whatsoever for the contents of this Admission Document or for any other statement, made or purported to be made by the Arrangers or on their behalf in connection with the Issuer, the OpCos, any third parties or the issue and offering of the Notes. The Arrangers accordingly disclaim all and any liability, whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Admission Document or any such statement or in connection with the issue and offering of the Notes.

1.3 The Arrangers have not independently verified all the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers as to the accuracy or completeness of the information contained in this Admission Document or any other information provided by the Issuer or any third parties, in connection with the Notes or their distribution.

1.4 The distribution of this Admission Document and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Admission Document comes are required by the Issuer and the Arrangers to inform themselves about, and to observe, any such restrictions. Neither this Admission Document nor any part of it constitutes an offer, or may be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

1.5 This Admission Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Arrangers that any recipient of this Admission Document should purchase any of the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the assets and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

1.6 The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state or other jurisdiction's securities laws, and the Issuer will not be registered as an investment company under the provisions of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, the Notes may only be offered and sold, and may be re-offered, re-sold, pledged or otherwise transferred only (i) outside the United States pursuant to Regulation S under the Securities Act ("**Regulation S**") to a person who is not a "U.S. person" (as defined in Rule 902(k) of Regulation S, "**U.S. Person**") in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person that is both a "qualified purchaser", as defined under Section 2(a)(51) under the Investment Company Act (a "**QP**") and qualified institutional buyer, as defined in Rule 144A ("**Rule 144A**") under the Securities Act (a "**QIB**"), and otherwise agree to be bound by the transfer restrictions set forth in the Agency Agreement and

the Trust Deed. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Admission Document, see Annex 3 (*Selling Restrictions*).The Notes may not be offered or sold directly or indirectly, and neither this Admission Document nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which could allow an offering of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Admission Document, see Annex 3 (*Selling Restrictions*).

1.7 Each initial and each subsequent purchaser of a Note will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Admission Document and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See Annex 3 (Selling Restrictions).

1.8 The language of this Admission Document is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Admission Document. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

1.9 All references in this Admission Document to "**Euro**", "**euro**", "**cents**" and "**€**" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986, the Treaty of European Union of 7 February 1992, establishing the European Union and the European Council of Madrid of 16 December 1995; references to "Italy" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to "billions" are to thousands of millions.

2. DEFINITIONS

Unless otherwise specified, the terms used in this Admission Document shall have the meaning ascribed to it in the Terms and Conditions.

In this Admission Document and save where the context requires otherwise, the following words and expressions, unless otherwise specified, have the following meanings:

"**ADSCR**" means, on any Calculation Date, the lower of:

(a) the ratio of Cash Available for Debt Service in respect of the 12 month period ended on such Calculation Date to Debt Service for such period; and

(b) the projected ratio of Cash Available for Debt Service in respect of the 12 month period beginning on such Calculation Date to Debt Service for such period, determined on the basis of the Updated Base Case.

"**Agency Agreement**" means an agency agreement dated on or about the Closing Date between the Issuer, the Note Trustee and the Agents.

"**Arrangers**" means each of:

(a) IDCM Limited, a limited liability company incorporated under the laws of England and Wales with registered number 09101952 whose registered office is at Mitre House, 12-14 Mitre Street, London EC3A 5BU; and

(b) Foresight Group LLP, a limited liability partnership incorporated under the law of England and Wales with registered number OC30078 whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG.

"**Autonomous Guarantees**" means the first demand surety (*Fideiussione a prima richiesta*) provided by each OpCo to guarantee the Issuer's repayment of the Notes, up to a maximum amount equal to 150% of the intercompany loan granted by the Issuer to each of the OpCos.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Rome, Milan and New York and, on any day when a payment is due to be made which is also a TARGET2 Settlement Day.

"Calculation Agent" means Elavon Financial Services Limited, UK Branch in its capacity as calculation agent under the Agency Agreement.

"**Cash Manager**" means Elavon Financial Services Limited, UK Branch in its capacity as cash manager.

"**Cash Pooling Agreement**" means the cash pooling agreement dated on or about the Closing Date by and among the Issuer, each of the OpCo and Unicredit S.p.A..

"**Closing Date**" means 29 July 2016 or such later date as the Issuer and the Initial Noteholders shall agree.

"**Conditions**" means the terms and conditions of the Notes set out in Annex 1 (*Terms and Conditions of the Notes*) to this Admission Document.

"**Deed of Charge**" means the deed of charge dated on or about dated on or about the Closing Date between the Issuer and the Note Trustee in respect of the Issuer's Project Accounts.

"**ExtraMOT Pro**" means the ExtraMOT Pro multilateral trading facility operated in Italy by Borsa Italiana S.p.A.

"**GSE**" means Gestore dei Servizi Elettrici - GSE S.p.A.

"**Issue Date**" means 29 July 2016.

"**Issuer**" means TS Energy Italy S.p.A., a joint stock company with a sole shareholder incorporated under the laws of Italy with registered number 07921510967 R.E.A. No MI 1990741 and whose registered office is at Galleria San Babila 4/b, Milan, Italy.

"**Issuer Security Agreements**" means the:

(A) n. 9 deeds of pledge over the quotas of the OpCos;

(B) n. 9 assignments by way of security relating to the Intercompany Loans;

(C) n. 9 assignments by way of security relating to the Existing Intercompany Loans;

(D) a deed of charge over the Cash Pooling Account.

Italian Civil Code" means Italian Royal Decree dated 16 March 1942, n. 262, as subsequently amended and supplemented from time to time.

"**Italian Security Documents**" means:

(a) the Issuer Security Agreements;

(b) the OpCo Security Agreements;

(c) the Parent Security Agreement; and

(d) any other security document in respect of Italian assets designated in writing as an Italian Security Document by the Issuer and the Representative.

"**LLCR**" means, on any Calculation Date, the ratio of:

(a) the Net Present Value of Cash Available for Debt Service, to

(b) Debt.

"**Note**" means the EUR 40,000,000 secured senior notes issued by the Issuer on the Issue Date.

"**Noteholder**" means, at any time, the holder for the time being of a Note; and "**Noteholders**" shall mean all or any of them.

"**Note Trustee**" means U.S. Bank Trustees Limited in its capacity as note trustee under the Trust Deed and any successor duly appointed in accordance with the Trust Deed.

"**OpCo**" means each of DES Energia Dieci S.r.l., DES Energia Dodici S.r.l., DES Energia Tredici S.r.l., DES Energia Quattordici S.r.l., ONICE S.r.l., SOLAR SICILY S.r.l., SUNFLOWER S.r.l., CS Solar 2 S.r.l., TROVOSIX S.r.l.

"**OpCo Security Agreements**" means:

(a) the assignment agreements by way of security of the feed in tariffs and/or all included tariff towards the GSE;

(b) n. 2 deeds of mortgage over the land;

(c) n. 9 special privilege deeds over the OpCo movable assets;

(d) n. 9 deeds of pledge over the OpCo bank accounts;

(e) n. 9 assignment agreements by way of security of the consideration arising from Power Purchase Agreements and any further assignment by way of security of the consideration arising from any additional Power Purchase Agreement;

(f) n. 9 assignment agreements by way of security of the amounts due from each O&M Agreements;

(g) n. 9 Autonomous Guarantees;

"**Paying Agent**" means Elavon Financial Services Limited, UK Branch in its capacity as paying agent under the Agency Agreement.

"**Panel & Inverter Reserve Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-04 in the Issuer's name with the Issuer Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Parent Security Agreement**" means the Italian law deed of pledge over the shares of the Issuer dated on or about the Closing Date between TS Energy Europe S.A., the Issuer and the Representative.

"**Plant**" means each photovoltaic solar installation owned by each OpCo.

"**Plant EPC Contractor**" means Bester Generacion S.L.

"**Project**" means the operation of each Plant, including the interconnection with the national grid in Italy and the relevant substation.

"**Project Contracts**" means:

(a) each Plant EPC Contract;

(b) each O&M Agreement;

(c) the Interconnection Agreement;

(d) the Conto Energia Concession;

(e) any Power Purchase Agreement;

(f) each Site Agreement;

(g) any municipality agreement;

(h) the Management Services Agreement;

(i) any Insurance Policy;

(j) any guarantee, bond or other performance security relating to any of the foregoing,

together with any contract, agreement or document entered into by a Finance Group Company in replacement thereof.

"**Registrar**" means Elavon Financial Services Limited in its capacity as registrar under the Agency Agreement.

"**Shareholder**" means the Parent in its capacity as shareholder of the Issuer.

"**Security Documents**" means the English Security Documents and the Italian Security Documents.

"**Sponsor**" means Talesun Solar Switzerland A.G.

"**Subordination Deed**" means the subordination deed dated on or about the Closing Date between the Parent, the Issuer and the Note Trustee.

"**TARGET2 Settlement Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

"**Trust Deed**" means the trust deed dated on or about the Closing Date between the Issuer and the Note Trustee.

3. TYPE OF DOCUMENT

This Admission Document has been prepared in accordance with Section 10 of the guidelines set out in the rules of ExtraMOT.

4. PERSONS RESPONSIBLE

4.1 TS Energy Italy S.p.A., with its registered office in Galleria San Babila 4/b, Milan (Italy), accepts responsibility for the information contained in this Admission Document.

4.2 To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Admission Document for which the Issuer takes responsibility is in accordance with the facts and does not contain any omission likely to affect the import of such information.

5. KEY FEATURES

The following is a summary of the main information on the transactions and assets underlying the Notes. It has to be read as an introduction to this Admission Document and is qualified in its entirety by reference to the information presented elsewhere in this Admission Document.

Certain terms used in this section, which are not defined, may be found in other sections of this Admission Document, unless otherwise stated.

(a) Principal Parties

(i) Foresight Group and IDCM Limited, in their capacities as Arrangers;

(ii) Elavon Financial Services Limited, UK Branch, in its capacities as Calculation Agent, Paying Agent, Issuer Account Bank and Cash Manager;

(iii) Elavon Financial Services Limited in its capacity as Registrar;

(iv) U.S. Bank Trustees Limited, in its capacity as Note Trustee and Representative;

(v) TS Energy Italy S.p.A., in its capacity as Issuer;

(vi) TS ENERGY EUROPE S.A. (LUX), in its capacitiy as Shareholder;

(vii) Talesun Solar Switzerland A.G. in its capacity as Sponsor; and

(viii) Des Energia Dieci S.r.l., Des Energia Dodici S.r.l., Des Energia Tredici S.r.l., Des Energia Quattordici S.r.l., Onice S.r.l., Sun Flower S.r.l., Solar Sicily S.r.l., TrovoSix S.r.l. and CS Solar 2 S.r.l., in their capacity as the OpCos.

(b) Portfolio Overview

TS Energy Italy S.p.A. controls nine project companies (*i.e.* the OpCos) which, in turn, operate 39 photovoltaic plants with a total installed capacity of 43.3 MW (*i.e.* the Plants).

All the Plants are fully operational and located in nine different regions of Italy, all having high irradiation levels. In particular:

(i) PV plants denominated Mantova (RT0229), Bagnolo A (RT230A), Bagnolo B (RT230B), Casalmaggiore (RT0074), Sabbioneta (RT0076), Gottolengo (RT0077), Drizzona (RT0073) and Arzago (RT0056), totaling 6,039.17 kWp of installed capacity, are located in the region of Lombardy;

(ii) PV plant denominated Safe02, totaling 819.12 kWp of installed capacity, is located in the region of Emilia Romagna;

(iii) PV plants denominated Gamerra 1, Gamerra 2, Gamerra 3, Vannucci and Beraudo totaling 4,469.76 kWp of installed capacity, are located in the region of Tuscany;

(iv) PV plants denominated Laureti, Sam, Rossikoll and Sozio, totaling 1,483.92 kWp of installed capacity, are located in the region of Abruzzo;

(v) PV plants denominated Briscese 1, Briscese 2, Briscese 3 and Briscese 4, totaling 3,820.40 kWp of installed capacity, are located in the region of Puglia.

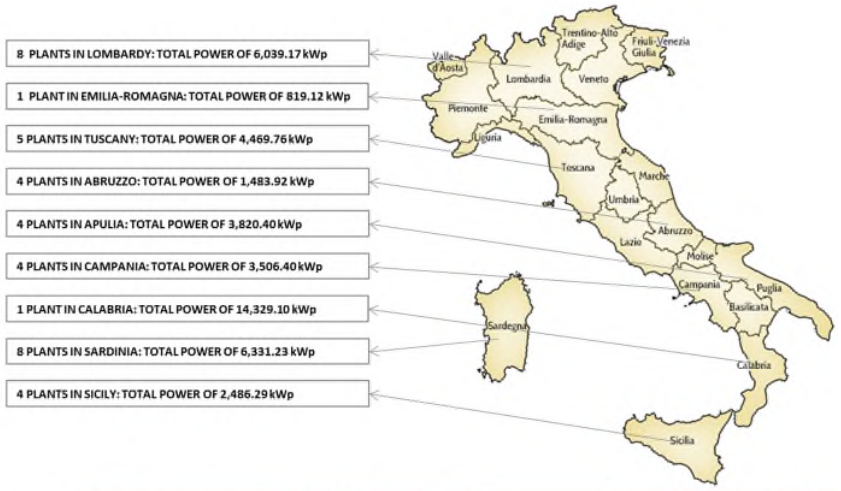
(vi) PV plants denominated Salomone 1, Salomone 2, Salomone 3 and Salomone 4, totaling 3,506.40 kWp of installed capacity, are located in the region of Campania;

(vii) PV plant denominated CS Solar 2, totaling 14,329.10 kWp of installed capacity, is located in the region of Calabria;

(viii) PV plants denominated Scianna, Turba, Giannettino 1 and Giannettino 2, totaling 2,486.29 kWp of installed capacity, are located in the region of Sicily;

(ix) PV plants denominated Monfenera 1, Monfenera 2, Villasanta 1, Villasanta 2, Bechi, Pisano 1, Pisano 2 and Pisano 3, totaling 6,331.23 kWp of installed capacity, are located in the region of Sardinia.

Please find below a graphic representation of the location of the Plants:



	N°, Name, Location of the Plants	Installed Power (KwP)
DES 10	4 Plants in Tuscany: Gamerra 1; Gamerra 2; Gamerra 3; Vannucci	3,546.60
DES 12	4 Plants in Campania: Salomone 1; Salomone 2; Salomone 3; Salomone 4	3,506.40
DES 13	4 Plants in Sardinia: Monfenera1; Monfenera 2; Villasanta 1; Villasanta 2	3,163.55
DES 14	4 Plant in Apulia: Briscese 1; Briscese 2; Briscese 3; Briscese 4	3,820.40
SUNFLOWER	4 Plants in Sardinia: Bechi; Pisano 1; Pisano 2; Pisano 3	3,167.68
SOLAR SICILY	3 Plants in Sicily: Turba; Giannettino 1; Giannettino 2	1,507.09
ONICE	1 Plant in Sicily: Scianna 1 Plant in Tuscany: Beraudo	1,902.36
TROVOSIX	8 Plants in Lombardy: Bagnolo A; Bagnolo B; Mantova; Sabionetta, Casalmaggire; Arzago; Gottolengo; Drizzona 1 Plant in Emilia Romagna: Safe 02 4 Plants in Abruzzo: Laureti; Sam; Rossikoll; Sozio	8,342,21
CS SOLAR 2	1 Plant in Calabria: CS Solar 2	14,329.10
	TOTAL	43,285.39

All the Plants are equipped with modules (*e.g.* Talesun TP 660P 235kWp, 240kWp, 245 kWp) and inverters (e.g. Kaco, Socomec, Siel) and are managed by O&M operators.

As specified above, the Plants have already been operational for approximately three and half years and, during that period, have reached in aggregate the forecasted production levels.

(c) Contractual Structure

(i) The contractual structure relating to the issuance of the Notes can be summarised through the following main documents:

(A) Finance Documents:

a) the Conditions, detailing the terms and conditions of the Notes attached as Annex 1 hereto;

b) the Fee Letters, setting out any of the fees due to one or more Finance Parties;

c) the Direct Agreements entered into by the OpCos in relation to the O&M Agreements and the Management Services Agreement;

d) the Cash Pooling Agreement;

e) Intercompany Loans;

f) the Trust Deed;

g) the Cash Management Agreement;

h) the Agency Agreement detailing the terms and conditions upon which the Principal Paying Agent and the Calculation Agent, amongst other things, is appointed as principal paying agent and calculation agent for the purposes of the Notes;

i) the Subordination Deed;

j) the Deed of Charge;

k) the Note Subscription Agreements, detailing the obligations of the Issuer and the initial subscribers in relation to the issue and the purchase by the initial subscribers of the Notes;

l) the deed of pledge over 100% of the Issuer's shares;

m) the deeds of pledge over 100% of the quotas of the OpCos;

n) the deed of pledge over the Issuer's bank account;

o) the deeds of pledge over the OpCos' bank accounts;

p) the deeds of mortgage over the lands and/or the rooftops over which the OpCos have a property or a surface right;

q) the deeds of special privilege (*privilegio speciale*) pursuant to article 46 of Legislative Decree No. 385 dated 1 September 1993 over all the OpCos' movable assets;

r) the deeds of assignment of the OpCos' receivables arising from, *inter alia*, certain insurance policies, the O&M Agreements, the Management Services Agreement, and the performance bonds to be issued in favour of the OpCos;

s) the deeds of assignment of the feed-in tariff receivables of the OpCos due from the GSE;

t) the assignment agreements of the rights arising from the power purchase agreements;

u) the Autonomous Guarantees;

v) the assignment agreement of the claims arising from the Intercompany Loan Agreement;

w) the assignment agreement of the claims arising from the Existing Intercompany Loan Agreement;

(the documents from (l) to (w) the "**Italian Security Documents**" and including the Deed of Charge, the "**Security Documents**" and jointly with the documents from (a) to (k) above, the "**Finance Documents**"). All the Italian Security Documents will be entered into, *inter alios*, by the Representative (as better detailed in paragraph 6.4(d) below);

(B) the main project documents and other material documents, each as defined in the Master Definitions Schedule (hereinafter defined, the "**Project Contracts**"), are the following:

(a) each Plant EPC Contract;

(b) each O&M Agreements;

(c) the Interconnection Agreement;

(d) the *Conto Energia* Concession;

(e) any Power Purchase Agreement, for the sale and purchase of electricity entered into by any OpCo;

(f) each Site Agreement;

(g) any municipality agreement;

(h) the Management Services Agreement;

(i) any Insurance Policy;

(j) any guarantee, bond or other performance security relating to any of the foregoing, together with any contract, agreement or document entered into by a Finance Group Company in replacement thereof.

(d) Summary of the Financial Model

The Financial Model is a mathematical model designed to represent in a simplified version the performance of the Project. The Financial Model translates a set of hypotheses about the business into numerical hypothetical results. The main assumptions of the Financial Model relate to energy production, electricity prices, revenues, costs and economic and tax assumptions which have been provided and/or verified by primary advisers.

In respect of the revenues, it is worth noting that the OpCos receive revenues from two main sources: (i) the feed-in tariff and (ii) dedicated off-take by the GSE of the electricity produced or sale of electricity through dedicated power purchase agreements to primary electricity operators.

The feed-in tariff is a pre-determined amount which applies during the entire incentive life (as re-modulated in accordance with paragraph 6.3(h) (*Mandatory incentives re-modulation regime*) below) and is not indexed to inflation. The applicable feed-in tariff depends, in fact, on the commercial operation date of the plant and the incentives scheme (the so called, *Conto Energia*) applicable in that period.

Revenues assumed in the Financial Model for the year 2016 deriving from feed-in tariff are expected to be equal to EURO 10.34 m whilst the revenues for the same year deriving from power purchase agreements for the electricity produced are expected to be equal to EURO 1.28 m, for total expected revenues of EURO 11.62 m.

In respect of costs, it is worth noting that the operating costs assumed in the cash flow forecasts include, *inter alia*, operation and maintenance costs, payment of surface rights, management fees, insurances, security of PV plants, audit costs and taxes.

Considering the assumptions listed above, the Financial Model shows a minimum DSCR equal to 1.83x, average ADSCR equal to 1.91x, minimum LLCR of 1.96x.

6. RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which the Issuer believes material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the statements below are exhaustive. In addition, the order in which the risk factors are presented below is not intended to be indicative either of the relative likelihood that each risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer.

Prospective investors should also read the detailed information set out elsewhere in this Admission Document and reach their own views prior to making any investment decision.

Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

Words and expressions defined in "Definitions" or elsewhere in this Admission Document have the same meaning in this section. Prospective investors should read the whole of this Admission Document.

The risk factors addressed in the following paragraphs have been grouped in different categories, as follows:

(a) risk factors related to the Issuer;

(b) risk factors related to the OpCos;

(c) risk factors related to the solar energy market and regulatory risks; and

(d) risk factors related to the Notes.

6.1 Risk factors related to the Issuer

(a) Issuer risk

By purchasing the Notes, the Noteholders will become financiers of the Issuer and will have the right to receive from the Issuer the repayment of principal and payment of interest on the Notes, according to the amortization plan of the Notes described under the Conditions. Therefore, the Notes are generally subject to the risk that the Issuer may not

be in the condition to fulfil its payment obligations under the Notes on the relevant scheduled payment dates.

(b) Liquidity and credit risk

The compliance by the Issuer with its payment obligations under the Notes is mainly dependent on the ability of the OpCos: (i) to comply with their payment obligations under the existing quotaholder loans and other quotaholders loans advanced by the Issuer to them; and (ii) to make distributions in favour of the Issuer. Indeed, the Issuer will meet its payment obligations under the Notes mainly using the proceeds deriving from the repayment by the OpCos of quotaholder loans and distributions made by the OpCos.

Pursuant to the Cash Pooling Agreement, the cash of the OpCos will be pooled in the bank account of the Issuer on a daily basis, and the Issuer will be entitled to set-off its credits towards the OpCos (once due and payable) against the OpCos' credits towards the Issuer under the Cash Pooling Agreement, thus having availability of the relevant financial resources. Such mechanism, however, applies only in respect to the amounts deposited in the Issuer's account in excess of the operative needs of the OpCos and, therefore, there is the risk that if the OpCos do not generate sufficient cash-flows to cover their operative needs, the Issuer will not be entitled to receive the above described payments from the OpCos nor to implement the above described set-off mechanism.

For an analysis of the risk factors related to the OpCos, please see paragraph 6.2 below.

(c) Source of payments to Noteholders

As highlighted under paragraph 6.1(b) above, as at the date hereof, the principal source of funds available to the Issuer for payment of interest and the repayment of principal on the Notes will be the payments made by the OpCos to the Issuer.

The OpCos' ability to make such payments will, in turn, depend almost entirely on the revenues of the Plants (see paragraph 6.2(c) below for further details). Consequently, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on maturity or otherwise), there will be sufficient funds to enable the Issuer to pay interest when due on the Notes and/or to repay the outstanding principal of the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, *inter alia*, the timely payment of amounts due under the Project Contracts by the various counterparties of the OpCos. The performance by such parties of their respective obligations under the relevant Project Contracts is dependent *inter alia* on the solvency of each relevant party.

(d) Risks related to litigation regarding the Issuer

Currently the Issuer is not a party to nor is it aware of any actual or threatened proceedings by any third party, nor is it contemplating commencing any proceedings against any third parties. However, the Issuer may become involved in litigation as part of the ordinary course of its business. There can be no assurance that it will be successful in defending or pursuing any such actions, for example in relation to public and employees health and safety or claims for losses or damages.

(e) Cash Pooling Agreement

The intra-group pooling of financial resources is managed by a bank (i.e. Unicredit S.p.A.). The cash pooling agreement is entered into with each of the OpCos for managing the pooling relationship and provides for certain events of termination or withdrawal set out therein.

In particular, the bank can interrupt its services provided under the cash pooling agreement in case of *inter alia* seizure or freezing of the accounts.

Due to its nature of contract without a term (*contratto a tempo indeterminato*) each of the parties thereto has the right to terminate the contract at any time by 3 Business Days prior written notice. The cash pooling agreement may also be terminated by the bank in any moment for juste cause.

The occurrence of any such event, even though it is considered unlikely as at the date hereof, might have an impact on the management of the pooling of the group's financial resources.

(f) Risks related to indebtedness

As of 31 December 2015, the Issuer has a net financial position (*posizione finanziaria netta*) equal to Euro 74,855,679.53. Relevant breackdown is included in the table below.

Description	**Data as of 31 December 2015 Euro**
Liquid assets – Total financial activities	35,482,742.04
Debts towards shareholders for financings	33,686,244.34
Debt towards banks (due within 12 months)	262,083.29
Debts towards banks (due over 12 months)	0
Debts towards leasing companies	0
Debts towards third parties	76,586,062.00
Credits towards tax authorities	110,067.80
Financial Intercompany receivables	85,900.26
Net Financial Position (*Posizione finanziaria netta*)	**74,855,679.53**

Although as of the date of this Admission Document, no event has occurred which caused default by the Issuer on any of the above obligations, it cannot be excluded that such events will occur in the future.

6.2 Risk factors related to the OpCos

(a) Weather risk

Solar reports and historical data analyses have been produced by independent advisors. However, meteorological factors, including a lack of sunshine or excessive cloud cover, may reduce the amount of energy produced by the Plants. Any solar reports produced by independent experts are subject to uncertainties and the data contained in any such reports

might differ from actual solar conditions. In addition, even if long-term historic solar data are used to forecast future solar yields, no assurance can be given that general solar conditions will not change in the future. Variations in solar conditions may occur from year to year, and if any such variations were to occur over a longer period or to have a substantial effect on the levels of energy produced, no assurance can be given that the Plants would generate sufficient cash flow to enable the OpCos to make payments due to the Issuer and, in turn, to enable the Issuer to make payments due under the Notes. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

(b) Contracting to third parties

The OpCos have contracted to third parties all activities related to the Plants, including their operation and maintenance activities which have been contracted to the O&M Contractors. The OpCos therefore rely on the creditworthiness and expertise of such third parties. If any of these persons experienced financial difficulties and did not perform their services, this might adversely affect the operation of the Plants.

(c) Operations risk

Cost increases or delays could arise from shortages of materials and labour, engineering or structural defects, work stoppages, labour disputes and unforeseen engineering, environmental or geographical problems. Any such delay might have an adverse effect on the ability of the OpCos to make payments to the Issuer and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

(d) Components risk

The Plants include a number of components that are subject to, among other things, the risk of mechanical failure, technology decline, reduced power generation and ground risk. Any failure or degradation of key parts may affect the energy production of the Plants and therefore the OpCos' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfil its payment obligations under the Notes.

In practice, the availability and efficiency of the Plants may differ from any assumptions made by the Issuer, the OpCos, the Plant EPC Contractors, or the O&M Contractors due to, amongst other things, damage to, or degradation of, components. Any such unavailability may result in reduced availability and productivity, with a material adverse effect on the OpCos' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfil its payment obligations under the Notes.

(e) Operating expenditures may exceed expectations

The financial forecasts for the operating costs of the OpCos/Plants are based partly on the terms of the O&M Agreements and certain assumptions. As a result of any cost increase exceeding the estimated amount, the OpCos' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfil its payment obligations under the Notes, may be adversely affected.

Operating costs include expenses for repair, maintenance and replacement and other technical costs of solar panels, trackers and inverters. If the replacement of a main component becomes necessary in advance of schedule or with greater frequency than anticipated, or is more expensive, and is not covered by the relevant O&M Agreements, the cost of repair or replacement may need to be met by different means. In addition, running

expenses, repair and other technical expenses might be higher than expected for other reasons. Again, any such unforeseen higher costs might have an adverse effect on the OpCos' ability to make payments to the Issuer and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes. In this respect, to mitigate the relevant risk, a Panel & Inverter Reserve Account has been created pursuant to the Conditions. However, it cannot be foreseen whether the relevant amount would be sufficient to cover all possible shortfall payments.

(f) Insurance and co-insurance risk

Insurance obtained by the OpCos and the O&M Contractors, as well as the insurances obtained by the Issuer, may not be comprehensive and sufficient in all circumstances and may be subject to certain deductibles or obligations to meet a proportion of the total amount of the liabilities arising from certain insured risks.

Moreover, such insurances may not be available in the future on commercially reasonable terms.

An event could result in severe damage or destruction to one or more sites, reductions in the energy output of one or more of the Plants or personal injury or loss of life to personnel. Insurance proceeds may not be adequate to cover lost revenues or to compensate for any injuries or loss of life.

Actual insurance premiums may be materially higher than those projected. In addition, in cases of frequent damage, insurance contracts might be amended or cancelled by the insurance company to the detriment of the OpCos. Further, the insurance may not cover any damage or loss and/or insurance premiums may increase more than had been provided for. In each such case, this could have a material adverse effect on the OpCos' ability to make payments to the Issuer and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

(g) Site risk

The components installed in the Plants have high value and, therefore, there might be a risk that theft occurs in relation to some of these components. The occurrence of such events may have an impact on the production of electricity by the Plants and, in turn, on the ability of the OpCos to make payments to the Issuer and on the Issuer's ability to fulfil its obligations under the Notes.

Nevertheless, the risk of theft at the sites cannot be ruled out nor can any consequent adverse impact on the business and results of operations of the OpCos be predicted.

(h) Encumbrances

With reference to some of the Plants there are certain minor encumbrances consisting, as the case may be, in easement rights of way, easement rights related to the electric power lines, easement rights in relation to telecommunications cables. Despite the fact that, also on the basis of the evaluations carried out by independent technical advisor, these encumbrances are not likely to jeopardise the rights of any of the OpCos on the areas over which they have land rights or the rights of the secured creditors under the Security Documents, the risk that such encumbrances could cause minor liabilities to the OpCos may not be ruled out entirely.

(i) Environmental risks

Various laws may require a current or previous owner, occupier or operator of property to investigate and/or clean-up hazardous or toxic substances or releases at or from such property. These owners, occupiers or operators may also be obliged to pay for property damage and for investigation and clean-up costs incurred by others in connection with such substances. Such laws typically impose clean-up responsibility and liability having regard to whether the owner, occupier or operator knew of or caused the presence of the substances. Even if more than one person may have been responsible for the contamination, each person falling under the scope of the relevant environmental laws may be held responsible for all of the clean-up costs incurred.

6.3 Risk factors related to the solar energy market and the regulatory risks

(a) Self-annulment power ("*autotutela*")

The construction and operation of the Plants is a heavily regulated business and such activities can be performed on condition that specific authorisations (the most relevant of which is the so called "single authorisation") are obtained and maintained.

However, as a general principle, a public authority may in certain circumstances annul its acts (including the "*autorizzazione unica*" i.e. single authorisation) to the extent that they are not in compliance with the law (this self-annulment power is called "*autotutela*"). Even though several elements would lead to consider this risk as limited in relation to the Plants, no assurance can be given that the risk is completely excluded.

(b) Non-payment of the feed-in tariff

Electricity generation plants from renewable energy sources heavily depend on national laws supporting the sector.

Since 2011, Italian laws have substantially reduced the incentives for the production of electricity by newly built photovoltaic plants and added specific thresholds to such incentives. These thresholds were reached on 6 June 2013 and, as a consequence, starting from that date, newly built photovoltaic plants are no longer eligible for new subsidies. The current regulatory framework enables GSE always to have sufficient financial resources to meet its payment obligations in relation to the feed-in tariffs and the dedicated off-take through funds ultimately received from the end-users' electricity bills. However, no assurance can be given that, following any change of law, GSE will continue to be able to fulfil its payment obligations fully and in due time in relation to the feed-in tariff and the dedicated off-take.

For further changes to the incentives for PV plants, please refer also to paragraph 6.3(h) below.

(c) Inflation risk

The feed-in tariff is not indexed to inflation over time, while certain operating costs to be borne by the OpCos might exceed estimates if the inflation rate were to increase significantly. Consequently, a significant increase in the inflation rate may affect the OpCos' ability to make payments to the Issuer and, as a result, the ability of the Issuer to repay the Notes.

(d) Sale of electricity

The OpCos receive revenues from two principal sources: the feed-in tariff and the sale of electricity, which account for 88.2% and 11.8%, respectively, of their 2015 total revenues (excluding other minor revenues such as, among others, insurance proceeds). The price obtained from the sale of electricity is subject to the general demand for energy and the OpCos might face potential declines in revenues from the Plants as a result of curtailed electricity demand affecting the price received.

Although the feed-in tariff is granted from the entry into operation of the relevant photovoltaic plant at a rate which is determined on the basis of law decree 91/2014 as converted in law no. 116 of 11 August 2014 and does not change for inflation, the price obtained for the electricity produced will depend on the market.

Therefore, changes in market demand and supply may cause prices to fluctuate and there is no assurance that the prices expected from time to time will be obtained. If prices are lower than expected, this may have a material impact on the ability of the OpCos to make payments to the Issuer and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

(e) Off-take

Current legislation gives electricity produced from renewable sources priority access for dispatch into the grid and, in addition, GSE is obliged under the dedicated off-take regime (*ritiro dedicato*) to purchase the electricity produced if the relevant producer wants (at its option) to enter into such an off-take agreement with GSE on an annual renewable basis. The off-take regime provides that GSE must purchase all the electricity produced by a photovoltaic plant and injected into the grid at a price equal to the "hourly zone price" for the sale of electricity (*prezzo medio zonale orario*) quoted on the electricity exchange.

Currently no OpCos benefit from the dedicated off-take regime with GSE, since all OpCos entered into power purchase agreements with primary electricity operators.

However, no assurance can be given that, in the future, as a consequence of a change in law, the possibility of entering into the dedicated off-take with the GSE will continue to be available to the OpCos.

(f) Capacity payment

Law No. 147 of 27 December 2013 has given powers to the Ministry for Economic Development to issue a regulation (on the basis of a proposal from the AEEG) to determine terms, conditions and amounts of certain measures aimed at compensating the loss of production suffered by fossil-fuel generation plants (the so called "capacity payment"), deriving from the increasing amount of electricity produced by plants fed by renewables. The above mentioned provision of law specifies that capacity payments will have to be set within the limits of the amounts strictly necessary for ensuring safety of the grid, and "without increasing electricity bills of end customers, within the framework of the electricity market, taking into account the evolution of the same and in coordination with the measures provided for by Legislative Decree No. 379 of 19 December 2003". By Ministerial Decree 30 June 2014, the Ministry of Economic Development approved Terna S.p.A.'s ("**Terna**") proposal for the regulation of the remuneration of the availability of electrical capacity which is implemented through a "Capacity Market" organised by Terna – which is in the process of being implemented in accordance with the specifications contained in the Ministerial Decree 30 June 2014. Based on the available documentation, whether this new mechanism will have an impact on PV plants financial performance is

unclear as such Decree did not expressly specify the source of the funds to remunerate the capacity availability.

(g) Imbalance costs (oneri di sbilanciamento)

(i) On 5 July 2012 AEEG issued Resolution No. 281/2012/R/EFR according to which, starting from 1 January 2013, non-programmable renewables plants that sell electricity in the market and that are operated under a dispatching agreement (such as photovoltaic plants) are subject to the same payment obligations applicable to power plants fed by traditional sources or by programmable renewable sources in relation to possible fluctuations in supply causing instability to the electricity grid (the imbalance costs). The resolution was challenged by several operators and annulled by the Administrative Court of Milan (TAR).

(ii) However, the annulment did not result in a complete elimination of the burden for renewable energy producers to pay imbalance costs, but simply required that a fairer mechanism to calculate those costs be identified for these particular types of plants and reinstated the mechanism previously in force to calculate imbalance costs. As a result renewable energy producers (such as the OpCos) were still required to pay imbalance costs pursuant to AEEG Resolution No. 111/06 (i.e. the mechanism that applied before Resolution No. 281/2012/R/EFR was introduced) but it was uncertain if the old mechanism continued to apply. Furthermore, in relation to the period from January 2013 until October 2013, unbalancing costs were not paid by renewable energy operators (or have been paid back by the GSE to the producers) as a consequence of the above mentioned annulment. By Resolution n. 2936 of 9 June 2014, the State Council (*Consiglio di Stato*) upheld AEEG's appeal and confirmed the annulment of Resolution No. 281/2012/R/EFR and Resolution No. 493/2012/R/EFR.

(iii) As a consequence of the aforementioned definitive annulment a complete re-organization of the imbalance costs regime had to be implemented, as also required by article 23-bis paragraph 3 of law decree 91/2014, which - in the meantime - ordered the AEEG to implement some changes to Resolution No. 111/06 in order to remove the "macro-areas of Sicily and Sardinia". By Resolution dated 29 October 2014 No. 525/2014/R/eel, AEEG:

(A) modified some articles of Resolution No. 111/06 in order to comply with article 23-bis paragraph 3 of law decree 91/2014 – applicable from 1 November 2014;

(B) introduced the express obligation for all electricity production and consumption units to define their injection programs (*programmi di immissione*) using the best estimates available in accordance with the principles of diligence, prudence and professional ability and skill.

Although AEEG Resolution dated 29 October 2014 No. 525/2014/R/eel has clarified, following the above mentioned decision issued by the State Council, the imbalance costs' regime applicable to photovoltaic plants, the actual impact of this new regulation is still untested. Furthermore, given the numerous changes that the regulation on this matter has had in the recent past, it cannot be ruled out that different regulations are approved in the future, which may lead to increasing costs to be borne by the OpCos.

(h) Mandatory incentives re-modulation regime

(i) The Italian Government has approved law decree no. 91/2014 (the "**Law Decree**"), converted into law 116/2014, aimed at introducing, *inter alia*, a mechanism to reduce

the cost, ultimately paid by final electricity consumers, of incentives granted to photovoltaic ("**PV**") plants.

(ii) Pursuant to article 26.2 of the Law Decree, starting from the second semester of 2014 GSE will pay the feed-in tariff in an amount equal to 90% of the annual estimated average power capacity of each PV plant. The remaining 10% will be paid by the GSE on the basis of the actual production of each PV plant by 30 June of the next year. By Ministerial Decree issued on 16 October 2014 (the "**GSE Payments Decree**"), the Ministry of Economic Development approved the procedures according to which the GSE will pay the incentives in relation to the electricity produced by PV plants. As far as timing for payment is concerned, paragraph 2 of annex 1 of the GSE Payments Decree specifies inter alia that the advance payments (*pagamenti in acconto*) are paid monthly for plants with nominal capacity exceeding 20 kW. The balance payment (*conguaglio*) is made within 60 days of the receipt of the measurements and in any case within 30 June of the following year.

(iii) Pursuant to article 26 paragraph 3 of the Law Decree, from 1 January 2015 the feed-in tariff relating to PV plants having nominal power higher than 200 kW has been subject to a variation in accordance with one of the following options, to be exercised by the PV plant owner and notified to the GSE by 30 November 2014:

(A) the incentive period has been extended from the current 20 years to a period of 24 years (from the start of operation of the plant) and the relevant tariff reduced by a percentage identified in accordance with a table set out in the decree, depending on the length of the remaining incentive period relating to the specific PV plant;

(B) the incentive period has remained equal to 20 years, however the tariff shall be re calculated during two separate "incentive terms". The tariff has been reduced during the first incentive term and then increased during the second term, in accordance with the following formula set out in Ministerial Decree dated 17 October 2014:

For each year “i”, starting from 2015, the incentive “Inew” is calculated as follows:

Inew = Iold * (1-Xi)

Where:

- X0 is calculated as follows: X0 = F(a) + [F(a+1) - F(a)] * m/12
- "a" stands for the years of residual incentive period calculated from 31 December 2014;
- "m" stands for the months of residual incentive period calculated from 31 December 2014;
- "F" is calculated on the basis of the following table:

a	**F(a)**
11	-31,39%

12	-26,43%
13	-22,59%
14	-19,54%
15	-17,08%
16	-15,05%
17	-13,37%
18	-11,95%
19	-10,74%
20	-9,70%

- "K" is a coefficient calculated as follows:

$$K = \frac{2 * X0}{(a-9)}$$

(C) the incentive period has remained equal to 20 years, but the tariff has been reduced, until the end of the relevant incentive period, as follows:

(a) by 6 per cent for PV plants having a nominal power between 200 kW and 500 kW;

(b) by 7 per cent for PV plants having a nominal power between 500 kW and 900 kW;

(c) by 8 per cent for PV plants having a nominal power exceeding 900 kW.

(iv) In case of failure to notify the chosen option to the GSE, the option under point (iii)(C) above is applied. All OpCos did not notify any chosen option to the GSE so that option under point (iii)(C) above applies.

(v) In order to limit the financial impact of these provisions, pursuant to Art. 26.5 of law decree 91/2014, owners of PV plants subject to the tariff changes may be granted bank loans for a maximum amount equal to the difference between the incentive due on 31 December 2014 and the reduced incentive. In such a case, on the basis of specific arrangements with the banking sector, the above bank loans may benefit from loans and/or guarantees granted by Cassa Depositi e Prestiti S.p.A. which are counterguaranteed by the Italian state according to terms and conditions set out in the decree of the Italian Ministry of Economy and Finance of 29 December 2014. Article 4 of the above ministerial decree provides that the criteria, modalities, duration and remuneration of the guarantee are regulated by an agreement to be entered into between Cassa Depositi e Prestiti S.p.A. and the Italian Ministry of Economy and Finance which has not been entered into yet according to the most recent available information.

(vi) Owners of PV plants that benefit from the aforementioned incentives may assign part of such incentives (up to 80 per cent of them) to a purchaser selected amongst primary European financial operators by means of a public procedure. The procedure for the selection of such purchaser and all the terms and conditions to implement the "assignment" of incentives shall be set out by the AEEG in a decree.

Starting from the date of assignment of the incentives to the selected purchaser, the incentives will not be subject to the changes and remodulations detailed above.

Furthermore, considering that through the re-modulation the Government aims at reaching a specific overall saving in public expenditures, it cannot be excluded that if these targets are not achieved, further new regulations will be enacted in the future in relation to incentives to photovoltaic plants.

(i) Risks relating to compliance with regulations and change in law risk.

The conduct of the Issuer's and the OpCos' businesses is subject to a wide variety of laws and regulations administered by national, regional and supranational government bodies. Those laws and regulations (including, without limitation, the laws relating to the incentives to the OpCos for the production of energy from renewable resources) may change, possibly on short notice, as a result of political, economic or social events. Changes in laws, regulations or governmental policy and the related interpretations may alter the environment in which the Issuer and the OpCos carry on their business and, accordingly, may have an adverse impact on their financial results or increase their costs or liabilities. In addition, the OpCos and the Issuer may incur capital and other expenditure to comply with various laws and regulations, especially relating to protection of the environment, health and safety and energy efficiency, all of which could adversely affect their financial performance. The Issuer, the OpCos could also face liabilities, fines or penalties or the suspension of production for failing to comply with laws and regulations, including health and safety or environmental regulations.

(j) Risk of increasingly high levels of taxes

The energy industry is subject to the payment of taxes which may be higher than those payable in many other commercial activities.

Any future adverse changes in the income tax rate or other taxes or charges applicable to the OpCos would have an adverse impact on the Issuer's future results of operations and cash flows. This, as well as any other changes to the tax regime generally applicable to Italian companies, may have an adverse effect on the Issuer's ability to pay interest on the Notes and to repay the Notes in full at their maturity.

(k) Power of inspection of the GSE and risk of revocation of the incentives for non-compliance

All the Plants can be subject to an inspection of the GSE, as a result of the Ministerial Decree 31 January 2014 (the so called "*Decreto Controlli"*). Indeed, despite the fact that more than five year are passed since the Plants are in operation, an inspection and/or survey can be conducted by the GSE at any time, through a site visit and/or request of documentation. The inspection is not subject to any limitation in term of number and/or type of documents requested. In case a non-compliance is found, the GSE may start an administrative procedure and issue an order of suspension or revocation of the incentives. This order can be challenged before the competent administrative Tribunal within the statutory terms.

6.4 Risk factors related to the Notes

(a) Risks related to the quotation on ExtraMOT PRO, the liquidity of the markets and the possible volatility of the price of the Notes

Application has been made to the Italian Stock Exchange for the Notes to be admitted to trading on ExtraMOT PRO. ExtraMOT PRO is the professional segment of the ExtraMOT, reserved exclusively to Qualified Investors. Therefore, investors other than Qualified Investors do not have access to ExtraMOT PRO with a consequent limitation of the possibility to sell the Notes. As a consequence, the Qualified Investors should evaluate, in their financial strategies, the risk that the duration of their investment could have the same duration as the Notes.

(b) Risks related to the interest rate

The investment in the Notes has the typical risks of an investment in fixed rate notes. The fluctuation of the interest rates on the financial markets influences the prices and the performance of the Notes.

More in general, changes in market interest rates may adversely affect the market value of the Notes. As a consequence, if the Notes are sold before the final maturity date the initial investment in the Notes could be higher than the selling price of the Notes.

(c) Risks related to an event beyond the control of the Issuer

Events such as the publication of the annual financial statements of the Issuer and/or the OpCos, market announcements or the change in the general conditions of the market could influence the market value of the Notes. Moreover, fluctuations in the market and general economic and political conditions could adversely affect the value of the Notes.

(d) Risks related to the security granted by the Issuer and the OpCos

At the Issue Date, not all the Italian Security Documents will be duly perfected since the relevant perfection formalities will be completed, due to technical reasons, within a certain number of business days after the Issue Date. Furthermore, when the Italian Security Documents will be perfected, the six-month hardening period of the security interest created under the Italian Security Documents will not have elapsed. Accordingly, if the security provider is declared insolvent prior to the end of the hardening period, the security interest created under the Security Documents may be clawed back and declared ineffective.

Similarly, under the Deed of Charge, if the Issuer were to be become insolvent, there may exist circumstances whereby the transaction could be successfully challenged or set aside as being a preference, or a transaction at an undervalue.

In addition to the security granted on the Issuer's assets, the Notes will be secured, subject to perfection formalities, by security granted by the OpCos on their assets. In order to comply with the OpCos' corporate benefit principles, and to comply with legal requirements binding on the OpCos, (i) the maximum guaranteed amount of the security granted by each OpCo is limited to a specific maximum guaranteed amount equal to 150% of the amount of the proceeds of the Notes which have been streamed down by the Issuer to the relevant OpCo as non-convertible shareholder loan through an interest bearing intercompany loan; and (ii) pursuant to Article 2474 of the Italian Civil Code, the security granted by each OpCo will not guarantee the Issuer's obligations for the repayment of the sums used by the Issuer, directly or indirectly, to purchase or subscribe participations in the relevant OpCo or, to the extent it falls under Article 2474 of the Italian Civil Code, to make any equity

injections including, but not limited to, capital account payments (*versamenti in conto capitale*) or future capital account payments (*versamenti in conto futuro aumento di capitale*).

According to certain scholars, special privileges pursuant to article 46 of the Italian Consolidated Banking Act might not be validly granted over assets owned by parties different from the beneficiary of the financing.

In the absence of feedback from GSE, the deeds of assignment of the feed-in tariffs and the irrevocable mandate to collect receivables arising from the *ritiro dedicato* convention will be entered into also in favour of the Representative notwithstanding that the form of assignment imposed by GSE does not expressly acknowledge the possibility that Noteholders (as opposed to banks) may be beneficiaries thereunder. If such deeds are challenged by the GSE arguing that they shall not secure the Noteholders, then, in such cases, the Representative will not hold the benefit of the relevant security and, therefore, will not have the right to instruct the GSE to pay the relevant amounts directly in its favor. In this respect, however, such amounts will continue to be paid on the relevant OpCo account which is pledged in favor of the Representative.

The security interest under the Italian Security Documents in favour of the Notes will be created, under the third paragraph of article 2414 bis of the Italian Civil Code, in favour of the Representative which will be entitled to exercise, in the name and on behalf of the Noteholders, all the rights relating to such security interests and in favour of the Noteholders. However, the enforceability of Italian law security granted in favour of a representative (*rappresentante*) of the holders of the Notes pursuant to the third paragraph of article 2414 bis of the Italian Civil Code has not been tested in the Italian courts and, therefore, the risk of unenforceability by the holders of the Notes of the security documents posed by Italian law cannot be eliminated or mitigated.

The security under the Security Documents may be subject to exceptions, defects, encumbrances, liens and other imperfections permitted under the Transaction Documents, whether on or after the date of the Notes are issued. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of such security, as well as the ability of the Representative to realise or foreclose on such security. Furthermore, the first-priority ranking of security interest can be affected by a variety of factors, including the timely satisfaction of the perfection requirements, statutory liens or re-characterisation under local laws.

Under Italian law, a security interest in certain tangible and intangible assets can only be properly perfected, and thus retain its priority, if certain actions are undertaken by the secured party and/or the grantor of the security interest. The security interests in the Security Documents may not be perfected with respect to the claims of the Notes if the Issuer fails or is unable to take the actions required to perfect the security interest. Such failure may result in the invalidity of the relevant security interest in the Security Documents or adversely affect the priority of such security interest in favour of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same security.

(e) Risks related to variations of the tax system

The Issuer shall make all payments to be made by it under the Notes without any tax deduction, unless a tax deduction is required by law. In such a case the amount of the payment due from the Issuer under the Notes shall be increased to an amount which (after making any tax deduction) leaves an amount equal to the payment which would have been

due if no tax deduction had been required. However, such mechanism will not apply should the tax deduction derive from a Noteholders ceasing to be resident for tax purposes in a country included into the list of countries envisaged by Article 11, paragraph 4, let. c) of the Italian Legislative Decree 1st April 1996, No. 239.

(f) The tax regime applicable to the Notes is subject to a listing requirement and/or Noteholders qualification

The Notes are expected to be admitted to trading on ExtraMOT PRO and, as such, the Issuer will be entitled to pay the interest, premiums and similar proceeds on Notes due to qualified Noteholders without application of any withholding tax as per Legislative Decree No. 239 of 1 April 1996.

No assurance can be given that, once the Notes are admitted to trading on the ExtraMOT PRO, such admission to trading will be maintained or that such admission to trading will satisfy the requirement under Legislative Decree No. 239 of 1 April 1996 in order for the Notes to be eligible to benefit from the provisions of such legislation relating to the exemption from the requirement to apply withholding tax. However, as provided by Law Decree No. 91 dated 24 June 2014 (so called "*Decreto Competitività*", converted into Law No. 116 dated 11 August 2014), the mentioned favorable tax treatment, applicable under Legislative Decree No. 239 of 1 April 1996, has been extended also to non-listed bonds issued by Italian non-listed companies when held by "Qualified Investors" (as defined under Article 100 of the Financial Law). If the Notes are not listed or admitted to trading or the requirement set out above is not satisfied as provided for by in Condition 9 (Taxation), as a result of which a Noteholder does not qualify as a Qualified Investor or a Foreign Qualified Investor, payments of interest, premium and other income with respect to the Notes would be subject to a withholding tax currently at a rate of 26 per cent., and this would eventually result in Noteholders receiving less interest than expected and could significantly affect their return on the Notes.

(g) Risks related to the amendment of the Conditions without the consent of all Noteholders

The Conditions and the Italian Civil Code include rules whereby the determination by Noteholders' meeting of certain matters is subject to the achievement of specific majorities. Such determinations, if correctly implemented, are binding on all the Noteholders whether or not present at such meeting and whether or not voting and whether or not approving the resolution.

(h) Risks related to conflict of interest

The entity or entities involved in the issuance and the placement of the Notes could have an autonomous interest potentially conflicting with the interests of the Noteholders. The activities performed by the Arrangers, being an entity operating with the appointment of the Issuer and receiving a fee in relation to the structuring of the issuance of the Notes, imply a conflict of interest towards the Noteholders.

(i) Enforcement of the Security Documents and other Noteholders' rights

The validity and enforceability of the Finance Documents (and in particular of the Security Documents) and other Noteholders' rights is subject to legal qualifications and assumptions typical for similar transactions and the enforcement of rights is subject to procedural rules which may have an impact on the timing and manner of enforcement. Such procedures in Italy may take several years before a final order is obtained.

(j) Limited liquidity of secondary market and restriction to the transfer of the Notes

Although an application has been made for the Notes to be admitted to trading on ExtraMOT PRO, there is not, at present, an active and liquid secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes may develop for the Notes or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the maturity date. In addition, prospective Noteholders should be aware of the prevailing and widely-reported global credit market conditions (which continue at the date hereof).

Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

In addition, there exist other significant risks to investors. These risks include: (i) increased illiquidity and price volatility of the Notes as there is currently only limited secondary trading in securities of this kind; and (ii) a reduction in enforcement recoveries. These additional risks may affect the returns on the Notes to investors.

Subject to applicable Italian laws and regulations, the transfer of the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. See Annex 3 "Selling Restrictions" below.

The Notes have not been, and will not be, registered under the Securities Act or any state or other jurisdiction's securities laws, and the Issuer will not be registered as an investment company under the provisions of the Investment Company Act. Accordingly, the Notes may only be offered and sold, and may be re-offered, re-sold, pledged or otherwise transferred only (i) outside the United States pursuant to Regulation S to a person who is not a U.S. person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person that is both a QP and QIB, and otherwise agree to be bound by the transfer restrictions set forth in the Agency Agreement and the Trust Deed. For a description of restrictions which may be applicable to transfers of the Notes, see Annex 3 "Selling Restrictions" below.

(k) Suitability

Prospective investors in the Notes should make their own independent decision as to whether to invest in the Notes and whether an investment in the Notes is appropriate or proper in their particular circumstances, and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to reach their own evaluation of their investment.

Investment in the Notes is only suitable for investors who:

(i) have the required knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;

(iii) are capable of bearing the economic risk of an investment in the Notes; and

(iv) recognize that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Arrangers or from any other person as investment advice, it being understood that information and explanations related to the Issuer or the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes.

No communication (written or oral) received from the Issuer, the Arrangers or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

(l) The Notes may be redeemed prior to their maturity at the option of the Issuer

The Issuer has the option to redeem all outstanding Notes in accordance with the Conditions at any time on or after the second anniversary of the Issue Date or on any Note Interest Payment Date in case of Optional redemption for taxation pursuant to Condition 8 (e). The amount due to the Noteholders upon exercise of that option is, at the Outstanding Principal Amount outstanding multiplied by the Redemption Percentage as defined under the Conditions, together with the accrued interest.

The above may have an adverse effect on the investment yield of the Notes as compared with the expectations of investors.

(m) Noteholders' directions and resolutions in respect of early redemption of the Notes after a mandatory prepayment event

Upon occurrence of certain mandatory prepayment events specified in the Conditions, the Issuer must apply the relevant amount specified thereunder to redeem the Notes in part. Please refer to Condition 8 (c).

The amount due to the Noteholders upon such other mandatory prepayment events is the Mandatory Amortisation Amount, as defined in the Conditions, plus accrued but unpaid interest on such Note on each Note Interest Payment Date.

The above may have an adverse effect on the investment yield of the Notes as compared with the expectations of investors.

It is possible that the Issuer will not have sufficient funds at the time of occurrence of such events to make the required redemption of Notes.

(n) Limitation of the Noteholders rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is carried out, subject to and in accordance with the Finance Documents, by the Note Trustee and and the Representative. The Conditions limit the ability of each individual Noteholder to commence proceedings against the Issuer.

(o) Insolvency laws applicable to the Issuer or the OpCos

The Issuer and the OpCos are incorporated in the Republic of Italy. The Issuer and the OpCos will be subject to Italian insolvency laws. The Italian insolvency laws may not be

as favourable to Noteholders' interests as creditors as the laws of other jurisdictions with which the Noteholders may be familiar.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Noteholders or on their behalf prior to the commencement of the relevant proceeding may be liable to claw-back by the relevant trustee. In particular, in a bankruptcy proceeding (*fallimento*), Italian law provides for a standard claw-back period of up to one year (six (6) months in some circumstances), although in certain circumstances such term can be up to two (2) years. In this regard, Article 65 of the Bankruptcy Law may be interpreted as to provide for a claw back period for two years applicable to any payment by the Issuer pursuant to an early redemption at the option of the Issuer if the stated maturity of the Notes falls on or after the date of declaration of bankruptcy of the Issuer.

Furthermore pursuant to the terms of the pledge over the Issuer's shares and the pledges over the OpCos' quota, as the case may be, holders of the Notes do not have any right to vote at every shareholders' meetings of the Issuer and the OpCos, as applicable, (although the Representative may have certain rights under the terms of the pledge over the Issuer's shares and the pledge over the OpCos' quota, as the case may be, in connection with such meetings in certain circumstances). Consequently, Noteholders cannot influence every decisions by the Board of Directors of the Issuer or the OpCos or every decisions by the respective shareholders, including the declaration of dividends in respect of the Issuer's ordinary shares, and the OpCo's quota, although such decisions are subject to the provisions/limitations under the Finance Documents.

Moreover, the cash transfers operated by each OpCo under the Cash Pooling Agreement and any other payment to a party by an Italian party could be subject to a claw back action (*azione revocatoria*) under article 67 of the Bankruptcy Law or the declaration of ineffectiveness (*dichiarazione di inefficacia*) under article 65 of the Bankruptcy Law, as the case may be, in case of adjudication of bankruptcy of the relevant party.

(p) Change of law

The structure of the transaction described hereunder and, *inter alia*, the issue of the Notes are based on English law and, as to certain aspects, on Italian law and tax and administrative practice in effect in Italy at the date hereof, having due regard to the expected tax treatment of the Notes under such law and practice. In addition, the Italian Security Documents, the Direct Agreements, the Intercompany Loans and the Cash Pooling Agreement are governed by Italian law. No assurance can be given as to the fact that English law nor Italian law or tax or administrative practice will not change after the date of this Admission Document or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

(q) Innovative transaction structure

The transaction described hereunder is innovative in Italy. To date there are very few benchmark structures, similar transactions, and no case law nor official legal, tax, regulatory or accounting guidelines which clearly address the specific features of this transaction. Consequently, there can be no assurance that interpretations, rules or guidelines expressed or issued by the relevant authorities in the future on the structure will not have a material adverse effect on any investment in the Notes.

(r) FATCA (Foreign Tax Compliance Act)

On 18 March 2010 the United States of America enacted the Foreign Account Tax Compliance Act (FATCA) which introduced a reporting and withholding regime that is applicable, under certain conditions, to foreign financial institutions, i.e. non-U.S. financial institutions, in connection with U.S. accountholders and investors. Such provisions impose detailed reporting requirements for foreign financial institutions. In particular, the foreign financial institution will be subject to 30 per cent U.S. withholding tax on certain payments unless it either (1) becomes a "participating foreign financial institution" by entering into an agreement with the Internal Revenue Service (IRS) pursuant to which it will be required to report to the IRS the information required by the FATCA or (2) satisfies other requirements for being treated as deemed-compliant with FATCA, including satisfying the requirements of an intergovernmental agreement as discussed below. Under the foregoing rules, a foreign financial institution may, in certain circumstances, be required to withhold from payments it makes to its account holders or investors. The FATCA rules may affect also a foreign entity that is not a foreign financial institution, but in this case a different procedure should be applied.

The IRS released several notices between 2010 and 2011 in order to provide guidelines for the application of such rules and, on 8 February 2012, the U.S. Treasury and the IRS released proposed regulations on the implementation of the FATCA. On 17 January 2013, the U.S. Treasury and the IRS released final regulations under the Foreign Account Tax Compliance Act (FATCA) provisions.

In this regard, on 8 February 2012, the Republic of Italy, together with France, Germany, Spain, United Kingdom, and the United States released a joint statement regarding their intention to develop a common intergovernmental approach to FATCA, through the conclusion of bilateral agreements based on the Double Taxation Treaties currently in force. Accordingly, on 26 July 2012, Governments of France, Germany, Italy, Spain and the United States released the "Model Intergovernmental Agreement to Improve Tax Compliance and to Implement FATCA", which establishes a framework for reporting by financial institutions of certain financial account information to their respective tax authorities, followed by automatic exchange of such information under existing bilateral tax treaties or tax information exchange agreements.

On 10 January 2014, Italy has concluded a bilateral intergovernmental agreement with the United States to improve FATCA provisions. Such intergovernmental agreement was ratified by Italy on 18 June 2015. Under such bilateral intergovernmental agreement, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA.

No assurance however can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA on an investment in the Notes.

(s) Financial Model

The results of the Financial Model are not projections or forecasts. As specified under paragraph 5(d) above, a financial model simply illustrates hypothetical results that are mathematically derived from specified assumptions. In addition, the Financial Model shows cash flows available for debt service and does not model individual financial performance of individual Plants. Actual revenues, operating, maintenance and capital costs, interest rates and taxes might differ significantly from those assumed for the purposes of any run of the Financial Model. Accordingly, actual performance and cash flows for any future period might differ significantly from those shown by the results of the Financial

Model. The inclusion of summary information derived from the Financial Model herein should not be regarded as a representation by the Issuer or any other person that the results contained in the Financial Model will be achieved. Prospective investors in the Notes are cautioned not to place undue reliance on the Financial Model or summary information derived therefrom and should make their own independent assessment of the future results of operations, cash flows and financial condition of the Issuer and the OpCos.

(t) Forward-looking statements

This Admission Document contains certain forward-looking statements. The reader is cautioned that no forward-looking statement is a guarantee of future performance. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Admission Document and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Admission Document.

(u) Legal investments considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

(v) Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than euro ("**Investor's Currency**"). These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

7. INFORMATION ABOUT THE ISSUER

7.1 Legal and commercial name of the Issuer

TS Energy Italy S.p.A.

7.2 The place of registration of the Issuer and its registration number

The Issuer has its registered office in Milan, Galleria San Babila 4/b and is registered with the Companies' Register of Milan under number 07921510967 and R.E.A. No. MI 1990741.

7.3 The date of incorporation

The Issuer was incorporated on 17 July 2012.

7.4 Term

The duration of the Issuer is until 31 December 2050.

7.5 Domicile and legal form of the Issuer, legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)

The Issuer is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with its registered office in Milan, Galleria San Babila 4/b, telephone number +39 02 87343194, certified e-mail (*PEC - Posta Elettronica Certificata*): talesunsolar@legalmail.it, fax: +39 02 87343380.

7.6 Description of the Issuer

The Issuer is a 100% subsidiary of TS ENERGY S.A. (LUX) ("**Talesun**"). Talesun started operations in Italy in February 2012 and over the years has implemented a build-up strategy acting as a consolidator in the fragmented Italian solar market. Through a highly selective and disciplined investment evaluation of several hundred megawatts in dozens of projects, Talesun has acquired and manages 39 PV plants with an installed capacity of 43.3 MWp MW. Talesun has consolidated most of its Italian operations into the Issuer which currently owns 43.3 MWp and holds the entire corporate capital of the following limited liability companies that operate in Italy in the field of renewable energies:

a) Des Energia Dieci S.r.l., owner of:

- 2.730 MWp photovoltaic plants in the Municipality of Pisa, Province of Pisa (Italy)
- a 818.30kWp photovoltaic plant in the Municipality of Livorno, province of Livorno (Italy);

b) Des Energia Dodici S.r.l., owner of 3.506 MWp photovoltaic plants in the Municipality of Capua, Province of Caserta (Italy);

c) Des Energia Tredici S.r.l., owner of 3.163 MWp photovoltaic plants in the Municipality of Cagliari, Province of Cagliari (Italy);

d) Des Energia Quattordici S.r.l., owner of 3.820 MWp photovoltaic plants in the Municipality of Bari, Province of Bari (Italy);

e) Onice S.r.l., owner of:

- a 923.16 kWp photovoltaic plant in the Municipality of Grosseto, Province of Grosseto (Italy);

- a 979.20 kWp photovoltaic plant in the Municipality of Palermo, Province of Palermo (Italy);

f) Sun Flower S.r.l., owner of:

- 2.207 MWp photovoltaic plants in the Municipality of Teulada, Province of Cagliari (Italy);

- a 960.48 kWp photovoltaic plant in the Municipality of Macomer, Province of Nuoro (Italy);

g) Solar Sicily S.r.l., owner of:

- 705.28 kWp photovoltaic plants in the Municipality of Trapani, Province of Trapani (Italy);

- a 801.81 kWp photovoltaic plant in the Municipality of Palermo, Province of Palermo (Italy);

h) CS Solar 2 S.r.l., owner of a 14.329 MWp photovoltaic plant in the Municipality of Girifalco, Province of Catanzaro (Italy);

i) TrovoSix S.r.l., owner of

- 1.161 MWp photovoltaic plants in the Municipality of S.Giovanni Teatino, Province of Chieti (Italy);

- a 322.56 kWp photovoltaic plant in the Municipality of Mosciano S.Angelo, Province of Teramo (Italy);

- 1.819 MWp photovoltaic plants in the Municipality of Bagnolo S.Vito, Province of Mantova (Italy);

- a 902.58 kWp photovoltaic plant in the Municipality of Mantova, Province of Mantova (Italy);

- a 972 kWp photovoltaic plant in the Municipality of Casalmaggiore, Province of Cremona (Italy);

- a 306.25 kWp photovoltaic plant in the Municipality of Sabbioneta, Province of Mantova (Italy);

- a 996 kWp photovoltaic plant in the Municipality of Drizzona, Province of Cremona (Italy);

- a 698.88 kWp photovoltaic plant in the Municipality of Arzago, Province of Bergamo (Italy);

- a 819.12 kWp photovoltaic plant in the Municipality of Carpaneto Piacentino, Province of Piacenza (Italy);

j) a 343.98 kWp photovoltaic plant in the Municipality of Gottolengo, Province of Brescia (Italy).

Directors, statutory auditors and auditing company of the Issuer
The directors of the Issuer are:

Name	*Title*
Alessandro Boggioni	Chairman of the board of directors
Chi Kwong Barry Lo	Director

The Board of Statutory Auditors committee is currently composed of three standing members and two alternate members as follows:

Name	*Capacity*
Busnach Piero Alberto	chairman
Frattini Maria Antonietta	standing member
Cavaciuti Stefano Gille	standing member
Pellizzone Fabrizio	alternate member
Busnach Roberto	alternate member

Reviprof S.P.A. are the external auditors of the Issuer. The Issuer's strategy is to operate the portfolio described above.

7.7 Any recent events particular to the Issuer and the OpCos, which are to a material extent relevant to the evaluation of the Issuer's solvency

The Issuer believes that there are no recent events particular to the Issuer or to the OpCos which are to a material extent relevant to the evaluation of the Issuer's or OpCos' or solvency (other than disclosed in this Admission Document).

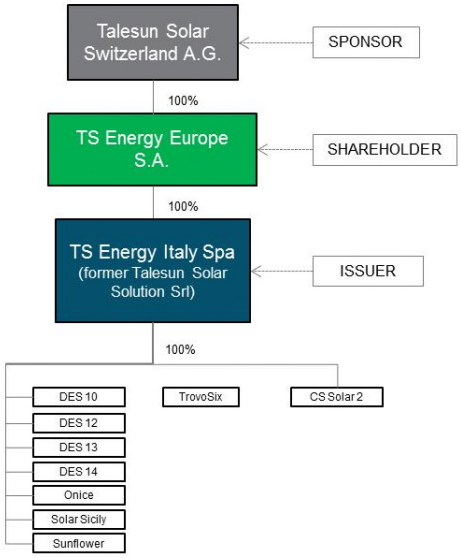
8. ORGANISATIONAL STRUCTURE

The Issuer is directly controlled by TS ENERGY S.A. (LUX) and was established for the purposes of making investments in the Italian renewable energy sector.

9. MAJOR SHAREHOLDERS

9.1 As at the date hereof, the share capital of the Issuer is 100% owned by TS ENERGY S.A. (LUX), a company organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 6, Rue Eugène Ruppert, L-2453, Luxembourg.

The current ownership structure of the Issuer is shown below.



9.2 A change of control of the Issuer may occur according to the provisions set out under the Finance Documents. In particular a "Change of Control" and the relevant mandatory early redemption in full of the Notes will be triggered by the following events: (i) an OpCo is not or ceases to be a wholly-owned subsidiary of the Issuer; (ii) the Issuer is not or ceases to be a wholly owned Subsidiary of TS ENERGY S.A. (LUX); and (iii) Talesun Solar Switzerland A.G. (the "**Sponsor**") disposes of its shares in the TS ENERGY S.A. (LUX) without the consent of the Noteholders (not to be unreasonably withheld).

10. ISSUER'S FINANCIAL STATEMENTS

The pro forma consolidated financial statements of the Issuer for the year 2015, together with the relevant audit letter, are attached to this Admission Document as Annex 2 (*Issuer's pro forma consolidated financial statements as of 31 December 2015 and relevant audit letter*).

11. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING (TERMS AND CONDITIONS)

See Annex 1.

12. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

12.1 Application for admission to trading

Application has been made to the Italian Stock Exchange for the Notes to be admitted to the decision of the Italian Stock Exchange and the date of commencement of trading of the Notes on ExtraMOT PRO, together with the information required in relation to trading, shall be communicated by the Italian Stock Exchange by the issuance of a notice, pursuant to Section 11.6 of the guidelines contained in the Rules of ExtraMOT.

12.2 Other regulated markets and multilateral trading facilities

At the date of this Admission Document, the Notes are not listed on any other regulated market or multilateral trading facility in Italy or elsewhere, nor does the Issuer intend to submit, for the time being, an application for admission to listing of the Notes on any other regulated market or to trading on multilateral trading facilities other than ExtraMOT PRO.

12.3 Intermediaries in secondary market transactions

No entities have made a commitment to act as intermediaries on a secondary market.

12.4 Trading method

The trading of the Notes on ExtraMOT PRO is restricted to Qualified Investors only.

13. MISCELLANEA

In accordance with the Note Subscription Agreements, the Notes Subscribers have undertaken to subscribe 100% (one hundred per cent.) of the nominal amounts of the Notes and to pay the subscription price in respect of the Notes on the Issue Date.

For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Admission Document, see paragraph 1.6 above and section entitled "*Selling restrictions*" below.

14. TAX REGIME APPLICABLE TO THE NOTES

The information set out below constitutes a summary of the tax framework applicable to the acquisition, the holding, and the transfer of the Notes in accordance with current tax legislation in Italy. The following does not represent a complete analysis of all the tax aspects that may be significant in relation to the decision to purchase, possess, or sell the Notes, nor does it cover the tax consequences applicable to all the categories of potential underwriters of the Notes, some of whom may be subject to a special rules. The following description is based on current law and practice existing in Italy on the date of the Admission Document, notwithstanding the fact that they remain subject to possible changes even with retroactive effects and thus represents a simple introduction to the matter. The investors are required to seek advice from their own tax consultants on the tax consequences, according to Italian law, the law of the country in which they are considered as residents for tax purposes and any other significant jurisdiction, on the purchase, possession, and sale of the Notes as well as the payment of interest, principal, and/or other sums deriving from the Notes. Each Noteholders shall be responsible for the taxes and fees, both present and future, that are or may be due by law on the Notes and/or on the relative interest and other revenue. In particular, the relative Noteholders shall be considered responsible for all taxes applicable to the interest and other proceeds originating from the Issuer or other parties involved in the payment of such interest and other proceeds, including, but not limited to, the substitute tax under Decree 239.

14.1 Treatment for direct tax purposes of the interest and the other proceeds of the Noteholders

Decree 239 dictates the system applicable, among other aspects, to the interest and the other revenue of the bonds and similar securities issued by capital companies other than banks and shareholding companies with shares negotiated on regulated markets or multi-lateral negotiation systems. This system applies to the bonds and similar securities negotiated on regulated markets or multi-lateral negotiation systems of member States of the European Union and States adhering to the Agreement on European economic space included in the list

established in Ministry Decree which allow for a satisfactory exchange of information with the Republic of Italy issued in accordance with article 11, paragraph 4, of Decree 239.
The tax system described in this section ("Treatment for direct tax purposes of the direct interest and other proceeds of the Notes") exclusively concerns the rules applicable: (i) to the interest and other proceeds of the Notes insomuch as traded on the multi-lateral ExtraMOT PRO trading system or another regulated market or multi-lateral trading system included in the definition established in article 1 of Decree 239; (ii) to the relative Noteholders which, holding title according to applicable laws and regulations, buys, owns, and/or sells the Notes insomuch as traded on the multi-lateral ExtraMOT PRO trading system or another regulated market or multi-lateral trading system included in the definition established by article 1 of Decree 239.
In accordance with Decree 239, the payments of interest and other proceeds (including the difference between the issue price and the repayment price) deriving from the Notes:

a) are subject in Italy to the tax substituting income tax applicable according to the rate of 26% and settled on a definitive basis, if carried out in favor of actual beneficiaries which are: (i) physical persons residing for tax purposes in Italy; (ii) partnerships residing for tax purposes in Italy that do not conduct commercial activity; (iii) public and private agencies residing in Italy for tax purposes and different from companies, which do not have as their exclusive or principal object the exercise of commercial activity; (iv) subjects exempt from income tax. In these cases, the interest and the other proceeds deriving from the Notes do not form the tax base for the purpose of taxes on the income of the aforementioned natural persons, companies and entities. The substitute tax is applied by the banks, asset brokerage companies (SIM), trust companies, and the other subjects indicated in a special decree of the Ministry of Economics and Finance;

b) are subject in Italy to the tax substituting income tax applicable according to the rate of 26% and settled as an advance, if carried out in favor of actual beneficiaries who are natural persons residing in Italy for tax purposes or public or private entities residing in Italy for tax purposes, other than the companies, possessing the Notes in the running of a commercial business. In this case, the interest and the other revenue form the income for the company of the recipient and the substitute tax may be deducted from the total tax due on the taxable income;

c) are not subject to substitute tax in Italy on income tax, if it is done in favor of actual beneficiaries that are: (i) joint-stock companies residing in Italy, partnerships that conduct commercial activities or permanent establishments in Italy of non-resident companies in relation to which the Notes are actually connected; (ii) Italian securities funds, SICAV, pension funds residing in Italy in accordance with Legislative Decree no. 124 of 21 April 1993, as subsequently modified by Legislative Decree no. 252 of 5 December 2005 and Italian real estate funds constituted in accordance with art. 37 of Legislative Decree no. 58 of 24 February 1998 and art. 14-bis of Law no. 86 of 25 January 1994; (iii) natural persons residing in Italy who have entrusted the management of their investments, including the Notes, to an Italian financial broker and have opted for the application of the so-called managed savings system in accordance with art. 7 of Legislative Decree no. 461 of 21 November 1997 (for the purposes of this section, "Managed Savings" or "*regime del risparmio gestito*");

d) are not subject in Italy to tax substituting income tax, if carried out in favor of actual beneficiaries which are non-resident parties in Italy, without a permanent establishment in Italian territory to which the Notes are actually connected, on the condition that:

   (i) the latter (x) are residents of a country that allows an adequate exchange of information with Italy, since it is included into the list established by the Ministry Decree which should be published in accordance with Article 11, paragraph 4, of Decree 239, and

until the effective date of the aforementioned new Decree, on the list established by the Ministry Decree of 4 September 1996, as subsequently modified, or, in the case of institutional investors lacking tax subjectivity, on the condition that they are constituted in one of the aforementioned countries; (y) are international agencies and organizations constituted on the basis of international agreements made executive in Italy; or (z) central foreign banks or agencies that also manage the official reserves of a foreign state; and

(ii) the Notes are deposited directly or indirectly at: (x) a bank or an SIM residing in Italy; (y) a permanent establishment in Italy of a bank or a non-resident SIM that have direct relations remotely with the Ministry of the Economy and Finance; or (z) at an organization or a non-resident company that adhere to the centralized administration system of the notes and have direct relations with the Ministry of the Economy and Finance; and

(iii) In respect to the Italian subjects indicated in letter (i) (x) above, the banks and the exchange agents mentioned in letter (ii) above receive a self-certification of the beneficial owner of the interest that attests to the fact that the economic beneficiary is a resident of one of the aforementioned countries. The self-certification must be prepared in accordance with the model approved by the Ministry of the Economy and Finance (Ministry Decree of 12 December 2001, published in Ordinary Supplement no. 287 of Official Gazette no. 301 of 29 December 2001) and subsequent updates and is valid until its withdrawal on the part of the investor. The self-certification does not have to be presented in the event that an equivalent declaration (including model No. 116/IMP) has already been presented to the same broker; in the case of institutional investors without tax subjectivity, the institutional investor will be considered to be the actual beneficiary and the related self-certification will be presented by the relative management organization; and

(iv) the banks or foreign exchange brokers mentioned in items (ii) and (iii) above receive all the information necessary to identify the non-resident party which is the beneficial owner of the Notes and all the information necessary for the purpose of determining the amount of the interest that the aforementioned financial beneficiary has the right to receive.

In the event that the conditions indicated in items (i), (ii), (iii) and (iv) of letter (d) are not satisfied, the underwriter of the Notes not resident in Italy is subject to a tax substituting the income tax for the income tax applied according to the rate of 26% on the interest and other proceeds deriving from the Notes. In this last case, the substitute tax may be applied at a reduced rate in light of the international conventions against double taxation, if applicable.

Natural persons residing in Italy possessing the Notes not within a company framework and who have opted for the Managed Savings framework are subject to a substitute tax applied at a rate of 26% on the accrued operating profit at the end of each fiscal year (this profit will also include the interest and the other proceeds accruing on the Notes). The substitute tax on the results due on the operation is applied to the interest of the contributor on the part of the authorized broker.

The interest and other proceeds from the Notes held by Italian joint-stock companies, partnerships whose exclusive or principal purpose is commercial business, sole proprietors, public and private entities other than companies that hold the Notes in connection with their own commercial business as well as permanent establishments in Italy of non-resident companies in relation to which the Notes are actually connected, form the taxable base: (i) of the income tax on companies (IRES); or (ii) of the income tax on natural persons (IRPEF), in addition to that of the additional ones, if applicable; in the presence of certain requirements, the

aforementioned interest also form the taxable base of the regional tax on production activities (IRAP).

The interest and other proceeds of the Notes received by collective investment savings organizations (O.I.C.R.) and by those with headquarters in Luxembourg that have already been authorized for placement in the territory of the State, in accordance with Article 11-bis of Decree Law of 30 September 1983, no. 512, converted by Law no. 649 of 25 November 1983 (the so-called "Historical Luxembourg Funds") are not subject to any withholdings at the source or any replacement tax. Decree Law of 29 December 2010, no. 225, converted by Law no. 10 of 26 February 2011, introduced significant modifications to the tax system for Italian mutual investment funds and the Historical Luxembourg Funds, abrogating the framework for taxation on the accruing profit from the operation of the fund and introducing taxation for stakeholders at the rate of 26%, at the time of the receipt of the proceeds deriving from the stake in the aforementioned funds and on the proceeds received from the redemption, liquidation, or sale of the shares. This discipline is applicable to common asset investment funds under Italian law previously governed by Article 9 of the Law of 23 March 1983, no. 77, to variable capital investment companies (SICAV) established by Article 14 of the Legislative Decree of 25 January 1992, no. 84 and to closed common asset investment funds established by Article 11 of the Law of 14 August 1993, no. 344 (for the purposes of the present section, the "Funds").

Italian pension funds are subject to an 20% substitute tax on the operating profit.

14.2 Treatment for direct tax purposes of the capital gains earned on the Notes

The possible capital gains earned in the event of the sale or the repayment of the Notes are included in the calculation of relevant company income for income tax purposes (and, in several cases, also of the IRAP taxable base) and is, for this reason, subject to taxation in Italy according to ordinary rules, if the relative Noteholder is:

a) an Italian commercial company;

b) an Italian commercial entity;

c) a permanent establishment in Italy of non-resident parties to which the Notes are actually connected; or

d) a natural person residing in Italy who engages in a commercial business to which the Notes are actually connected.

In accordance with Legislative Decree no. 461 of 21 November 1997, if the Noteholder is a natural person who does not own Notes under a company framework, the capital gains earned from the transfer or from the repayment of the Notes is subject to a substitute tax applied at the rate of 26%. According to the so-called declaration framework, which is the ordinary framework applicable in Italy to the capital gains earned by natural persons residing in Italy who own Notes in a non-company framework, the substitute tax is applied cumulatively to the capital gains earned over the course of the fiscal year, net the relative capital losses, by the respective Noteholders who own the Notes in a non-company framework. The capital gains earned, net of relative capital losses, must be indicated individual in the annual tax return of the respective Noteholders. The substitute tax must be paid by the relative Noteholders through a direct payment. If the total amount of the capital losses is greater than the total amount of the capital gains, the excess may be brought as a deduction, up to the concurrent amount, from the capital gains for the subsequent tax periods, but not beyond the fourth period.

As an alternative to the normal framework of the return, Italian natural persons who own Notes in a non-company framework may opt for being subject to a substitute tax for each set of capital gains earned from each transfer or repayment transaction (the so-called "administered savings system" or "regime del risparmio amministrato"). The separate taxation of each capital gains according to the administered savings system is permitted on the condition that: (i) the Notes

are deposited at Italian banks, securities brokerage companies (SIM) or other authorized financial brokers; and (ii) the underwriter opts for the administered savings system by way of written communication. The financial broker, on the basis of the information communicated by the taxpayer, applies the substitute tax on the capital gains earned on the occasion of each sales or repayment transaction of the Notes, net the capital losses or the losses incurred, thereby withholding the substitute tax due on the proceeds earned and due to the relative Noteholders. According to the administered savings system, in the event that there are capital losses, losses, or negative differentials, the sums of the aforementioned capital losses, losses, or negative differentials are calculated as a deduction, up to their concurrence, from the amount of the capital gains, positive differentials or revenue earned in the subsequent transactions put into existence in the realm of the same relation, in the same tax period and in subsequent periods, but not beyond the fourth period. The contributor is not obligated to express the capital gains earned on the annual income statement.

The capital gains earned by natural persons residing in Italy who hold the Notes in a non-company framework who have opted for the so-called Managed Savings system form the result of the operation which will be subject to replacement tax, even if it is not realized, at the end of each tax period. If in a certain year the result of the operation is negative, the corresponding amount is calculated as a decrease in the result of the operation of subsequent tax periods, but not beyond the fourth period for the entire amount that has its capacity in them. The replacement tax on the results due on the operation is applied to the interest of the contributor on the part of the authorized broker. The contributor is not obligated to express the capital gains earned on the annual income statement.

In the event that the respective Noteholders is a Fund, as defined above, the capital gains earned shall be included in the operating profit of the Fund accruing at the end of each fiscal year. The Fund is not subject to any taxation on the aforementioned profit, but instead the substitute tax is due according to the maximum rate of 26% on the occasion of the allocations undertaken in favour of the underwriters of the shares in the Fund.

The capital gains earned by the underwriters that are Italian pension funds will move to the determination of the total results of the operation which, in turn, is subject to a replacement tax in the measure of 20%.

The 26% substitute tax is applicable, in the event of certain conditions, to the capital gains earned from the sale or the repayment of the Notes by natural persons or legal entities not residing in Italy and without a permanent establishment in Italian territory to which the Notes are actually connected, if the Notes are owned in Italy.

This despite the fact that according to the points established by Article 23 of D.P.R. of 22 December 1986, no. 917, the capital gains earned by parties not residing in Italy and without permanent establishments in Italian territory to which the Notes are actually connected are not subject to taxation in Italy on the condition that the Notes are considered "traded on regulated markets" in accordance with article 23, paragraph 1) letter f) no. 2), of D.P.R. of 22 December 1986, no. 917, despite the fact that they are held in Italy. The exemption is applied on the condition that the non-resident investors present a self-certification to the authorized broker in which they declare that they are not residents in Italy for tax purposes.

In any case, parties not residing in Italy and the actual beneficiaries of the Notes, without a permanent establishment in Italy to which the Notes are actually connected, are not subject to substitute tax in Italy on the capital gains earned as a result of the sale or the repayment of the Notes, on the condition that they are residents of a country that allows an adequate exchange of information with Italy, included in the list as per the Ministerial Decree that must be published in accordance with art. 11, paragraph 4, of Decree 239 and until the effective date of the new Decree, in the list that appears in the Ministry Decree of 4 September 1996, as subsequently modified, or, in the case of institutional investors that are still without tax subjectivity, on the condition that they have been founded in one of the aforementioned countries (Article 5, paragraph 5, letter a) of Legislative Decree no. 461 of 21 November 1997); in this case, if the non-resident underwriters, without a permanent establishment in Italy to which the Notes are actually connected, have opted for the administered savings system or for the Managed Savings

system, the non-application of the substitute tax depends on the submission of a self-certification to the authorized financial broker attesting to compliance with the aforementioned requirements.
Lastly and regardless of the points established above, the natural persons or legal entities not residing Italy and without a permanent establishment in Italian territory to which the Notes are actually connected who could benefit from the framework of an international convention against double taxation stipulated with the Republic of Italy will not be subject to substitute tax in Italy on the capital gains earned, on the condition that the capital gains earned as a result of the sale or the repayment of the Notes are subject to taxation exclusively in the country of residence of the receiving party; in this case, if the non-resident underwriters, without a permanent establishment in Italy to which the Notes are actually connected, have opted for the administered savings system or the Managed Savings system, the non-application of the substitute tax depends on the submission to the authorized financial broker of the appropriate documentation also including a statement issued by the competent tax authority of the country of residence of the non-resident party.

14.3 Tax on Contributions and Inheritance

The tax on contributions and inheritance, abrogated the first time by Law no. 383 of 18 October 2001 in relation to the contributions made or the inheritance opened beginning on 25 October 2001, was subsequently re-introduced by Decree Law no. 262 of 3 October 2006, converted into Law, without modifications by Law no. 286 of 24 November 2006, took effect on 29 November 2006 and was subsequently modified by Law no. 296 of 27 December 2006, with effectiveness beginning on 1 January 2007.
As a result of the aforementioned modifications, the transfer of the Notes because of death is currently subject to a tax on inheritance in the following manner:

(i) If the transfer takes place in favor of a spouse, a direct descendent or ascendant, a tax is due in the amount of 4% of the value of the notes transferred, with a deductible of € 1 million for each beneficiary;

(ii) If the transfer takes place to a brother or a sister a 6% tax is due on the value of the notes transferred with a deductible of € 100,000.00 for each beneficiary;

(iii) If the transfer takes place to relatives up to the fourth degree, related in a direct line or in a collateral line up to the third degree, a 6% tax is due on the entire value of the notes transferred to each beneficiary;

(iv) In any case, an 8% tax is due on the entire value of the notes transferred to each beneficiary.

The transfer of the Notes as a result of donation is subject to a tax on donations according to the same rates and to the same allowances established for tax on inheritance.

14.4 EU Directives on the taxation of savings income and on administrative cooperation in the field of taxation

On 3 June 2003, the Council of the European Union adopted the Directive 2003/48/EC in terms of the taxation of savings income (the "Savings Directive"), on the basis of which each Member State is obligated, beginning on 1 July 2005, to provide the tax authorities of the other Member States with details on the payment of interest (or the income similar to this entry) made by subjects established within their own territory and qualified as payment agents in accordance with the Savings Directive, in terms of the physical persons residing in another Member State, with the exception, for a temporary period, of Luxembourg and Austria which are instead obligated (unless during this period they decide otherwise) to subject these payments of interest to withholdings (the end of the temporary period will depend on the possible conclusion of agreements in regards to the exchange of information for tax purposes with Third Party

Countries). A certain number of countries and territories not belonging to the European Union, among which Switzerland, have adopted similar measures.
Luxembourg and Austria may decide to introduce an automatic exchange of information during the temporary period and, in this case, they will no longer be obligated to subject parties to withholdings for interest payments. On the basis of the available information, Luxembourg has announced its intention to abolish the aforementioned withholding deciding to implement automatic exchange of information with effect from 1 January 2015. On 24 March 2014, the Council of the European Union adopted a revised version of the Savings Directive.
The Savings Directive was implemented in Italy by Legislative Decree no. 84 of 18 April 2005. In accordance with this Legislative Decree, the Italian payment agents (banks, SIM, SGR, finance companies and trust companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident subjects in Italy for tax purposes that pay interest for professional or commercial reasons) must communicate to Italian tax authorities details on the interest payments made beginning on 1 July 2005 to physical persons who are actual beneficiaries of this interest and are resident, for tax purposes, in another Member State of the European Union. This information is sent by the Italian tax authorities to the competent tax authorities of the State of residence of the actual beneficiary by 30 June of the year following the year in the course of which the payment took place.
On 10 November 2015, the Council of the European Union adopted the Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2016 in case of all Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates) and from 1 January 2017 in the case of Austria. This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the "Cooperation Directive"), as amended by Council Directive 2014/107/EU. The Cooperation Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to combat cross-border tax fraud and tax evasion. The new regime under the Cooperation Directive is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. The Cooperation Directive is generally broader in scope than the Savings Directive, although it should not impose withholding taxes.
The potential investors residing in a Member State of the European Union should consult their own tax consultants in respect to the tax consequences deriving from the application of the aforementioned Directives.

14.5 Stamp Tax

Art. 13, paragraph 2-ter, of Part I of the Tariff attached to Presidential Decree no. 642 of 26 October 1972 (“The Stamp Tax on Communications to the Clientele”), as modified by Decree Law no. 201 of 6 December 2011, converted into Law no. 214 of 22 December 2011, and by Law no. 147 of 27 December 2013 introduced a stamp tax on the value of the products and financial instruments object of communications to the clientele beginning on 1 January 2012. The communication relating to the products and financial instruments are considered in any case to have been sent at least once over the course of a year even when there is no obligation to send or prepare it. The tax is currently due in the amount of 0.2% annually (in any case only for subjects other than physical persons the maximum annual tax is €14,000).
This tax is also applied to financial instruments – such as Notes – owned through a financial broker who performs the activity in the Italian territory.
The significant taxable base is determined at the end of the summary period, as results from the periodic communications relating to the relations held.
Ministry Decree of 24 May 2012 dictated the measures to implement the relative discipline over the Stamp Tax on Communications to the Clientele.

The Income Agency, with Circular no. 48/E of 21 December 2012, established that not subject to Stamp Tax on Communications to the Clientele are the summaries and the communications that the management companies send to various subjects among their own clients. For the concept of client, as established by Ministerial Decree of 24 May 2012, reference should be made to the Measure of the Governor of the Banca d'Italia of 20 June 2012. In application of this Measure, the Income Agency concluded that the following subjects do not fall under the definition of Client: "banks, finance companies; electronic funds institutions (IMEL); insurance companies; investment companies; collective savings investment organizations (common investment funds and SICAV); savings investment companies (SGR); central financial instrument management companies; pension funds; Poste Italiane s.p.a.; Deposit and Loan Funds and any other subject that performs financial brokerage activities, companies belonging to the same banking group as the broker; companies that control the broker, that are controlled by the broker, or that are subject to common control"

15. USE OF THE PROCEEDS RELATED TO THE SELLING OF THE NOTES

The proceeds of the Notes will be used by the Issuer (i) to fund the initial funding of the Required DSRA Balance; (ii) to pay all fees, costs and expenses (together with any VAT) incurred in relation to transactions contemplated by the Transaction Documents and the issuance of the Notes; (iii) to advance non-convertible quotaholder loans to each OpCos; and (iv) to finance certain working capital needs of the Issuer. Each OpCo will, in turn, use the proceeds of the Notes advanced by the Issuer to it by way of quotaholder loans to pay project costs to third parties and to repay part of the existing intercompany loans to the Issuer.

ANNEX 1 – TERMS AND CONDITIONS

The following are the terms and conditions of the Notes which, subject to completion and except for the text in italics, will be endorsed on each Definitive Note Certificate (if issued).

The issue, pursuant to Article 2410 of the Italian Civil Code, of EUR 40,000,000 in aggregate principal amount of secured debt securities due 2032 (the "**Notes**") has been authorised by two resolutions of the board of directors dated 24 June 2016 (3:30 p.m. CET time) and 13 July 2014 (6:05 p.m. CET time) of TS Energy Italy S.p.A. (the "**Issuer**"), which have been registered with the Companies' Register of Milan respectively on 24 June 2016 and 14 July 2016.

The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated on or about the Closing Date (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and U.S. Bank Trustees Limited in its capacity as note trustee (in such capacity, the "**Note Trustee**", which expression includes all persons for the time being appointed as note trustee for the holders of the Notes (the "**Noteholders**") under the Trust Deed).

In addition, pursuant to two specific mandates dated on or about the Closing Date (the "**Mandates**") the Initial Noteholders have appointed U.S. Bank Trustees Limited, which has accepted such appointment, to act as their and any subsequent Noteholders' representative with reference to (i) the Italian Security Documents pursuant to Article 2414-bis, third paragraph, of the Italian Civil Code and (ii) the Direct Agreements (in such capacity, the "**Representative**").

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. The additional agreements entered into in relation to the Notes include:

(i) an agency agreement dated on or about the Closing Date (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Note Trustee, Elavon Financial Services DAC, UK Branch in its separate capacities as paying agent and calculation agent in respect of the Notes (the "**Paying Agent**" and "**Calculation Agent**"), respectively, which expressions shall include any successor paying agents or calculation agents, as the case may be, appointed from time to time in connection with the Notes), and Elavon Financial Services DAC, in its capacity as registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Notes);

(ii) the following Italian law security agreements dated on or about the Closing Date (as amended or supplemented from time to time, collectively the "**Issuer Security Agreements**") between the Issuer on one side and the Representative on the other side:

(A) n. 9 deeds of pledge over the shares of the OpCos;

(B) n. 9 assignments by way of security relating to the Intercompany Loans;

(C) n. 9 assignments by way of security relating to the Existing Intercompany Loans;

(D) a deed of pledge over the Cash Pooling Account;

(iii) the following Italian law security agreements or guarantees dated on or about the Closing Date (as amended or supplemented from time to time, collectively the "**OpCo Security Agreements**") by and between CS Solar 2 S.r.l., TrovoSix S.r.l., DES Energia Dieci S.r.l., DES Energia Dodici S.r.l., DES Energia Tredici S.r.l., DES Energia Quattordici S.r.l., Onice S.r.l., Sun Flower S.r.l. and Solar Sicily S.r.l. (each, an "**OpCo**") on one side and the Representative, on the other side:

(A) the assignment agreements by way of security of the feed in tariffs and/or all included tariff towards the GSE;

(B) n. 2 deeds of mortgage over building rights;

(C) n. 9 special privilege deeds over the OpCo movable assets;

(D) n. 9 deeds of pledge over the OpCo bank accounts;

(E) n. 7 assignment agreements by way of security of the consideration arising from Power Purchase Agreements and any further assignment by way of security of the consideration arising from any additional Power Purchase Agreement;

(F) n. 9 assignment agreements by way of security of the amounts due from each Plant Maintenance Contract;

(G) n. 9 Autonomous Guarantees;

(iv) an Italian law deed of pledge over the shares of the Issuer dated on or about the Closing Date (as amended or supplemented from time to time, the "**Parent Security Agreement**") between TS Energy Europe S.A. (the "**Parent**"), the Issuer and the Representative;

(v) an Italian law governed cash pooling agreement dated on or about the Closing Date (as amended or supplemented from time to time, the "**Cash Pooling Agreements**") among the Issuer, each of the OpCo and Unicredit S.p.A.;

(vi) the Cash Management Agreement dated on or about the Closing Date (as amended or supplemented from time to time, the "**Cash Management Agreement**") among the Issuer, Elavon Financial Services DAC, UK Branch as cash manager and account bank (in its capacity as cash manager, the "**Cash Manager**" and in its capacity as account bank, the "**Issuer Account Bank**", which expressions shall include any successor cash manager or account bank, as the case may be, appointed from time to time as cash manager or account bank, as the case may be, under the Cash Management Agreement or these Conditions, as the case may be), the Note Trustee and the Calculation Agent;

(vii) the Deed of Charge dated on or about the Closing Date between, among others, the Issuer and the Note Trustee in respect of the Issuer's Project Accounts (the "**Deed of Charge**"); and

(viii) n. 18 Italian law governed direct agreements dated on or about the Closing Date (as amended or supplemented from time to time, the "**Direct Agreements**"), each among the Issuer, the Plant Contractor or Plant Maintenance Contractor, as applicable, the Representative and one OpCo.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Issuer Security Agreements, the OpCo Security Agreements, the Parent Security Agreement, the Cash Pooling Agreements, the Cash Management Agreement, the Deed of Charge, the Direct Agreement, the Mandates the Agency Agreement, the Note Subscription Agreements and the Master Definitions Schedule (the "**Transaction Documents**"). By purchasing the Notes, each Noteholder expressly acknowledges and agrees to be represented by the Representative pursuant to the terms and conditions of the Mandates. Copies of the Transaction Documents are available for inspection during normal business hours at the Specified Offices of the Paying Agent.

1. **DEFINITIONS**

For the purposes of these Conditions, words used but not defined in these Conditions are as defined in the master definitions schedule signed for the purposes of identification by, among others, the Issuer, the Note Trustee, the Representative, the Paying Agent, the Calculation Agent and the Registrar on or about the Closing Date (the "**Master Definitions Schedule**") (including by incorporation by reference from other documents or from laws or regulations) and attached hereto as Schedule 1.

2. **FORM, DENOMINATION AND TITLE**

(a) **Form and Denomination**

The Notes are in registered form in denominations of EUR 100,000 (each denomination, an "**Authorised Holding**").

Upon issue, the Notes will be represented by one or more Global Note Certificates (as defined below). The Conditions are modified by certain provisions contained in the Global Note Certificate.

*Each "**Global Note Certificate**" will be in registered form with a minimum denomination of EUR 100,000.*

(a) Rule 144A Global Note

*The Notes initially offered and sold in the United States of America (the "**United States**") to qualified institutional buyers ("**Qualified Institutional Buyers**") (as defined in Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), that are also qualified purchasers ("**Qualified Purchasers**") within the meaning of Section (2)(a)(51) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and the rules and regulations promulgated thereunder, in reliance on Rule 144A will initially each be represented by a permanent global note in fully registered form (the "**Rule 144A Global Note**"). The Rule 144A Global Note will be deposited with and held by Elavon Financial Services DAC (the "**Common Depositary**") for Euroclear Bank S.A./N.V. (as operator of the Euroclear System) ("**Euroclear**", which term shall include any successor operator of the Euroclear System) and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**", which term shall include any successor thereto and, together with Euroclear, the "**Clearing Systems**") and registered in the name of a nominee of the Common Depositary.*

(b) Reg S Global Note

*The Notes initially offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will initially each be represented by a permanent global note in fully registered form (the "**Reg S Global Note**" and, together with the Rule 144A Global Note, the "Global Notes" or the "**Global Note Certificates**"). The Reg S Global Note will be deposited with and held by the Common Depositary for the Clearing Systems and registered in the name of a nominee of the Common Depositary.*

(b) **Title**

Title to the Notes will pass by transfer and registration in the Register as described in Condition 3 (*Registration, Transfer and Restriction on Initial Subscription*). The holder of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any person (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof; and no person will be liable for so treating the holder.

In these Conditions: "**person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality; and "**Noteholder**" or "**holder**" means the person in whose name a Note is for the time being registered in the Register (or, in the case of joint holders, the first named thereof) and the terms "**holders**" and "**Noteholders**" shall be construed accordingly.

*Ownership of interests in the Rule 144A Global Note ("**Restricted Book-Entry Interests**") will be limited to persons who have accounts with a Clearing System or persons who hold interests through such participants and who are Qualified Institutional Buyers and Qualified Purchasers and have purchased such interest in reliance on Rule 144A or have purchased such interest in accordance with the restrictions legended on the Rule 144A Global Note. Ownership of interests in respect of the Reg S Global Note (the "**Unrestricted Book-Entry Interests**" and, together with the Restricted Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons who have accounts with a Clearing System or persons who hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the Clearing Systems and their participants. Beneficial interests in the Reg S Global Note may not be held by a U.S. Person (as defined in Regulation S under the Securities Act) at any time.*

The Global Note Certificate will be exchanged for Definitive Note Certificates only if, 40 days or more after the Closing Date, any of the following circumstances apply:

(i) either Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is in existence; or

(ii) as a result of any amendment to, or change in, the laws or regulations of England and Wales or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form; or

(iii) as a result of an Event of Default which is continuing.

If Definitive Notes are issued in accordance with the Trust Deed:

*(i) the Book-Entry Interests represented by the Reg S Global Note shall be exchanged by the Issuer for Definitive Notes ("**Reg S Definitive Notes**"); and*

*(ii) the Book-Entry Interests represented by the Rule 144A Global Note shall be exchanged by the Issuer for Definitive Notes ("**Rule 144A Definitive Notes**").*

The aggregate principal amount of the Reg S Definitive Notes and the Rule 144A Definitive Notes to be issued will be equal to the aggregate Principal Amount Outstanding of the relevant Global Note, at the date on which notice of such issue of Definitive Notes is given to the Noteholders, subject to and in accordance with these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note. The Definitive Notes will be issued in registered form only.

(c) **Definitive Form**

Notes in definitive, fully registered form (each a "**Definitive Note Certificate**") in respect of a Noteholder's registered holding of Notes will be numbered serially with an identifying number which will be recorded on the relevant Definitive Note Certificate and in the register of Noteholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

(d) **Third party rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy that exists or is available apart from such Act.

3. **REGISTRATION, TRANSFER AND RESTRICTION ON INITIAL SUBSCRIPTION**

(a) **Registration**

The Issuer will cause the Register to be kept at the Specified Office of the Registrar and in accordance with the terms of the Agency Agreement in which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes. Each Noteholder shall be entitled to receive only one Definitive Note Certificate in respect of its entire holding of Notes.

(b) **Transfer**

Each Note may, subject to the terms of the Agency Agreement and to Conditions 3(c) (*Formalities Free of Charge*), 3(d) (*Closed Periods*) and 3(e) (*Regulations Concerning Transfer and Registration*), be transferred in whole (but not in part) by lodging the relevant Definitive Note Certificate (with the endorsed form of application for transfer in respect thereof duly completed and signed by the holder or his attorney duly authorised in writing, or duly stamped where applicable) at the Specified Office of the Registrar or any Paying Agent. A Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Note will be valid unless and until entered on the Register.

Transfers of beneficial interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing systems.

The Registrar will within five Business Days of any duly completed and signed application for the transfer of a Note, register the transfer in the Register and make available for collection a new Definitive Note Certificate to the transferee at the Specified Office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Definitive Note Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) **Formalities Free of Charge**

Such transfer will be effected without charge to the Noteholder subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Note Trustee.

(d) **Closed Periods**

Neither the Issuer nor the Registrar will be required to register the transfer of any Note during the period of one Business Day immediately prior to the due date for any payment of principal or interest in respect of the Notes.

(e) **Regulations Concerning Transfer and Registration**

All transfers of Notes and entries on the Register will be made subject to the detailed restrictions concerning transfer of Notes scheduled to the Trust Deed (the "**Transfer Restrictions**") and the general regulations scheduled to the Agency Agreement (the "**General Transfer Regulations**" and, together with the Transfer Restrictions, the "**Transfer Regulations**"). The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Noteholders with the prior approval of the Registrar and the Note Trustee (such approval not to be unreasonably withheld or delayed).

The Transfer Regulations include the following restriction:

The Notes can only be subscribed by persons or entities which are qualified as professional investors as defined by EU Directive 2004/39 (hereinafter "**Professional Investors**").

Any secondary market transaction on each Note will only be allowed in case the purchaser is a Professional Investor.

The Note Trustee shall have no duty to monitor compliance with such covenant and shall have no liability for any non-compliance or otherwise in connection therewith.

The Notes are issued pursuant to an exemption from the obligation to publish an offering prospectus pursuant to and for the purposes of Article 100 of the Italian Financial Act and Article 34-*ter* of the Issuers Regulation.

In addition:

Notes sold or transferred outside the United States may only be sold or transferred to a person who is not a U.S. person (as defined in Regulation S – a "**US Person**") in a transaction meeting the requirements of Rule 903 or 904 of Regulation S.

The Notes sold within the United States or to US Persons may only be offered and sold, and may be re-offered, re-sold, pledged or otherwise transferred only to a U.S. Person who is both a Qualified Institutional Buyer and a Qualified Purchaser in a transaction meeting the requirements of Rule 144A and otherwise agrees to be bound by the transfer restrictions set forth in the Admission Document, the Agency Agreement and this Trust Deed.

The Trust Deed sets out restrictions procedures and guidelines which both the Note Trustee and Registrar, as applicable, undertake to comply with.

(f) **Authorised Holdings**

No Note may be transferred unless the principal amount (as at the Closing Date) of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount (as at the Closing Date) of the balance of the Notes retained are Authorised Holdings.

(g) **Admission to Listing**

The Issuer has filed with Borsa Italiana a request for admission of the Notes to listing on the ExtraMot PRO Segment.

The decision of Borsa Italiana and the date on which listing of the Notes in the ExtraMot PRO Segment will commence, together with the information required for the listing, will be communicated by Borsa Italiana through specific communication pursuant to Section 11.6 of the Guidelines of the ExtraMOT Regulation.

4. **STATUS AND SECURITY**

(a) **Status**

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer. The Notes will, at all times, rank at least *pari passu* without any preference among themselves, and rank in right of payment ahead of all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Notes constitute part of the Senior Debt of the Issuer and are repayable in accordance with the Priority of Payments.

(b) **Transaction Security**

The Secured Obligations are secured in favour of the Representative pursuant to Article 2414-bis, third paragraph, of the Italian Civil Code for the benefit of the Noteholders upon and subject to the terms and conditions of the following security documents (the "**Italian Security Documents**"):

(i) the Issuer Security Agreements;

(ii) the OpCo Security Agreements;

(iii) the Parent Security Agreement; and

(iv) any other security document in respect of Italian assets designated in writing as an Italian Security Document by the Issuer and the Representative.

The Secured Obligations are also secured in favour of the Note Trustee on trust for the benefit of, among others, the Noteholders upon and subject to the terms of the Deed of Charge (together with any other security document in respect of English assets designated as an English Security Document by the Issuer and the Note Trustee, the "**English Security Documents**" and, together with the Italian Security Documents, the "**Security Documents**").

The Noteholders and certain other creditors of the Issuer and the other Finance Group Companies will share in the benefit of the security constituted by or pursuant to the Security Documents, upon and subject to the terms and conditions of the Security Documents and in accordance with the Pre-Acceleration Priority of Payments and the Post-Acceleration Priority of Payments.

(c) **Note Trustee and the Representative**

The Note Trustee and the Representative are exempted from any liability in respect of the performance of, any loss or theft or reduction in the value of the Charged Property, from any obligation to insure the Charged Property and from any claim arising if and to the extent that any Charged Property is held in a Clearing System or in safe custody by a bank or custodian. The Note Trustee and the Representative have no responsibility for the management, administration or evaluation of the Charged Property by any party or to supervise the administration of the Charged Property by any party and are entitled to rely on the certificates or notices of any relevant party without further enquiry. The Note Trustee and the Representative accept, without further investigation, requisition or objection, such right, benefit, title and interest, if any, as the Issuer, any OpCo or the Parent may have in and to any of the Charged Property and are not bound to make any investigation into the same or into the Charged Property in any respect. The Note Trustee and the Representative have no responsibility for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting the Security or any of it. The Note Trustee and the Representative have no responsibility for the value, sufficiency or enforceability of any of the Charged Property or the Security created in respect thereof.

(d) **Application of Proceeds upon Enforcement**

The Security Documents provide that the net proceeds of realisation of, or enforcement with respect to the Security over, the Charged Property and/or the Pledged Property, as the case may be, shall be applied in accordance with the Post Acceleration Priority of Payments.

5. UNDERTAKINGS

Without prejudice to the obligations in any other Transaction Document, each of which shall be enforceable, so long as any Note is outstanding (as defined in the Master Definitions Schedule), the Issuer shall perform the obligations set out below:

Authorisations and Compliance with Laws

(a) **Maintenance of Authorisations**

The Issuer shall, and shall procure that each other Finance Group Company shall continue and maintain all registrations, recordings, filings, consents, approvals and authorisations, which may at any time be required to be obtained or made in any relevant jurisdiction for the purposes of (i) the execution, delivery, validity and (subject to the Legal Reservations) the enforceability or performance by the Issuer of the Transaction Documents; and (ii) carrying on its business.

(b) **Compliance with Laws**

The Issuer shall, and shall procure that each other Finance Group Company shall, comply in all material respects with all laws to which it, the Plant and/or the Project Site may be subject.

(c) **Constitutional Documents**

The Issuer shall not, and shall procure that no other Finance Group Company shall, amend or vary any of its constitutional documents, unless:

(i) the relevant amendments or variations are required under mandatory provisions of applicable law; or

(ii) it has received the prior written consent of the Controlling Party.

(d) **Further Acts**

The Issuer shall, and shall procure that each other Finance Group Company shall, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Note Trustee and/or the Representative, as the case may be, may reasonably specify (and in such form as the Note Trustee and/or the Representative may reasonably require in favour of the Note Trustee and/or the Representative, as the case may be, or their respective nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of Security under the Transaction Documents) or for the exercise of any rights, powers and remedies of the Note Trustee, the Representative or the Finance Parties provided by or pursuant to the Transaction Documents or by law;

(ii) to confer on the Finance Parties, Security over any property and assets of a Finance Group Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Documents;

(iii) to confer on the Note Trustee, the Representative or the Finance Parties, Security over any property and assets of a Finance Group Company any real or personal property, right, receivable, chose in action or other asset acquired by such Finance Group Company after the Closing Date equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction

Documents, except to the extent already subject to Security pursuant to the Security Documents.

The Issuer shall procure that within 5 Business Days of the execution by each OpCo of a Power Purchase Agreement, that such OpCo shall execute an assignment agreement by way of security of the consideration arising from the relevant Power Purchase Agreements in form and substance satisfactory to the Representative and execute all the formalities necessary to make the relevant assignment enforceable as against the counterparty of such Power Purchase Agreement.

(e) **Tax**

(i) The Issuer shall, and shall procure that each other Finance Group Company shall:

(A) file, all tax returns required to be filed by it in any jurisdiction and shall duly and promptly pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(I) such Taxes are being contested in good faith and by appropriate means by the Issuer or such other Finance Group Company, as the case may be;

(II) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements; and

(III) such payment can be lawfully withheld; and

(B) maintain all relevant reserves required in relation to payment of Tax under mandatory law provisions.

(ii) The Issuer shall, and shall procure that each Finance Group Company shall, apply all Tax credits, losses, reliefs or allowances in the manner and to the extent they were taken into account in the Base Case or Updated Base Case.

(iii) The Issuer shall, and shall procure that each Finance Group Company shall, maintain its status as a limited liability company incorporated in the jurisdiction it is incorporated in, and shall maintain its tax residence in the jurisdiction in which it is resident for tax purposes.

(f) **Books and Records**

The Issuer shall and shall procure that each Finance Group Company shall: (i) maintain all proper records and books of account as are required by law and as are necessary to give a true and fair view of the state of its affairs and to explain its transactions; and (ii) so far as permitted by applicable law, allow the Note Trustee and/or the Representative, their respective professional advisors and anyone appointed by either of them to whom the Issuer has no reasonable objection, access to its books of accounts at all reasonable times during normal business hours upon reasonable notice, provided that such right of access shall be subject to any limitations imposed on the Issuer by law, any duty of secrecy or confidentiality, or governmental authority.

Restrictions on Business

(g) **Mergers**

The Issuer shall not, and shall procure that no other Finance Group Company shall, amalgamate, merge, demerge or consolidate with or into any other person or undertake any corporate reorganisation or other reorganisation.

(h) **Change of Business**

The Issuer shall procure that:

(i) no material change is made to the general nature of the business of any Finance Group Company from that carried on at the Closing Date; and

(ii) no Finance Group Company engages in any business other than that carried on at the Closing Date, whether alone, in partnership or in joint-venture with any other person.

(i) **Acquisitions and Investment**

(i) The Issuer shall not form, acquire or have any Subsidiaries except the other Finance Group Companies.

(ii) The Issuer shall procure that no other Finance Group Company (other than the Issuer) shall form, acquire or have any Subsidiaries.

(iii) The Issuer shall not, and shall procure that no Finance Group Company shall make any other acquisitions or investments.

Restrictions on Dealing with Assets and Securities

(j) **Loans**

The Issuer shall not, and shall procure that no other Finance Group Company shall, make any loans or otherwise grant any form of credit to any person except for any Intercompany Debt solely between one Finance Group Company and another.

(k) **Indebtedness**

The Issuer shall not, and shall procure that no other Finance Group Company shall, have any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

(l) **Guarantees**

The Issuer shall not, and shall procure that no Finance Group Company shall, give, incur or allow to be outstanding any guarantee in respect of any person or its indebtedness, to or for the benefit of third parties, other than:

(i) any guarantee expressly permitted or required by the Transaction Documents (including, for the avoidance of doubt, guarantees permitted within the definition of Permitted Financial Indebtedness); and

(ii) any guarantee granted in favour of the relevant tax authorities for the purposes of obtaining any VAT reimbursements.

(m) **Negative Covenant**

(i) Except as permitted in paragraph (ii):

(A) the Issuer shall not, and shall procure that no other Finance Group Company shall, create or permit to subsist any Security over any of its assets; and

(B) the Issuer shall not, and shall procure that no other Finance Group Company shall:

(I) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Finance Group Company, the Parent or the Sponsor;

(II) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(III) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(IV) enter into any other preferential arrangement having a similar effect,

(each such arrangement or transaction, a "**Quasi-Security**") in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(ii) This Condition 5(m) does not apply to any Security or, as the case may be, Quasi-Security which is a Permitted Security.

(n) **Ranking**

The Issuer shall, and shall procure that each other Finance Group Company shall, ensure that at all times, its payment obligations under the Transaction Documents to which it is a party rank ahead of its present and future unsecured payment obligations, except for obligations mandatorily preferred by law and of general application.

(o) **No-Disposals**

The Issuer shall not, and shall procure that no other Finance Group Company shall, sell, lease, transfer, discount, factor, assign or otherwise dispose of, by a single transaction or a series of transactions, whether related or not, and whether voluntary or involuntary, all or any part of any of its assets (including the Site Agreements) or shares, other than any disposals:

(i) of worn, damaged or defective assets which have been replaced;

(ii) of assets that have become obsolete and are no longer required provided that such are not required for the efficient operation of its business; or

(iii) any disposal in accordance with Condition 5 (as) (*Certain Disposals*).

(p) **Distributions**

(i) Subject to paragraph (ii), the Issuer shall not, and shall procure that no other Finance Group Company shall, make, pay or permit a Distribution.

(ii) The restriction in paragraph (i) does not apply to any Distribution that is made by the Issuer, using funds held in the Distribution Account.

(iii) The Issuer shall not, and shall procure that no other Finance Group Company shall, (i) transfer any amounts in or to the Distribution Account or (ii) transfer any amounts from the Cash Pooling Account or the Proceeds Account or (iii) otherwise make any transfers which would constitute an Extraordinary Operating Cost to a Finance Group Company, the Parent or the Shareholder or any affiliate of a Finance Group Company, the Parent or the Shareholder other than any transfer by the Issuer (or the Cash Manager on its behalf) at a time or from time to time when the following conditions have been satisfied:

(A) the first Note Interest Payment Date has occurred;

(B) the transfer of funds to the Distribution Account takes place on a date falling within the 20 Business Day period following a Base Case Calculation Date, or if the Base Case Ratios have not been finally determined on a Base Case Calculation Date, within the 20 Business Day period following final determination in accordance with these Conditions of such ratios;

(C) no Note Event of Default or Potential Event of Default has occurred and is continuing or would result from making such transfer or the related Distribution;

(D) the ADSCR set out in the most recent Updated Base Case is equal to or greater than 1.20:1;

(E) the credit balance on the Debt Service Reserve Account on the Calculation Date immediately preceding the date of transfer is equal to or greater than the Required DSRA Balance;

(F) the relevant transfer is made from credit balances in the Proceeds Account and uses funds available for that purpose in accordance with the Pre-Acceleration Priority of Payments;

(G) no Remediation Event has occurred and is continuing;

(H) the LLCR set out in the most recent Updated Base Case is equal to or greater than 1.20:1;

(I) the amount standing to the credit of the Panel & Inverter Reserve Account is equal to or exceeds the Required Maintenance Reserve Balance; and

(J) the credit balance on the Cash Pooling Account on any given day before the Performance Bond is issued by the Plant Maintenance Contractor is equal to or greater than the Performance Bond Balance.

(the "**Distribution Conditions**").

(q) **Joint Ventures**

The Issuer shall not enter into or permit to subsist any joint venture, partnership or similar arrangement with any person.

(r) **Register**

The Issuer shall deliver or procure the delivery to the Note Trustee of an up-to-date copy of the Register, certified as being true, accurate and complete copies, at such times as the Note Trustee may reasonably require.

(s) **Information**

The Issuer shall, and in respect of each other Finance Group Company procure that it shall promptly give or procure to be given to the Note Trustee and/or the Representative and/or the Representative of Noteholders such certificates, information and evidence and afford the Note Trustee and/or the Representative and/or the Representative of Noteholders such facilities as the Note Trustee and/or the Representative and/or the Representative of Noteholders shall reasonably require and in such form as the Note Trustee and/or the Representative and/or the Representative of Noteholders shall reasonably require for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in any of them under these Conditions, the Trust Deed or the Security Documents or by operation of law pursuant to Condition 15 (*Notices*).

(t) **Compliance with the Transaction Documents**

The Issuer will, and in respect of each other Finance Group Company procure that it will, observe and comply with the obligations contained in and take all reasonable steps to preserve and enforce its rights under the Transaction Documents. The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Trust Deed (including the Conditions) and the Notes as if the same were contained in the Trust Deed which shall be read and construed as one document with the Notes.

Restrictions on Movement of Cash

(u) **Establishment of Project Accounts**

(i) The Issuer confirms that it has established and agrees to maintain, in its own name at the Issuer Account Bank (or, in the case of (F), with UniCredit S.p.A. (subject to UniCredit S.p.A being an Eligible Institution)), the following accounts;

(A) a proceeds account, designated "Proceeds Account" (the "**Proceeds Account**");

(B) a reserve account, designated "Debt Service Reserve Account" (the "**Debt Service Reserve Account**");

(C) a cash trap account, designated "Cash Trap Lockup Account" (the "**Cash Trap Lockup Account**");

(D) a reserve account, designated "Panel & Inverter Reserve Account" (the "**Panel & Inverter Reserve Account**");

(E) a distribution account, designated "Distribution Account" (the "**Distribution Account**");

(F) a cash pooling account, designated "Cash Pooling Account" (the "**Cash Pooling Account**"),

or, in each case, any other account with the same designation at another Eligible Institution, opened in accordance with Condition 5(aa)(v) below or otherwise with the prior written consent of the Note Trustee, acting on the instructions of the Controlling Party (such consent not to be unreasonably withheld or delayed).

(v) **Proceeds Account**

(i) The Issuer shall ensure that the net proceeds of issuance of the Notes are credited to the Cash Pooling Account. On the Closing Date, the Issuer shall apply the proceeds of the issuance of Notes in accordance with Clause 4 (*Purpose*) of each of the Note Subscription Agreements.

(ii) The Issuer shall, and shall procure that each other Finance Group Company shall, ensure that all monies received by the Issuer or, in the case of a Finance Group Company that is an OpCo, all monies received by such OpCo in respect of Project Revenues or that are not otherwise required to be credited to another account by these Conditions, are paid either (x) in the case of the Issuer, directly into the Proceeds Account or (y) in the case of any other Finance Group Company, directly to its Revenue Account and thereafter applied in accordance with the Cash Pooling Agreement; provided that if any such monies are not directly so paid, the Issuer shall or, as applicable, shall procure that such other Finance Group Company shall:

(A) ensure that such monies are paid into the Proceeds Account or Revenue Account, as applicable, within five Business Days of receipt; and

(B) pending such payment, hold such funds:

(I) in the case of the Issuer, on trust for the Note Trustee on the terms of the English Security Document; or

(II) in the case of any other Finance Group Company, for the benefit of the Representative on the terms of the relevant Cash Pooling Agreement,

and, for the avoidance of doubt, provided that the Issuer and each other Finance Group Company complies with each of sub-paragraphs (A) and (B) of the proviso to this paragraph (ii); and no Note Event of Default shall occur with respect to this paragraph (ii).

(iii) The Proceeds Account shall be operated in accordance with the Cash Management Agreement. The Cash Pooling Account and each Revenue Account shall be operated in accordance with the Cash Pooling Agreement and the other Transaction Documents.

(w) **Debt Service Reserve Account**

(i) On the Closing Date, the Issuer shall withdraw from, or procure the withdrawal from, the Proceeds Account of an amount equal to the Required DSRA Balance and shall deposit or procure the deposit of such amount into the Debt Service Reserve Account.

(ii) On each Calculation Date, if the balance standing to the credit of the Debt Service Reserve Account is less than the Required DSRA Balance, the Issuer shall transfer, or shall procure the transfer of, to the extent of available funds pursuant to the Pre-Acceleration Priority of Payments, an amount from the Proceeds Account to the Debt Service Reserve Account of an amount equal to such shortfall, so as to bring the balance of the Debt Service Reserve Account to the Required DSRA Balance, subject to and in accordance with the provisions of the Cash Management Agreement.

(iii) The Debt Service Reserve Account shall be operated in accordance with the Cash Management Agreement.

(x) **Cash Trap Lockup Account**

(i) On each Note Interest Payment Date following a Calculation Date on which an ADSCR Trigger or LLCR Trigger has occurred and the Target Condition has not been met since the occurrence of such trigger, the Issuer shall transfer, or shall procure the transfer, to the extent of funds available for such purpose pursuant to the Pre-Acceleration Priority of Payments, an amount from the Proceeds Account to the Cash Trap Lockup Account to ensure that paragraph (b) of the definition of "Target Condition" is met, in each case subject to and in accordance with the provisions of the Cash Management Agreement.

(ii) On the first Note Interest Payment Date following the Closing Date, if the Technical Adviser has not certified (which certification shall be final and binding on all parties) to the Note Trustee that a SCADA is in place, then the Issuer shall transfer, or shall procure the transfer, to the extent of funds available for such purpose pursuant to the Pre-Acceleration Priority of Payments, all amounts standing to the credit of the Proceeds Account to the Cash Trap Lockup Account subject to and in accordance with the provisions of the Cash Management Agreement.

(iii) The Cash Trap Lockup Account shall be operated in accordance with the Cash Management Agreement.

(y) **Distribution Account**

(i) Subject to satisfaction of the Distribution Conditions, on each Note Interest Payment Date, the Issuer may transfer, or may procure the transfer of, any amounts that are to be declared or paid as Distributions from the Proceeds Account to the Distributions Account, to the extent of funds available for such purpose pursuant to the Pre-Acceleration Priority of Payments.

(ii) The Issuer shall have sole signing rights in relation to the Distribution Account and may withdraw amounts standing to the credit of, and operate, the Distribution Account in its absolute discretion any time before a Note Event of Default.

(z) **Panel & Inverter Reserve Account**

The Issuer shall, and shall procure that each other Finance Group Company shall, only operate the Panel & Inverter Reserve Account in accordance with the Cash Management Agreement.

(aa) **Project Accounts – Miscellaneous**

(i) The Issuer shall not, and shall procure that no other Finance Group Company shall, open or maintain any account with any bank or other financial institution other than the Project Accounts without the prior consent of the Controlling Party.

(ii) The Issuer shall, and shall procure that each other Finance Group Company shall, ensure that no Project Account is overdrawn.

(iii) The Issuer shall, and shall procure that each other Finance Group Company shall, only operate the Project Accounts in accordance with these Conditions and the Cash Management Agreement or the relevant Cash Pooling Agreement, as applicable.

(iv) The Issuer shall, and shall procure that each other Finance Group Company shall, instruct the relevant Account Bank to provide to the Paying Agent, the Note Trustee or the Representative at the request of each such party, at the same time as they are delivered to the Issuer or such Finance Group Company, any account statements of such Issuer or such Finance Group Company, in relation to its Project Accounts pursuant to Condition 15 (*Notices*).

(v) In the event that any Account Bank (or any successor thereto) ceases to be an Eligible Institution or any Project Account is otherwise closed or any Account Bank Mandate is terminated, the Issuer shall, or shall procure that each other Finance Group Company shall:

(A) close all Project Accounts held with such Account Bank and terminate the Account Bank Mandates relating thereto (to the extent not already closed or, as applicable, terminated and subject in each case to opening replacement Project Accounts as described in paragraph (B) below);

(B) as soon as reasonably practicable, and in any event within 30 days of such event, open replacement Project Accounts with one or more Eligible Institutions and procure that all amounts standing to the credit of the Project Accounts with the relevant Account Bank are transferred to such replacement Project Accounts; and

(C) enter into a supplemental security agreement in order to grant security over such new Project Accounts in favour of the Note Trustee and/or the Representative, such that such new Project Accounts are subject to security equivalent to the security granted over the Project Accounts that are in existence on the Closing Date and procure delivery of a legal

opinion relating to the execution of such supplemental security agreement, in each case in form and substance satisfactory to the Note Trustee, and the Representative (acting reasonably) and all fees, costs, charges and expenses (and all VAT or similar tax thereon) properly incurred by any of the Finance Parties in connection with this paragraph (C) shall be paid and/or reimbursed to the relevant Finance Party by the Issuer.

(vi) Until the date in which the Performance Bond is issued, the Issuer shall procure that the credit balance on the Cash Pooling Account is always at least equal to the Performance Bond Balance at all times, provided that on the date in which the Performance Bond will be issued, the Performance Bond Balance shall be paid from the Cash Pooling Account directly to the Plant Contractor.

Save as described in this paragraph (v) or otherwise with the prior written consent of the Controlling Party (such consent not to be unreasonably withheld or delayed) the Issuer agrees not to, and to procure that no other Finance Group Company shall, close any of its Project Accounts or terminate any Account Bank Mandate.

(ab) **Hedging**

The Issuer shall not, and shall procure that no Finance Group Company shall, enter into any Hedge Contract unless it has received the prior written consent of the Controlling Party in accordance with the Transaction Documents.

Project Undertakings

(ac) **Project Contracts**

(i) The Issuer shall, and shall procure that each other Finance Group Company shall:

(A) ensure that the Plant is constructed and operated in compliance with the Project Contracts;

(B) duly and punctually perform, comply with and observe the provisions of the Project Contracts to which it is a party in all material respects; and

(C) enforce the covenants, obligations and conditions on the part of, each other party to the relevant Project Contract save where:

(i) it would be demonstrably not in its interests and/or those of the Finance Parties for it to do so; or

(ii) where failing to do so would not have a Material Adverse Effect,

in which case it shall promptly notify the Finance Parties of its decision not to so enforce.

(ii) The Issuer shall not, and shall procure that no other Finance Group Company shall, action or agree to:

(A) any amendment of a Project Contract that would have an effect on the ability of any party thereto to perform its obligations under such Project Contract;

(B) the suspension, waiver, repudiation, revocation, annulment or cancellation of the whole of, or any provision of, a Project Contract that would have an effect on the ability of any party thereto to perform its obligations under such Project Contract;

(C) the assignment or transfer of a Project Contract;

(D) any other party to a Project Contract assigning or transferring that party's rights or obligations under that Project Contract; or

(E) the termination of a Project Contract,

except, in each case, in accordance with the Reserved Discretions subject to and in accordance with the Note Subscription Agreements.

(iii) The Issuer shall not, and shall procure that no other Finance Group Company shall:

(A) enter into any Material Contract after the Closing Date without the prior written consent of the Controlling Party, except as provided under Condition 11(a)(xvi)(F) and Condition 11(a)(xvi)(H); and

(B) in any event enter into a Material Contract after the Closing Date that contains any prohibition assigning or granting security over its rights, title, interest and benefit in such Material Contract, unless consent from the counterparty to such Material Contract to such assignment or grant pursuant to the Security Documents has been obtained.

(ad) **Remediation**

(i) If any event or circumstance occurs at any time which materially adversely affects the ability of a Project Party to perform its obligations under the Project Contract to which it is a party, without prejudice to the rights of the Representative under the Direct Agreements, the Issuer shall:

(A) within 30 days after the earlier of (A) the Controlling Party giving notice in writing to the Issuer and (B) an officer or senior manager of the Issuer or any other Finance Group Company becoming aware of such event or circumstance, consult and discuss with the Controlling Party in relation to the contractual rights and remedies which the Issuer or any other Finance Group Company has in respect of such Project Party and/or alternatives to such Project Party in such circumstances, and

(B) within 30 days after the earlier of (A) the Controlling Party giving notice in writing to the Issuer and (B) an officer or senior manager of the Issuer or any other Finance Group Company becoming aware of such event or circumstance, propose a plan of action in order to remedy such circumstances, taking into account the requirements brought up by the Controlling Party (the "**Remediation Plan**").

(ii) The Remediation Plan will be subject to the Controlling Party's approval in accordance with Clause 8.1 (e) (*Positive Undertakings*) of each of the Note Subscription Agreements;

(iii) The Issuer shall promptly take any action reasonably required to:

(A) reflect in any Remediation Plan any requirement of the Controlling Party reasonably required to remediate the events and circumstances giving rise to a Remediation Event; and

(B) implement any, and in the case of a Finance Group Company, procure that it shall implement any Remediation Plan in accordance with its terms once it has been approved by the Controlling Party.

Insurance Arrangements

(ae) **Insurance Requirements**

The Issuer shall, and shall procure that each other Finance Group Company shall comply with the provisions of Part 1 Schedule 2 (*Insurance Requirements*) of each of the Note Subscription Agreements.

Property

(af) **Title to Project Sites**

(i) The Issuer shall, and shall procure that each other Finance Group Company shall, ensure that it has and will maintain, free from any Security other than Permitted Security:

(A) good title to, or freedom to use, the relevant Project Site;

(B) access to the relevant Project Site necessary to continue to operate the Project Sites in the manner contemplated by the Project Contracts to which it is a party;

(C) the benefit of all easements, wayleaves and other rights necessary or desirable to continue to operate the Project Sites in accordance with the Project Contracts to which it is a party;

(D) good title to use any other assets (including Intellectual Property) necessary or desirable to continue to operate the Project Sites in accordance with the Project Contracts to which it is a party; and

(E) good and marketable title to all assets which are reflected in its latest financial statements or consolidated audited financial statements of the Issuer.

(ii) Without prejudice to the rights of the Representative under the Direct Agreements, the Issuer shall procure that each other Finance Group Company shall ensure that it has and will continue to comply in all material respects with all tenant covenants in the Site Agreements including the payment of all rents (where applicable) and shall use all commercially reasonable endeavours to

enforce all landlord covenants on the Site Agreements that are required in order to operate the Project Sites in accordance with the Project Contracts.

(iii) Without prejudice to the rights of the Representative under the Direct Agreements, if any landlord takes steps to commence forfeiture proceedings under any of the Site Agreements, the Issuer shall procure that the relevant Finance Group Company shall apply for relief from forfeiture of any of the Site Agreements, to the extent permitted by, and in accordance with the terms of, the relevant Site Agreements and shall notify the Note Trustee of such proceedings as soon as reasonably practicable.

(ag) **Access**

The Issuer shall, and shall procure that each other Finance Group Company shall, subject to 10 Business Days' prior notice, ensure that representatives of the Controlling Party, together with the Technical Adviser and the Insurance Adviser are:

(i) given such reasonable access during normal business hours to a Project Site (other than any military installation, where access shall be restricted to three times per calendar year, subject to sufficient proof of identity of the relevant attendee and consent from Difesa Servizi S.p.A., in respect of which the Issuer shall use reasonable endeavours to obtain such consent) and/or Plant interconnection infrastructure and provided with all assistance and information reasonably required, including access to data and access to any testing phase of the Project, provided that such access does not adversely affect the construction and operation of the Plant;

(ii) entitled to inspect during normal business hours and take copies of each Finance Group Company's books and records upon reasonable notice, provided that such right of access shall be subject to any limitations imposed on that Finance Group Company by law, any duty of secrecy or confidentiality, or governmental authority; and

(iii) entitled to request and attend an annual update meeting with the Issuer and each other Finance Group Company.

(ah) **Advisers**

The Issuer shall cooperate with, and shall procure that each other Finance Group Company shall cooperate with, and shall use all reasonable endeavours to ensure that each other party to the Project Contracts cooperates with, each Adviser in connection with their respective roles in relation to the Project.

(ai) **Environmental**

The Issuer shall, and shall procure that each Finance Group Company shall, comply in all material respects with all applicable Environmental Law and Environmental Approvals necessary for the ownership and operation of its respective Project Sites and promptly upon any officer or senior manager of the Issuer or any other Finance Group Company becoming aware of the same notify the Controlling Party, the Note Trustee and the Representative of any circumstances that:

(i) may prevent or interfere with such full compliance in the future where in any such case such prevention or interference would result in a Material Adverse Effect; or

(ii) would be reasonably likely to give rise to any material liability of a Finance Group Company, any Finance Party or any party represented by a Finance Party under Environmental Laws, in relation to the use and operation of the Project Sites.

(aj) **Permits**

The Issuer shall, and shall procure that each other Finance Group Company shall, maintain and obtain in full force and effect each Permit necessary or in the Issuer's opinion desirable:

(i) to enable it:

(A) to lawfully enter into, exercise its rights and comply with its obligations under the Transaction Documents and the Project Contracts to which it is a party; and

(B) to lawfully operate the Project Site that it occupies;

(ii) for the relevant Finance Group Company to carry out the construction, operation and maintenance of the relevant part of the Project in accordance with the Project Contracts,

and shall at all times comply, in all material respects, with the requirements of such Permits.

Operating Reports, Operation Budget and Base Case

(ak) **Operating Reports**

On or within 30 days after each Calculation Date, the Issuer shall make available pursuant to Condition 15 (*Notices*) an Operating Report and deliver it to the Note Trustee, the Controlling Party and the Technical Adviser, the content of which complies with Schedule 3 Paragraph 1 (*Operating Reports*) of each of the Note Subscription Agreements and that has been verified by the Technical Adviser in accordance with such clause.

(al) **Operation Budget**

No later than one calendar month before the end of its financial year, the Issuer shall make available pursuant to Condition 15 (*Notices*) and deliver to the Note Trustee, the Controlling Party and the Technical Adviser, an Operation Budget, the content of which complies with Schedule 3 Paragraph 2 (*Operation Budget*) of each of the Note Subscription Agreements and that has been approved in accordance with that clause.

(am) **Base Case**

No later than 40 days after each Calculation Date and no earlier than the delivery of the relevant Operating Report for such Calculation Date, the Issuer shall make available pursuant to Condition 15 (*Notices*) and deliver to the Note Trustee, the Controlling

Party and the Technical Adviser, an Updated Base Case, the content of which complies with Schedule 3 Paragraph 3 (*Base Case*) of each of the Note Subscription Agreements and that has been updated and approved in accordance with that clause.

(an) **Financial Statements**

The Issuer shall make available pursuant to Condition 15 (*Notices*) and deliver to the Note Trustee and the Controlling Party:

(i) as soon as the same become available, but in any event within 180 days after the end of each of the relevant party's financial years:

(A) the audited financial statements of the Issuer for that financial year;

(B) the audited financial statements of the Parent for the same financial year; and

(C) consolidated versions of the documents set forth under sub-paragraphs (A) and (B) above if so required to be produced under applicable law.

(ii) as soon as the same become available, but in any event within 90 days after the end of each half of each of the relevant party's financial year the consolidated unaudited financial statements of the Issuer for that financial half-year.

For the avoidance of doubt, such consolidated financial statements in (i) and (ii) above shall include the consolidated financial information of the Issuer and each Finance Group Company as a group.

Miscellaneous

(ao) **Change in Agents**

The Issuer shall give at least 14 days' prior notice to the Noteholders of any change by an Agent of its Specified Office or of any future appointment, resignation or removal of an Agent and not make any such appointment or removal without the prior written approval of the Note Trustee in advance.

(ap) **Information: miscellaneous**

The Issuer shall supply to the Note Trustee and the Controlling Party, promptly upon becoming aware of the relevant matter or, as the case may be, promptly upon receipt of the relevant notice, claim or communication:

(i) details of any litigation, arbitration, regulatory or administrative proceedings which are taking place, pending or threatened in writing against or involving a Finance Group Company or a Project Site and which, if adversely determined, are reasonably likely to have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding €150,000;

(ii) any *accertamento d 'imposta* or *sopravvenienza passiva* affecting any Finance Group Company, for an amount exceeding €100,000.00; or

(iii) any transfer by the Sponsor of any direct or indirect participation in the Parent.

(aq) **Notification of Note Event of Default**

(i) The Issuer shall promptly make available pursuant to Condition 15 (*Notices*) and communicate to the Note Trustee and the Representative of any Note Event of Default or Potential Note Event of Default, ADSCR Trigger, LLCR Trigger, GSE Event, Remediation Event or any failure to satisfy the Distribution Conditions by reason of the events or circumstances specified in paragraphs (E), (I) and (J) of Condition 5(p)(iii), as the case may be (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(ii) Annually on the anniversary of the Trust Deed and within seven Business Days of a request by the Note Trustee, the Representative or the Controlling Party, the Issuer shall deliver to the Note Trustee, the Representative and the Controlling Party and make available pursuant to Condition 15 (*Notices*) a certificate signed by two of its directors or senior officers on its behalf certifying that no Note Event of Default or Potential Note Event of Default is continuing (or if a Note Event of Default or Potential Note Event of Default, ADSCR Trigger, LLCR Trigger, GSE Event, Remediation Event or any failure to satisfy the Distribution Conditions by reason of the events or circumstances specified in paragraphs (E), (I) and (J) of Condition 5(p)(iii), is continuing, specifying such event or circumstance and the steps, if any, being taken to remedy it).

(ar) **"Know your customer" checks**

The Issuer shall, and shall procure that each other Finance Group Company shall comply with the provisions of Clause 8.1 (f) (*Positive Undertakings*) of each of the Note Subscription Agreements.

(as) **Certain disposals**

If proceeding no. 6092/2014 R.G currently pending before the Supreme Administrative Court (*Consiglio di Stato*) is adversely determined in respect of TrovoSix S.r.l, then the Issuer shall, within 60 days, dispose of the going concern comprising all assets and liabilities directly attributable to the Capraneto PV Plant to an entity which is not a Finance Group Company and which is not the Parent.

6. **INTEREST**

(a) **Note Interest Payment Dates**

The Notes shall bear interest from the Closing Date and such interest will be payable semi-annually in arrear on 30 June and 31 December in each year, commencing on 31 December 2016 and on the Final Maturity Date (each a "**Note Interest Payment Date**"). If any Note Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day (unless such Business Day falls in the next calendar month, in which event, it shall be the immediately preceding Business Day).

The period beginning on (and including) the Closing Date and ending on (but excluding) the first Note Interest Payment Date and each successive period thereafter, beginning on (and including) a Note Interest Payment Date and ending on (but excluding) the next succeeding Note Interest Payment Date is called a "**Note Interest Period**".

Interest shall accrue on the Notes at the Rate of Interest, on the basis of the actual number of days in each Note Interest Period and a year of 365 days (or 366 days if the relevant Note Interest Period expires during a leap year).

(b) **Rate of Interest**

The rate of interest in respect of the Notes (the "**Rate of Interest**") for each Note Interest Period shall be 4.2%, being the Mid-Swap Rate as at 27 July 2016 plus 4% per annum.

For these purposes, the "**Mid-Swap Rate**" means the linear interpolation of EURO mid-swap rates, as displayed on the Bloomberg screen <ICAE> <GO> as soon as practicable after 11:00 am (London time) 2 Business Days before the Closing Date, for terms of 8 years and 9 years respectively, commencing on the Closing Date, with floating rate legs based on the 6 month EURIBOR rate.

(c) **Default Interest**

(i) If any sum due and payable by the Issuer hereunder is not paid on the due date therefor in accordance with the provisions of Condition 7 (*Payments*) or if any sum due and payable by the Issuer under any judgment of any court in connection herewith is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of the Issuer to pay such sum (the balance thereof for the time being unpaid being herein referred to as an "**unpaid sum**") is discharged shall be divided into successive periods, each of which, other than the first, shall start on the last day of the preceding such period and the duration of each of which shall, except as otherwise provided in this Condition 6(c)(i) (*Default Interest*), be selected by the Controlling Party, but shall in any event not be longer than one month.

(ii) During each such period relating thereto as is mentioned in Condition 6(c)(i) above, an unpaid sum shall bear additional default interest at a rate of 1.5% per annum over the rate of interest applicable to such sum.

(iii) Any interest which shall have accrued under Condition 6(c)(ii) above, in respect of an unpaid sum, shall be due and payable and shall be paid by the Issuer at the end of the period by reference to which it is calculated or on such other dates as the Controlling Party may specify by written notice to the Issuer.

(d) **Cessation of Interest**

Each Note will cease to bear interest from the due date for final redemption unless, upon due surrender of the relevant Note, payment of principal is improperly withheld or refused. In such case, it will continue to bear interest at such rate (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent or the Note Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 6(c) (*Default Interest*).

(e) **Role of Calculation Agent**

The Calculation Agent is required, pursuant to the terms of the Agency Agreement, to determine the amount of interest accruing on the Notes, from time to time.

7. **PAYMENTS**

(a) **Principal**

Payment of principal in respect of each Note will be made to the person shown as holder in the Register at the close of business on the Record Date and subject to the surrender (or, in the case of part payment only, endorsement on) of the relevant Definitive Note Certificate at the Specified Office of the Registrar or of the Paying Agent.

*Payments in respect of the Global Note Certificates will be paid in Euro to holders of interests in such Notes who hold such interests through a Clearing System (the "***Clearing System Holders***").*

A Clearing System Holder shall receive payments in respect of its interest in any Global Note Certificates in accordance with the relevant Clearing System's rules and procedures. None of the persons from time to time shown in the records of a Clearing System as the holder of a Note shall have any claim directly against the Issuer or the Note Trustee in respect of payments due on such Note whilst such Note is represented by a Global Note Certificate and the Issuer or the Note Trustee, as the case may be, shall be discharged by payment of the relevant amount to the registered holder of the relevant Global Note.

(b) **Interest**

Payments of interest in respect of each Note will be made to the person shown as holder in the Register at close of business on the Record Date.

(c) **Record Date**

"**Record Date**" means one Business Day before the due date for the relevant payment.

(d) **Payments**

Each payment in respect of the Notes pursuant to Conditions 6 and 8 will be made by transfer to a Euro account maintained by the holder of the relevant Note with a bank in London, as notified by the holder to the Specified Office of the Paying Agent not less than one Business Day before the due date for any payment in respect of a Note. The Paying Agent will be entitled, at any time, to rely on the most recent such notification by the relevant holder. However, in the absence of any notification, payment may be made by cheque drawn on branch of a bank in London and mailed to such holder at its address appearing in the Register.

Where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of payments referred to in Condition 8, on the Business Day on which the relevant Definitive Note Certificate is surrendered (or endorsed as the case may be) as specified in Condition 8 (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder).

Payments in respect of a Note represented by a Global Note Certificate will be made by transfer to a euro account maintained by the holder thereof with a bank in London. Payment instructions will be initiated on the due date for payment.

(e) **Paying Agent**, **Reference Banks and Calculation Agent**

The Issuer shall procure that, so long as any Notes are outstanding, there shall at all times be a Paying Agent and Calculation Agent for the purposes of the Notes. If the Paying Agent or Calculation Agent is unable or unwilling to continue to act as the Paying Agent or Calculation Agent, the Issuer shall with the prior approval of the Note Trustee appoint a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) **Agents**

The names of the initial Paying Agent, Calculation Agent and Registrar and their Specified Offices are set out in the Agency Agreement. The Issuer reserves the right under the Agency Agreement, at any time with the prior approval of the Note Trustee by giving to the Paying Agent, Calculation Agent and the Registrar at least 60 days' prior written notice, which notice shall expire at least 30 days both before and after a due date for payment in respect of the Notes, to vary or terminate the appointment of the Paying Agent, the Calculation Agent or the Registrar and to appoint successor or additional Paying Agent, Calculation Agent or another Registrar, provided that it will at all times maintain:

(i) a Paying Agent and Calculation Agent in London, United Kingdom; and

(ii) a Registrar.

Notice of any such removal or appointment and of any change in the Specified Office of any Paying Agent, Calculation Agent or Registrar will be given to Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable.

(g) **Payments Subject to Fiscal Laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(h) **Delay in Payment**

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for payment not being a Business Day or (ii) a cheque mailed in accordance with this Condition 7 (*Payments*) arriving after the due date for payment or being lost in the mail.

8. **REDEMPTION**

(a) **Redemption at maturity**

Unless previously redeemed in full and cancelled as provided below, the Issuer will redeem the Notes on the Note Interest Payment Date falling on 30 June 2032 (the "**Final**

Maturity Date") at an amount equal to the aggregate Outstanding Principal Amount of the Notes, plus accrued but unpaid interest thereon, (the "**Final Redemption Amount**").

(b) **Mandatory Scheduled Redemption**

(i) The Issuer shall, on each Note Interest Payment Date falling before the Final Maturity Date and any service of an Issuer Acceleration Notice (as defined in Condition 11(b)), redeem each Note in part, at a price equal to its Note Amortisation Amount, each such redemption being a "**Mandatory Scheduled Redemption**", plus accrued but unpaid interest thereon.

For the purposes of determining the Note Amortisation Amount, the principal due under this Condition 8(b)(i) in respect of each holding of EUR 100,000 on each Note Interest Payment Date shall be as follows, subject to any adjustment in accordance with Condition 8(c):

Note Interest Payment Date	**Note Amortisation Amount (per holding of EUR 100,000)**	**Note Interest Payment Date**	**Note Amortisation Amount (per holding of EUR 100,000)**
31-Dec-16	2,474.00	31-Dec-24	2,859.00
30-Jun-17	3,133.00	30-Jun-25	3,583.00
31-Dec-17	2,534.00	31-Dec-25	2,927.00
30-Jun-18	3,061.00	30-Jun-26	3,654.00
31-Dec-18	2,488.00	31-Dec-26	2,995.00
30-Jun-19	3,282.00	30-Jun-27	3,730.00
31-Dec-19	2,584.00	31-Dec-27	3,064.00
30-Jun-20	3,279.00	30-Jun-28	3,811.00
31-Dec-20	2,611.00	31-Dec-28	3,141.00
30-Jun-21	3,359.00	30-Jun-29	3,907.00
31-Dec-21	2,665.00	31-Dec-29	3,210.00
30-Jun-22	3,379.00	30-Jun-30	3,996.00
31-Dec-22	2,717.00	31-Dec-30	3,287.00
30-Jun-23	3,432.00	30-Jun-31	4,091.00
31-Dec-23	2,784.00	31-Dec-31	2,868.00
30-Jun-24	3,504.00	30-Jun-32	1,591.00

In respect of each Note, the principal due in respect of a Note shall be a "**Scheduled Note Amortisation Amount**" and a "**Note Amortisation Amount**" for such Note.

(ii) The Calculation Agent is required, pursuant to the Agency Agreement, to determine each Note Amortisation Amount for the purposes of this Condition 8(b).

(c) **Mandatory Prepayment**

(i) If, at any time, a Mandatory Prepayment Event has occurred and is continuing, the Issuer shall, in addition to any Mandatory Scheduled Redemption, further redeem each Note in part, at a price equal to its Mandatory Amortisation Amount plus accrued but unpaid interest on such Note on each Note Interest Payment Date.

(ii) If, at any time, a GSE Mandatory Prepayment Event has occurred and is continuing, the Issuer shall, in addition to any Mandatory Scheduled Redemption, further redeem each Note in full, at a price equal to its Outstanding Principal Amount multiplied by the Redemption Percentage determined in accordance with Condition 8(d)(ii), together with accrued but unpaid interest thereon.

For these purposes, the "**Mandatory Amortisation Amount**" for each Note shall be equal to the ratio of its Outstanding Principal Amount to the aggregate Outstanding Principal Amount of all Notes then outstanding multiplied by the Mandatory Prepayment Amount, where:

"**Mandatory Prepayment Amount**" means, on any Note Interest Payment Date, an amount equal to 50% of the balance standing to the credit of the Proceeds Account on the immediately preceding Calculation Date (and, for the avoidance of doubt, prior to the application of the Pre Acceleration Priority of Payments on such Note Interest Payment Date).

Further:

"**GSE Mandatory Prepayment Event**" means the occurrence of a GSE Trigger Event.

"**Mandatory Prepayment Event**" means (i) the occurrence of a GSE Event which shall be deemed to continue until the Note Interest Payment Date upon which the ADSCR determined pursuant to paragraph (b) of the definition thereof is equal to or greater than 1.45 under a P90 scenario and/or (ii) the LLCR is equal to or less than 1.45, and/or (iii) the first anniversary of the Closing Date has occurred and the Technical Adviser has not certified (which certification shall be final and binding on all parties) to the Note Trustee that a SCADA is in place.

Each Mandatory Amortisation Amount for each Note shall also be a "**Note Amortisation Amount**".

Any Mandatory Amortisation Amount, to the extent paid, will reduce, *pro rata* and *pari passu*, each Scheduled Note Amortisation Amount, so that the Final Maturity Date shall not change. For the avoidance of doubt, after any Mandatory Prepayment, the Outstanding Principal Amount of each Note shall be a whole number.

(iii) The Calculation Agent is required, pursuant to the Agency Agreement, to determine each Mandatory Amortisation Amount for the purposes of this Condition 8(c). Upon determining each Mandatory Amortisation Amount, the Calculation Agent shall recalculate the remaining Scheduled Note Amortisation Amounts and a new repayment schedule and notify the Issuer,

the Note Trustee, the Noteholders and each other Agent in accordance with Condition 15 (*Notices*).

(iv) If, at any time, Insurance Proceeds of greater than EUR 500,000 are received, and are paid into the Proceeds Account in accordance with Schedule 2, Part 1 (*Insurance Requirements*), Paragraph 5 (*Insurance Proceeds*) of each of the Note Subscription Agreements, then the Issuer shall, on the next Note Interest Payment Date, mandatorily prepay each Note for an amount equal to the ratio of its Outstanding Principal Amount to the aggregate Outstanding Principal Amount of all Notes then outstanding multiplied by the amount of such Insurance Proceeds received, together with accrued but unpaid interest thereon. For the avoidance of doubt, after any mandatory prepayment, the Outstanding Principal Amount of each Note shall be a whole number.

(v) If proceeding no. 6092/2014 R.G currently pending before the Supreme Administrative Court (*Consiglio di Stato*) is adversely determined in respect of TrovoSix S.r.l, then the Issuer shall, on the next Interest Payment Date, mandatorily redeem the Notes to the amount of EUR 1,000,000 multiplied by the Redemption Percentage determined in accordance with Condition 8(d)(ii), together with accrued but unpaid interest thereon.

(d) **Redemption at the Option of the Issuer**

(i) At any time on or after the second anniversary of the Closing Date, on giving not more than 90 nor less than 30 days' notice to the relevant Noteholders in accordance with Condition 15 (*Notices*) and to the Note Trustee and the Representative and provided that (i) on or prior to the Note Interest Payment Date on which such notice expires, no Issuer Acceleration Notice has been served and (ii) the Issuer has, immediately prior to giving such notice, certified (in accordance with Clause 7.14 of the Trust Deed) to the Note Trustee that it will have the necessary funds to pay all principal, premium (if any) and interest due in respect of the Notes on the relevant Note Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Note Interest Payment Date, the Issuer may redeem the Notes in whole (but not in part) on the next following Note Interest Payment Date at a price equal to:

(A) its Outstanding Principal Amount; multiplied by,

(B) the Redemption Percentage determined in accordance with Condition 8(d)(ii),

together with accrued but unpaid interest thereon, such redemption being an "**Optional Redemption**".

(ii) In respect of an Optional Redemption, the Calculation Agent will determine the Redemption Percentage (rounding the resulting figure to four decimal places, with the fifth decimal being rounded upwards) in accordance with the following definitions:

"**Redemption Percentage**" means, in respect of the Notes, the greater of:

(A) 100 per cent.; and

(B) the amounts equal to the price (as reported in writing to the Issuer and the Note Trustee by the Calculation Agent) expressed as a percentage (and rounded, if necessary, to three decimal places (0.0005 and higher being rounded upwards and otherwise being rounded downwards)) at which the Gross Redemption Yield on the relevant Notes on the Relevant Date is equal to the Redemption Rate on the Relevant Date.

"**Gross Redemption Yield**" means a yield calculated in accordance with then market practice for euro denominated securities of a similar nature to the Notes or on such other basis as the Controlling Party and the Issuer, may approve;

"**Redemption Rate**" means the Mid-Swap Rate (as defined in Condition 6(b)) plus 0.50%.

"**Relevant Date**" means two Business Days prior to the date of the relevant notice of prepayment by the Issuer.

(iii) The Calculation Agent is required, pursuant to the Agency Agreement, to determine each Note Amortisation Amount for the purposes of this Condition 8(d).

(e) **Optional redemption for taxation**

Without prejudice to Condition 9, if by reason of a change in law or regulations (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Note Interest Payment Date, the Issuer, or the Paying Agent on its behalf, would be required to deduct or withhold from any payment due under the Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any tax authority or other authority having the power to tax, then the Issuer shall provide the Note Trustee with an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to withhold or deduct such amounts as a result of such change in law or regulations and, if the same would avoid the effect of the event described in the preceding sentence, use its reasonable endeavours to appoint an additional or replacement Paying Agent in another jurisdiction and/or use its reasonable endeavours to arrange the substitution of the Issuer in accordance with and subject to the terms of Clause 7.12 (*Substitution of Issuer*) and Clause 9 (*Substitution*) of the Trust Deed with a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee, provided that the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders and provided further that if the relevant change of tax law event relates to the jurisdiction of incorporation or residency for Tax of any Noteholder, the Issuer shall not be obliged to take any action under this Condition 8(e) unless and until it has been indemnified and/or prefunded to its satisfaction by the relevant Noteholder for the Issuer's costs, expenses and liabilities that may arise from such action.

If the Issuer satisfies the Note Trustee (by the delivery of a certificate signed by two Directors of the Issuer, confirming that the conditions precedent to redemption set out in this Condition 8(e) have been met, together with the legal opinion referred to above) immediately before giving the notice referred to below that one or more of the events described in the first paragraph of this Condition 8(e) is continuing and that the appointment of a Paying Agent and/or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours,

the Issuer is unable to arrange such a substitution, then the Issuer may, on any Note Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*) and to the Note Trustee and having satisfied the Note Trustee (as provided above) that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Note Interest Payment Date, and to discharge all other amounts required to be paid by it on the relevant Note Interest Payment Date, redeem the Notes in whole (but not in part) on the next following Note Interest Payment Date at a price equal to:

(A) its Outstanding Principal Amount; multiplied by,

(B) the Redemption Percentage determined in accordance with Condition 8(d)(ii),

together with accrued but unpaid interest thereon, such redemption being an "**Optional Redemption**".

(f) **Outstanding Principal Amount**

(i) The Outstanding Principal Amount of a Note on any date shall be its original principal amount less the aggregate amount of all Note Amortisation Amounts and other principal payments (excluding any premium determined in accordance with Condition 8(d)(ii)) in respect of such Note which have become due and payable since the Closing Date except to the extent that any such payment has been improperly withheld or refused or default has otherwise been made in the payment thereof.

(ii) The Calculation Agent is required, pursuant to the terms of the Agency Agreement, to determine the Outstanding Principal Amount of the Notes from time to time.

(g) **Notice of redemption**

Any notice of redemption referred to in this Condition 8 shall be given pursuant to Condition 15 (*Notices*), be irrevocable and, upon expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. In the event of more than one notice being given, the first in time shall prevail.

(h) **Cancellation of Notes**

All Notes which are redeemed pursuant to this Condition will be cancelled and may not be reissued or resold. If and for so long as the Notes are admitted to trading on a stock exchange and the rules of such stock exchange so require, the Issuer shall promptly inform such stock exchange of the cancellation of any Notes under this Condition 8(h).

(i) **No other Redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 8.

9. **TAXATION**

(a) **Tax Gross Up**

(i) The Issuer shall make all payments to be made by it under the Notes without any Tax Deduction, unless a Tax Deduction is required by law.

(ii) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Note Trustee accordingly. If the Note Trustee receives notification from a Noteholder of a Tax Deduction being required in respect of a payment due to such Noteholder, it shall notify the Issuer accordingly.

(iii) If and to the extent a Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(iv) A payment under sub-clause (iii) above shall not be increased by reason of a Tax Deduction on account of tax imposed by Italy, if on the date on which the payment falls due the payment could have been made to the relevant Noteholder without a Tax Deduction if that Noteholder has been a Professional Investor which is resident in Italy or a Foreign Qualifying Holder, but on that date such Noteholder is not or has ceased to be a Professional Investor which is resident in Italy or Foreign Qualifying Holder, other than as a result of any change after the date it became a Noteholder in (or in the official interpretation, administration, or application of) any law or any published practice or published concession of any relevant taxing authority.

(v) If the Issuer is required to make a Tax Deduction, the Issuer shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(vi) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Issuer shall deliver to the Note Trustee and the relevant Noteholder evidence reasonably satisfactory to that Noteholder that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(b) **Tax indemnity**

(i) The Issuer shall (on the Note Interest Payment Date following demand by the relevant Noteholder) pay to a Noteholder an amount equal to the loss, liability or cost which that Noteholder determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Noteholder in respect of the Notes.

(ii) Sub-clause (i) above shall not apply:

(A) with respect to any Tax assessed on a Noteholder under the law of the jurisdiction in which that Noteholder is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Noteholder is treated as resident for tax purposes, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Noteholder; or

(B) to the extent a loss, liability or cost is compensated for by an increased payment under Condition 9(a) (*Tax gross-up*) or would have been so compensated for but was not solely because one of the exclusions in Condition 9(a)(iv) applied.

(iii) A Noteholder making, or intending to make a claim under paragraph (i) above shall be required promptly notify the Note Trustee of the event which will give, or has given, rise to the claim, following which the Note Trustee shall notify the Issuer.

10. **PRESCRIPTION**

Claims in respect of principal and interest in respect of a Global Note will become void unless the relevant Global Note Certificate is surrendered for payment as within a period of 10 years in the case of principal and five years in the case of interest from the appropriate due date.

Claims in respect of principal and interest in respect of a Definitive Note will become void unless the relevant Definitive Note Certificate is surrendered for payment as required by Condition 7(a) (*Principal*) within a period of 10 years in the case of principal and five years in the case of interest from the appropriate due date.

11. **EVENTS OF DEFAULT**

(a) ***Events of Default***

The occurrence of any of the following events shall constitute a "**Note Event of Default**":

(i) *Non-payment*

(A) The Issuer does not pay on the due date any amount payable pursuant to a Transaction Document at the place and in the currency in which it is expressed to be payable unless such amount (together with any Default Interest and any other amounts due) are paid within 3 Business Days of the due date.

(B) Any other Finance Group Company does not transfer funds from its Revenue Account to the Proceeds Account in accordance with the relevant Cash Pooling Agreement unless such transfer is made paid within 3 Business Days of the due date.

(C) Any other Finance Group Company does not pay on the due date any amount payable pursuant to any other Transaction Document at the place and in the currency in which it is expressed to be payable unless such amount (together with any Default Interest and any other amounts due) are paid within 20 Business Days of the due date.

(ii) *Other Obligations*

(A) A Finance Group Company does not comply with any provision of the Transaction Documents (other than those referred to in paragraph 11(a)(i) (*Non-payment*)) or is in breach of any representation or warranty under the Transaction Documents and such failure to comply or breach causes a Material Adverse Effect.

(B) No Note Event of Default under paragraph (A) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the date of breach.

(iii) *Breach of Financial Ratios*

On any Note Interest Payment Date:

(A) ADSCR is less than 1.0:1; and/or

(B) LLCR is less than 1.0:1,

unless, in each case, such breach is remedied within 10 Business Days after the relevant update of the Base Case in accordance with the terms of the Transaction Documents.

(iv) *Misrepresentation*

(A) Any representation or warranty made by the Issuer under these Conditions or by the Issuer, an OpCo, the Parent or the Sponsor under any other Transaction Document to which it is a party or any other document delivered by or on behalf of the Issuer, an OpCo, the Parent or the Sponsor under or in connection with any Transaction Document is or proves to have been incorrect or misleading in any respect when made or deemed to be made;

(B) No Note Event of Default under paragraph (A) above will occur if the circumstances resulting in breach of the relevant representation are capable of remedy and are remedied within 15 days of the date of such breach.

(v) *Cross Default*

(A) Any Financial Indebtedness owed by any Finance Group Company to any one creditor which, in aggregate, is equal to or greater than €100,000 is not paid when due, nor within any originally applicable grace period, unless such Finance Group Company is contesting the same on reasonable grounds and has provided evidence satisfactory to the Controlling Party that it has adequate reserves to pay such Financial Indebtedness, together with any default interest or penalty that is reasonably likely to accrue thereon.

(B) Any Financial Indebtedness owed by any Finance Group Company to any one creditor which, in aggregate, is equal to or greater than €100,000 is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(C) Any commitment for any Financial Indebtedness given to any Finance Group Company is cancelled or suspended by a creditor as a result of an event of default (however described).

(D) No Note Event of Default will occur under this Condition 11(a)(v) if:

(1) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than €200,000 in aggregate for all Finance Group Companies (or its equivalent in any other currency or currencies); or

(2) the relevant Financial Indebtedness falls within paragraph (d) or (e) of the definition of Permitted Financial Indebtedness.

(vi) *Insolvency*

(A) A Finance Group Company or a Project Party is unable or admits inability to pay its debts as they fall due, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (other than a Finance Party, with respect to amounts owing to it under the Transaction Documents) with a view to rescheduling any of its indebtedness.

(B) The value of the assets of any Finance Group Company or a Project Party is less than its liabilities (taking into account contingent and prospective liabilities).

(C) A moratorium is declared in respect of any indebtedness of any Finance Group Company or Project Party.

(D) No Note Event of Default under paragraphs (A), (B) or (C) above will occur if such circumstances occur in respect of a Project Party only and such circumstances do not cause a Material Adverse Effect or if such circumstances cause a Material Adverse Effect, the said Project Party is replaced within 45 days, such replacement Project Party being reputable and qualified in the Italian market.

(vii) *Insolvency Proceedings*

(A) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(1) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Finance Group Company or Project Party;

(2) a composition, compromise, assignment or arrangement with any creditor of any Finance Group Company or Project Party as a result of such Finance Group Company or Project Party (as applicable) encountering financial difficulties;

(3) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Finance Group Company or any Project Party or any of such Finance Group Company or Project Party's assets; or

(4) enforcement of any Security over any assets of any Finance Group Company or Project Party,

or any analogous procedure or step is taken in any jurisdiction.

(B) Condition 11(a)(vii) above shall not apply to any winding-up petition or application for administration which is, in the reasonable opinion of the Note Trustee, frivolous or vexatious or contested in good faith and is discharged, stayed or dismissed within 10 days of commencement.

(C) No Note Event of Default under paragraph (A) above will occur if such circumstances occur in respect of a Project Party only and such circumstances do not cause a Material Adverse Effect or if such circumstances cause a Material Adverse Effect, the said Project Party is replaced within 45 days, such replacement Project Party being reputable and qualified in the Italian market.

(viii) *Creditors' Process*

(A) Any expropriation, attachment, sequestration, execution or other enforcement action affects any asset or assets of a Finance Group Company or a Project Party having an aggregate value of €1,000,000.00 and is not discharged within 10 days, unless such process is frivolous or vexatious or contested in good faith and is discharged, stayed or dismissed within 10 days of commencement.

(B) No Note Event of Default under paragraph (A) above will occur if such circumstances occur in respect of a Project Party only and such circumstances do not or are unlikely to cause a Material Adverse Effect or if such circumstances cause a Material Adverse Effect, the said Project Party is replaced within 45 days, such replacement Project Party being reputable and qualified in the Italian market.

(ix) *Change of Control*

(A) An OpCo is not or ceases to be a wholly-owned Subsidiary of the Issuer or the Issuer transfers or assigns any of the economic benefit in any of the OpCos.

(B) The Issuer is not or ceases to be a wholly owned Subsidiary of the Parent or the Parent transfers or assigns any of the economic benefit in the Issuer.

(C) The Sponsor disposes of its shares or transfers or assigns any of the economic benefit in the Parent without the consent of the Controlling Party (not to be unreasonably withheld)

(x) *Unlawfulness and Invalidity*

(A) It is or becomes unlawful for a Finance Group Company or the Parent to perform any of its obligations under the Transaction Documents or any subordination under the Subordination Deed is or becomes unlawful.

(B) Any Transaction Document is or becomes null, void or ineffective or is alleged by a Finance Group Company or the Parent to be null, void or ineffective.

(xi) *Repudiation*

A Finance Group Company repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document.

(xii) *Cessation of Business*

A Finance Group Company ceases, or threatens to cease, to carry on business.

(xiii) *Expropriation*

(A) All or substantially all of the assets, or all or any shares, of:

(1) the Issuer; or

(2) any Finance Group Company other than the Issuer or any Project Party,

are nationalised, expropriated (lawfully or unlawfully), compulsorily acquired, taken, confiscated or seized, (including by a regulatory act), in each case, without compensation, by any government or any other governmental or public sector agency or body.

(xiv) *Major damage*

Any part of the Project is destroyed or damaged and in the reasonable opinion of the Controlling Party, taking into account the amount and timing of receipt of the proceeds of insurance effected in accordance with these Conditions, the destruction or damage has or is reasonably expected to have a Material Adverse Effect and either no reimbursement is payable or inadequate reimbursement is payable or paid under any insurance policy.

(xv) *Permits*

(A) A Permit is revoked, suspended, cancelled, not renewed, terminated (whether in whole or in part) or otherwise ceases to be in full force and effect and such revocation, suspension, cancellation, cessation or termination:

(1) causes a Material Adverse Effect and such Permit is not restored within 30 days after such revocation, suspension, cancellation, cessation or termination; or

(2) does not cause a Material Adverse Effect but is reasonably like to do so.

(B) A Permit is modified, amended or renewed on terms which has a Material Adverse Effect.

(xvi) *Project Contracts*

(A) It is or becomes unlawful for a Finance Group Company to perform any of its material obligations under any Project Contract or the *Conto Energia* Concession.

(B) Without prejudice to paragraph (J) below, no Note Event of Default under paragraph (A) above will occur if (a) the events or circumstances which have led to the unlawfulness are capable of remedy and are remedied within 30 days of the obligation becoming unlawful.

(C) A Project Party or the GSE fails to perform, comply with or otherwise breaches any of its obligations under any Project Contract and/or the *Conto Energia* Concession (as applicable) and such breach or failure to perform and/or comply has a Material Adverse Effect.

(D) Without prejudice to paragraph (J) below, no Note Event of Default under paragraph (C) above will occur if, the events or circumstances which have led to such events or circumstances are capable of remedy and are remedied within 30 days of the occurrence of such event or circumstance.

(E) Any party serves a termination notice in respect of a Project Contract or a Project Contract or the *Conto Energia* Concession is terminated and such action causes a Material Adverse Effect.

(F) Without prejudice to paragraph (J) below, no Note Event of Default will occur under paragraphs (E) above if, within 45 days of the occurrence of such events and circumstances, the relevant Project Contract is replaced by another agreement or agreements with the same person or other person or persons who are reputable and qualified in the Italian market, in each case, upon equivalent terms or if such terms are not equivalent, on terms reasonably acceptable to the Controlling Party.

(G) Without prejudice to paragraph (J) below, any Project Contract or the *Conto Energia* Concession is or becomes null, void or ineffective or is alleged by a Finance Group Company to be null, void or ineffective and such circumstance causes a Material Adverse Effect.

(H) No Note Event of Default under paragraph (G) above will occur if the events or circumstances which have led such events or circumstances if the relevant Project Contract is replaced by another agreement or agreements in a form and substance on substantially the same terms as the relevant Project Contract agreements with the same person or other person or persons who are reputable and qualified in the Italian market or otherwise with the consent of the Controlling Party, in each case within 30 days of the Project Contract becoming null, void or ineffective.

(I) Any replacement of a Plant Maintenance Contractor or a Power Purchaser and/or a termination of any Plant Maintenance Agreement or Power Purchase Agreement.

(J) No Note Event of Default under paragraph (I) above will occur where the PPA Replacement Conditions (in respect of the replacement of a

Power Purchaser or termination of a Power Purchase Agreement) or Plant Maintenance Replacement Conditions (in respect of the replacement of a Plant Maintenance Contractor or termination of a Plant Maintenance Contract) are satisfied (in the case of the PPA Replacement Conditions, as determined by the Technical Adviser).

(xvii) *Security*

(A) Any Security Document is not in full force and effect or does not create in favour of the Note Trustee, the Representative or the Finance Parties the Security which it is expressed to create with the ranking and priority it is expressed to have; or

(B) any security created under any of the Italian Security Documents is not perfected within the timeline indicated in the relevant Italian Security Document.

(C) any of the assignment agreements by way of security of the feed in tariffs and/or all included tariff towards the GSE is not (i) notified to the GSE within 5 Business Days on its execution or (ii) accepted by the GSE within one year from the date of its notification.

(xviii) *Litigation*

Any claim, litigation, dispute, arbitration or administrative proceeding (which the Issuer has determined in good faith is not being of a frivolous or vexatious nature) of or before any court, arbitral body, agency or other Competent Authority is started or threatened in writing against a Finance Group Company which, if adversely determined, could reasonably be expected to have, a Material Adverse Effect; provided that if such claim, litigation, dispute, arbitration or administrative proceeding is being contested in good faith by the relevant Finance Group Company and such Finance Group Company has provided evidence satisfactory to the Representative and the Controlling Party that it has adequate reserves or insurance to cover any reasonably likely damages and costs, there shall be no Event of Default until such claim, litigation, dispute, arbitration or administrative proceeding has been finally determined by a competent court or tribunal of appeal.

(xix) *Insurance*

(A) Any Insurance Policy is not, or ceases to be, in full force and effect at any time when it is required to be in effect.

(B) Any insurer of any Insurance Policy avoids or suspends, or becomes entitled to avoid or suspend, any Insurance Policy or any claim under it or otherwise to reduce its liability under any Insurance Policy or any insurer of any Insurance Policy is not bound, or ceases to be bound, to meet its obligations in full under any Insurance Policy (any such event being a "**voiding of insurance**"); provided that if the voiding of insurance has been challenged in good faith within 30 days of the relevant Finance Group Company being aware of such voiding of insurance, there shall be no Note Event of Default under this Condition 11(a)(xix) until the sooner of such voiding of insurance having been

confirmed by a competent court or tribunal of appeal or 20 Business Days from the date of such challenge.

(C) Any insurer of any Insurance Policy ceases or ceases to be able to pay its debts as they fall due.

(D) No Note Event of Default under paragraphs (A), (B) or (C) will occur if (I) the relevant Finance Group Company has put in place, within 20 Business Days of such events and circumstances replacement insurance(s) which comply with the requirements of Part 1 Schedule 2 (*Insurance Requirements*) of each of the Note Subscription Agreements.

(xx) *Environmental*

(A) A Finance Group Company fails to comply with any Environmental Law and/or there is an occurrence at a Plant which has consequences affecting the Environment.

(B) No Note Event of Default under paragraph (A) above will occur if the breach of Environmental Law and/or the effect on the Environment is capable of remedy and is remedied within the applicable limits prescribed by law and provided that there is no Material Adverse Effect.

(xxi) *Remediation Plan*

(A) The Controlling Party reasonably rejects the Remediation Plan proposed by a Finance Group Company pursuant to Condition 5(ad) (*Remediation*), or

(B) A Remediation Event has occurred,

and the relevant Finance Group Company does not resolve the situation to the reasonable satisfaction of the Controlling Party within 45 days of such rejection.

(xxii) *Material Adverse Effect*

(A) Any one or more events occur or circumstances arise which (i) is not expressly described in any other Note Event of Default, and (ii) has a Material Adverse Effect.

(B) No Note Event of Default under paragraph (A) above will occur if the events or circumstances which have a Material Adverse Effect are capable of remedy and are remedied within 45 days of the occurrence of such event or circumstance.

(xxiii) *Delisting*

(A) Any act or decision of the Issuer as a consequence of which the Notes are excluded from listing on the ExtraMot PRO Segment.

(b) **Acceleration**

If a Note Event of Default occurs and is continuing, then the Controlling Party at its discretion may and shall:

(i) if directed in writing by holders of at least half of the aggregate Outstanding Principal Amount of the Notes then Outstanding; or

(ii) if so directed by an Extraordinary Resolution of the Noteholders,

(in all cases subject to the Note Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction), deliver (or, where applicable, direct the Note Trustee to deliver) a written notice (an "**Issuer Acceleration Notice**") to the Issuer and each other Finance Group Company, copied to the Agents and the Cash Manager, declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality; provided that, for the avoidance of doubt, the Note Trustee shall not be required to deliver an Issuer Acceleration Notice unless expressly instructed and indemnified to do so in accordance with this Condition 11(b).

12. **ENFORCEMENT**

(a) **Provisions in the Security Documents**

The Security Documents contain provisions relating to the enforcement of the Security. The provisions in this Condition 12 (*Enforcement*) are summaries of, and are qualified in their entirety by, the detailed provisions of the Security Documents.

(b) **Security Becoming Enforceable**

The Security constituted under the Security Documents shall become enforceable upon delivery of an Issuer Acceleration Notice pursuant to Condition 11(b) (*Acceleration*).

(c) **Enforcement**

At any time after the Notes become due and payable and the Security under the Security Documents become enforceable, the Note Trustee (in respect of the English Security Document) and the Representative (in respect of the Italian Security Documents) shall, at the direction of the Noteholders acting by an Extraordinary Resolution take such actions or steps, institute proceedings against the Issuer, the OpCo's and the Parent or any of them, to enforce the terms of the Security Documents and realise and/or otherwise liquidate or sell the Charged Property in whole or in part and/or take such action as may be permitted under applicable laws against the Issuer, the OpCo's and the Parent, or any of them, in respect of the Charged Property and/or take any other action to enforce the Security pursuant to the Security Documents (such action, "**Enforcement Action**", which term includes any other action which the Note Trustee (in respect of the English Security Document) and/or the Representative (in respect of the Italian Security Documents) may deem to fall within such definition), in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 16(b) (*Entitlement of the Note Trustee and the Representative and Conflicts of Interest*)) to the effect of such action on individual Noteholders, provided however that the Note Trustee and the Representative shall not be bound to institute any such proceedings or take any such other action unless it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities,

proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses (including properly incurred legal fees, together in each case, with any applicable value added tax (or similar) thereon) which may be incurred by it in connection therewith.

The Note Trustee and the Representative shall notify the Issuer and the Agents pursuant to Clause 16 (*Communications*) of the Trust Deed and the Noteholders in accordance with Condition 15 (*Notices*) in the event that it takes Enforcement Action at any time. The Representative will promptly transfer to the Note Trustee the aggregate proceeds of enforcement of the Italian law Security and the Note Trustee will apply the aggregate proceeds of enforcement of the Security, together with all moneys or other assets held by the Note Trustee in respect of amounts falling due under the Notes, in accordance with the Post-Acceleration Priority of Payments set out in Part 5 Schedule 2 to the Cash Management Agreement.

13. REPLACEMENT OF NOTES

If any Definitive Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar or the Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Note Certificates must be surrendered before replacements will be issued.

14. MEETINGS OF NOTEHOLDERS; MODIFICATION, WAIVER AND SUBSTITUTION

(a) General

In accordance with the rules of the Italian Civil Code, this Condition contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes.

Officers and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings but not participate or vote with reference to the Notes held by the Issuer. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether or not they are present at the meeting.

A representative of the Noteholders (*rappresentante comune*) (the "**Representative of Noteholders**"), subject to applicable provisions of Italian law, can be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Representative of Noteholders is not appointed by a meeting of such Noteholders, the Representative of Noteholders can be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the Board of Directors of the Issuer. The Representative of Noteholders remains appointed for a maximum period of three years but may be reappointed again thereafter.

The Note Trustee and the Issuer may agree, without the consent of the Noteholders, to:

(i) any modification (except a Basic Terms Modification) of the Notes or Transaction Documents which is not in the opinion of the Note Trustee prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes or Transaction Documents which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In any case, the provisions of this Condition 14 are subject to, to the extent applicable, the Issuer's by-laws (*statuto*) in force from time to time and in any event, to mandatory provisions of Italian law, including (without limitation) those set out in the Italian Financial Act.

For the purposes of calculating a period of Clear Days in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

Unless differently specified all references in this Condition 14 to a "meeting" shall, where the context so permits, include any relevant adjourned meeting.

(b) **Evidence of entitlement to attend and vote**

The entitlement of any Eligible Voter to attend a meeting is subject to the notification stated under provisions contained in Article 83-sexies, first paragraph, of the Italian Financial Act.

A holder of a Note (whether in definitive form or represented by a Global Note) may require the Paying Agent to issue Voting Certificates and Voting Instructions in accordance with the terms of paragraph (c) below.

For the purposes of paragraph (c) below, the Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a Clearing System and shall have no liability to any Noteholder or other person for any loss, damage, cost, claim or other liability occasioned by its acting in reliance thereon, nor for any failure by a Clearing System to deliver information or instructions to the Paying Agent.

The proxies named in any Voting Instruction or Voting Certificate shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Notes to which such Voting Certificate or Voting Instruction relates.

(c) **Procedure for issue of voting certificates, voting instructions and proxies**

Any Eligible Voter may obtain a Voting Certificate or require the Paying Agent to issue a Voting Instruction (i) no later than close of business two Business Days before the date fixed for the relevant meeting or (ii) no later than any different period before the date fixed for the relevant meeting, which may be set forth under any applicable law (including, without limitation, any applicable provision of the Italian Financial Act) by

depositing such Note with the Registrar (if the Notes are in definitive form) or by making appropriate arrangements with the Clearing Systems in accordance with their internal procedures (if the Notes are represented by Global Notes).

So long as a Voting Certificate or Voting Instruction is valid, the proxy named therein shall be deemed to be the holder of the Notes to which it relates for all purposes in connection with the meeting. A Voting Certificate and a Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

(d) **Validity of voting certificates and of voting instructions**

Any Voting Certificates and Voting Instructions shall be valid only if deposited at the Specified Office of the Registrar or at some other place approved by the Paying Agent, at least by close of business of the second business day before the time fixed for the relevant meeting or the chairman decides otherwise before the meeting proceeds to business.

Notwithstanding the above, any Voting Certificates and Voting Instructions shall be valid if notified at the Specified Office of the Issuer by close of business of the second business day before the date fixed for the relevant meeting or at any time before the meeting in a manner considered acceptable by the Issuer, the relevant Clearing System or the Paying Agent, as applicable.

If the Paying Agent or the Registrar requires, a notarised copy of each Voting Instruction and of each Voting Certificate and satisfactory proof of the identity of each proxy named in the Voting Instruction or Voting Certificate shall be produced to them, but the Paying Agent and the Registrar shall not be obliged to investigate the validity of any Voting Instruction or of any Voting Certificate or the authority of any proxy.

(e) **Convening of meetings, quorum and adjourned meetings**

(i) Subject to mandatory provisions of Italian law, the directors of the Issuer or the Representative of Noteholders may at any time, and shall upon a requisition in writing signed by the holders of not less than one-twentieth of the principal amount of the Notes for the time being outstanding, convene a meeting and, if the directors of the Issuer or the Representative of Noteholders defaults in convening such a meeting following such requisition, the same shall be convened by the competent court in accordance with Article 2367, paragraph 2, of the Italian Civil Code. Whenever the directors of the Issuer or the Representative of Noteholders are about to convene any such meeting, the Issuer shall forthwith give notice in writing to the Noteholders of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such place as provided pursuant to Article 2363 of the Italian Civil Code.

(ii) At least 30 Clear Days' notice, or such different term as provided for by applicable mandatory Italian laws, specifying the place, day and hour of meeting, including any adjourned meeting in accordance with the provisions of Italian law and the Issuer's by-laws in force from time to time is required before any meeting. Such notice, which shall be in the Italian language with English translation, shall state generally the nature of the business to be transacted at the meeting thereby convened and shall either specify the terms of any resolution to be considered at the meeting or state fully the effect on the Noteholders of any such resolution if passed. Such notice shall include

statements as to the manner in which Noteholders may arrange for Voting Certificates or Voting Instructions to be issued and all other information required to be included in such notice pursuant to the applicable laws and regulations. Notices of all meetings shall also be published and given in any other manner pursuant to the Issuer's by-laws and the law and regulations applicable from time to time. A copy of the notice shall be sent by registered post to the Issuer (unless the meeting is convened by the directors of the Issuer) and to the Representative of Noteholders (unless the meeting is convened by the Representative of Noteholders and to the Note Trustee).

(iii) Subject to mandatory provisions of Italian law, a person (who may, but need not, be a Noteholder) nominated pursuant to Article 2371 of the Italian Civil Code or in writing by the Representative of Noteholders shall be entitled to take the chair at a meeting, but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed the meeting, the Noteholders present shall choose by a majority vote one of their number to be chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.

(iv) In accordance with Article 2415 of the Italian Civil Code, and in addition to the matters described in paragraph (v) below, meetings of the Noteholders may resolve (*inter alia*): (a) to appoint or revoke the appointment of the Representative of Noteholders ("*rappresentante comune*"); (b) to modify the Conditions (as provided below); (c) to approve motions for "*Concordato*", as set forth in the bankruptcy laws of Italy; (d) to establish a fund for the expenses necessary for the protection of common interests of the Noteholders and related statements of account; and (e) to pass a resolution concerning any other matter of common interest to the Noteholders.

(v) The constitution of meetings and the validity of resolutions thereof shall be governed pursuant to the Italian Civil Code and the Issuer's by-laws in force from time to time. Italian law currently provides that (subject as provided below):

(A) the quorum required to pass a resolution at a first meeting convened to vote on Ordinary Resolution will be one or more persons holding or representing more than 10% of the aggregate nominal amount of the Notes for the time being outstanding. The majority required to pass a resolution at a first meeting convened to vote on an Ordinary Resolution will be one or more persons holding or representing more than 50% of the aggregate nominal amount of the Notes for the time being outstanding represented at the meeting;

(B) in case of an adjourned meeting, such meeting will be validly held if there are one or more persons present being or representing Noteholders holding more than 5 per cent. of the aggregate nominal amount of the Notes for the time being outstanding. The majority required to pass a resolution at an adjourned meeting convened to vote on any resolution will be one or more persons holding or representing at least one third of the aggregate nominal amount of the Notes for the time being outstanding represented at the meeting (such resolution, together with that described in subparagraph (A) above, being an Ordinary Resolution), provided, however, that certain proposals may

only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders if there are one or more persons present being or representing Noteholders holding not less than one-half of the aggregate nominal amount of the Notes for the time being outstanding;

(C) the majority required at any such meeting (including any adjourned meetings) for passing an Extraordinary Resolution shall (subject as provided below) be such number of votes as may be cast by one or more Eligible Voters present holding or representing at least two-thirds of the aggregate nominal amount of the Notes outstanding represented at the meeting, **PROVIDED THAT** at any meeting (including adjourned meetings as provided under Article 2415 of the Italian Civil Code) the business of which includes a modification to the Conditions of the Notes as provided under Article 2415, first paragraph, number 2, of the Italian Civil Code, (including, for the avoidance of doubt, (a) any reduction or cancellation of the amount payable or, where applicable, modification, of the method of calculating the amount payable or modification of the date of maturity or redemption or any date for payment of interest or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes or of the provisions relating to the status, and (b) any alteration of the currency in which payments under the Notes are to be made or the denomination of the Notes) or any of the following matters:

(1) alteration of the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution;

(2) the sanctioning of any scheme or proposal or substitution as is described in paragraphs (f)(ix)(F) and (f)(ix)(G) below:

(3) alteration of this proviso;

(4) any change in the Priorities of Payments (including modification of interest or principal payable on the Notes);

(5) any extension or modification of the Final Maturity Date;

(6) any modification to the Rate of Interest or in the amount of any payment of principal, interest, fees or commission payable;

(7) any forgiving, or the postponement of any interest or principal of the Notes;

(8) the making of any further advances;

(9) any waiver or amendment that has the effect of waiving a Note Event of Default; and

(10) any waiver or amendment that has the effect of impairing or affecting the right of a Noteholder to institute any suit for

payment on or after such payment's due date unless the Note Trustee commences such suit on behalf of all Noteholders.

(such matters, together with those matters listed in paragraph (C) above, being a "**Basic Terms Modification**", each of which shall only be capable of being effected after having been approved by Extraordinary Resolution) the quorum of the meetings and the majority required to pass the requisite Extraordinary Resolution shall be votes cast by one or more persons present holding or representing in the aggregate not less than 100 per cent. of the nominal amount of the Notes for the time being outstanding as set out in the second sentence of the third paragraph of Article 2415 of the Italian Civil Code referring to any resolution for the purpose of making a modification to the Conditions of the Notes; and

(D) if within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved.

(f) **Conduct of business at meetings**

(i) Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the chairman, the Issuer, the Representative of Noteholders or any Eligible Voter (whatever the amount of the Notes so held or represented by him).

(ii) At any meeting, unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(iii) Subject to paragraph (v) below, if at any such meeting a poll is so demanded, it shall be taken in such manner and, subject as hereinafter provided, either at once or after an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

(iv) The chairman may with the consent of (and shall, if directed by) any such meeting, adjourn the same from time to time and from place to place; but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

(v) Any poll demanded at any such meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

(vi) The Representative of Noteholders, the Note Trustee, its lawyers and financial advisors and any director, statutory auditor or officer of the Issuer, its lawyers and financial advisors, any director or officer of any of the Paying Agents and any other person authorised so to do by the Note Trustee or, if appointed, the Representative of Noteholders may attend and speak at any meeting. Save as aforesaid, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting unless he is an Eligible Voter.

(vii) At any meeting:

(A) on a show of hands, every Eligible Voter present shall have one vote; and

(B) on a poll, every Eligible Voter present shall have one vote;

in each case in respect of each €1.00 (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Representative of Noteholders or, if none, the Note Trustee in its absolute discretion may stipulate), in nominal amount of the Notes held or represented by such Eligible Voter.

Without prejudice to the obligations of the proxies named in any Voting Instruction or voting certificate, any Eligible Voter entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

(viii) The proxies named in any Voting Instruction or Voting Certificate need not be Noteholders. Nothing herein shall prevent any of the proxies named in any Voting Instruction from being a director, officer or representative of or otherwise connected with the Issuer.

(ix) A meeting shall, in addition to the powers hereinbefore given, have the following powers by Extraordinary Resolution (subject to the provisions relating to quorum and majorities contained in paragraph (e) above), namely:

(A) power to sanction any compromise or arrangement proposed to be made between the Issuer and the Noteholders or any of them;

(B) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders or the Issuer against any other or others of them or against any of their property whether such rights arise under these presents or otherwise;

(C) power to assent to any modification of the provisions of these presents which is proposed by the Issuer or any Noteholder;

(D) power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution;

(E) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

(F) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash; and

(G) power to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under these presents save for a solvent reorganisation of the Issuer adopted or implemented pursuant to any mandatory provisions of law.

(x) Any resolution (i) passed at a meeting of the Noteholders duly convened and held, or (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by Noteholders through the relevant Clearing System(s) in accordance with these provisions shall be binding upon all the Noteholders whether or not present or whether or not represented at such meeting referred to in (i) above and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 15 (*Notices*) by the Issuer within 14 days of such result being known, **PROVIDED THAT** the non-publication of such notice shall not invalidate such result.

(xi) Minutes of all resolutions and proceedings at every meeting shall be drawn up by a notary public, registered in the competent trade register and made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or such proceedings transacted, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.

(xii) A resolution in writing signed or voting instructions provided in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg) for electronic voting:

(A) in the case of an Ordinary Resolution, by or on behalf of the Noteholders of 50 per cent. of the nominal amount of the Notes outstanding;

(B) in the case of an Extraordinary Resolution falling within the proviso in Condition 14(e)(C) above, by or on behalf of the Noteholders of two-thirds of the nominal amount of the Notes outstanding; and

(C) in the case of an Extraordinary Resolution falling within the proviso in Condition 14(e)(C) above, by or on behalf of the Noteholders of 100 per cent. of the nominal amount of the Notes outstanding,

shall for all purposes be as valid and effective as an Ordinary Resolution or Extraordinary Resolution (as the case may be) passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained herein.

15. NOTICES

Save as differently provided by any applicable law and/or regulation, any communication of the Issuer and/or any of the OpCos to the Note Trustee, Noteholders and/or Representative and/or Representative of Noteholders (if appointed) shall be considered as validly executed if made through the publication on the Issuer's website being www.talesunenergy.com, and in compliance with the formal requirements set forth by the ExtraMOT Market and further, in the case of the Note Trustee, if sent to it in accordance with the notice provisions set out in the Trust Deed.

Without prejudice for what indicated in the previous paragraph, so long as the Notes are represented by a Global Note Certificate and held by a Clearing System, notices to Noteholders will additionally be given by delivery of the relevant notice to such Clearing System for communication by it to entitled accountholders in substitution for notification as required by this Condition 15 save for any documents, notices or information which are required by these Conditions to be "made available" and which shall be so available if published as specified in the paragraph above.

Any notice to be published by the Note Trustee while the Notes are in definitive form will be sent by mail to the addresses appearing in the Register and will be deemed delivered on the seventh day after posting.

16. NOTE TRUSTEE AND THE REPRESENTATIVE

(a) Indemnification

Under the Trust Deed and, as applicable, the Security Documents, the Note Trustee and the Representative are entitled to be indemnified and/or prefunded and/or secured to their satisfaction prior to taking any proceedings, step or any action and to be paid their costs and expenses in priority to the claims of the Noteholders under any Transaction Document, including the Direct Agreements.

(b) Entitlement of the Note Trustee and the Representative and Conflicts of Interest

Notwithstanding whether or not it is expressly stated in these Conditions, but save where it is expressly provided otherwise in connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition), the Note Trustee and the Representative shall act at the direction of the Noteholders acting by Ordinary Resolution or Extraordinary Resolution where specified in the Transaction Documents without having regard to the effect of such action on the interest of other Secured Creditors. The Note Trustee and the Representative shall not have regard to the consequences of such action for individual Noteholders and no Noteholder or Secured Creditor shall be entitled to claim, from the Issuer, the Note Trustee or the Representative or any other person any indemnification or payment in respect of any tax consequence of any such action upon individual Noteholders.

In the event that the Note Trustee or the Representative receives conflicting or inconsistent requests from two or more groups of Noteholders, each representing not

more than 50 per cent. by principal amount of Notes, the Note Trustee or the Representative, shall comply with the instructions of the group which holds the greater amount of Notes outstanding. In the case of equality of votes, the chairman of the meeting shall have a casting vote in addition to the vote or votes which he may have as a Noteholder on both a show of hands and on a poll.

(c) **Failure to act**

Noteholders may institute any proceedings against the Issuer to enforce their rights under or in respect of the Notes, or the Charged Property only if: (i) the Note Trustee or the Representative, as applicable, has become bound to institute proceedings and has failed to do so within a reasonable time of becoming so bound; and (ii) such failure is continuing.

(d) **Confidentiality**

Unless ordered to do so by a court of competent jurisdiction, the Note Trustee or the Representative shall not be required to disclose to any Noteholder any confidential financial or other information made available to the Note Trustee or the Representative by the Issuer.

(e) **Instructions to the Note Trustee**

Under the Trust Deed, the Note Trustee and the Representative are entitled to request consent, approval or directions from the Noteholders by Ordinary Resolution in relation to a request for instructions or consent from the Issuer, the OpCo's or the Parent under the Transaction Documents, unless, in each of the above cases, the request for instructions relates to a Basic Terms Modification or another matter expressed to be the subject of an Extraordinary Resolution, in which case such request, consent, approval or directions are required to be given by Extraordinary Resolution. In the absence of the Note Trustee's gross negligence or wilful default, the Note Trustee shall not be liable for any failure to give instructions or consent to the Issuer, the OpCo's or the Parent, as the case may be, in the absence of consent, approval or directions from the Noteholders, as described in this paragraph.

(f) **Indemnification and exoneration of the Note Trustee and the Representative**

The Trust Deed and the Security Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Representative, including provisions relieving them from taking action or enforcing the Security unless indemnified and/or prefunded and/or secured to their satisfaction.

(g) **Other commercial transactions**

The Trust Deed and the Security Documents contain provisions stating that the Note Trustee and the Representative are entitled to make commercial contracts and to enter into commercial transactions with any party to the Transaction Documents and to accept the trusteeship of any other debenture stock, debentures or securities of any party to the Transaction Documents and that the Note Trustee and the Representative, as applicable, shall not be accountable to any Secured Creditor or to any party to the Transaction Documents for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions.

(h) **Material Adverse Effect**

The Note Trustee and the Representative shall not be responsible for determining whether any action or event is reasonably expected to have, or has caused, a Material Adverse Effect, and shall be entitled to rely on an instruction or direction by the Controlling Party to the same effect and the Note Trustee and the Representative shall not be liable for acting in accordance with any such instructions or directions.

17. REPRESENTATIVE OF NOTEHOLDERS

A Representative of Noteholders may be appointed (at the cost of the Issuer) pursuant to Articles 2415 and 2417 of the Italian Civil Code by the holders of the Notes in order to represent the interests of the Noteholders pursuant to Article 2418 of the Italian Civil Code as well as give effect to resolutions passed at a meeting of the Noteholders. If the Representative of Noteholders is not appointed by a meeting of the Noteholders, the Representative of Noteholders shall be appointed by a decree of the Court where the Issuer has its registered office upon the request of one or more Noteholders or upon the request of the directors of the Issuer. The Representative of Noteholders remains appointed for a maximum period of three fiscal years *(esercizi sociali)* but may be reappointed again thereafter.

The provisions of Condition 16 (*Note Trustee and the Representative*) in respect of the Notes shall apply, mutatis mutandis, to the Representative of Noteholders.

18. CURRENCY INDEMNITY

The Trust Deed provides that if any sum due from the Issuer in respect of any Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under the relevant Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to any of the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed and delivered to the Issuer or to the Specified Office of the Registrar or the Paying Agent against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. GOVERNING LAW AND JURISDICTION

(a) **Governing law**

The Trust Deed and the Notes, including any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**

The Issuer has in the Trust Deed agreed for the benefit of the Note Trustee and the Secured Creditors that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings arising out of or in connection with the

Trust Deed or the Notes ("**Proceedings**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) **Appropriate Forum**

For the purposes of Condition 19 (*Governing Law and Jurisdiction*), the Issuer has irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agreed not to claim that any such court is not a convenient or appropriate forum.

Schedule 1
Master Definition Schedule

1. Words and expressions used in the Conditions shall, unless otherwise defined in relevant Conditions, have the meanings set out in this Master Definitions Schedule, unless the context otherwise requires.

"**Account Bank**" means the Issuer Account Bank or the OpCo Account Bank, as the case may be.

"**Account Bank Mandate**" means, in relation to any Project Account, the bank mandate currently in place between the relevant Finance Group Company and the Account Bank.

"**Accounting Standard**" means Italian GAAP.

"**Administrative Expenses**" means

(a) any notarial costs (if any), documented legal costs and expenses incurred by the Initial Noteholders in relation to or in connection with the negotiation and execution of the Transaction Documents;

(b) all documented costs and expenses (including legal fees) reasonably incurred by the Initial Noteholders and previously agreed with the Issuer in connection with any amendment, waiver or consent requested by or on behalf of a Finance Group Company or the Parent or specifically allowed by the Note Subscription Agreements;

(c) costs and expenses (including legal fees) incurred by the Noteholder in connection with the enforcement of, or the preservation of any rights under, any Transaction Document; and

(d) any cost relating to, or resulting from, transfers which are required by the Issuer in accordance with the provisions of the Note Subscription Agreements and/or Note Conditions. For the avoidance of doubt this does not include any costs relating to the voluntary transfer of Notes by the Noteholder.

"**Admissions Document**" means the admissions document prepared by the Issuer for the admission of the Notes to the listing on the ExtraMot PRO Segment (including any supplement or amendment thereto).

"**ADSCR**" means, on any Calculation Date, the lower of:

(a) the ratio of Cash Available for Debt Service in respect of the 12 month period ended on such Calculation Date to Debt Service for such period; and

(b) the projected ratio of Cash Available for Debt Service in respect of the 12 month period beginning on such Calculation Date to Debt Service for such period, determined on the basis of the Updated Base Case.

"**ADSCR Trigger**" occurs when the ADSCR as at the then most recent Calculation Date is less than or equal to the DSCR Trigger Ratio and shall be considered to be continuing unless and until the Target Condition has been met.

"**Advisers**" means the Technical Adviser, the Insurance Adviser, the Finance Parties' legal advisers, the Model Auditor and each other adviser including tax and environmental advisors (if any) appointed in accordance with the Transaction Documents, and "**Adviser**" means any one of them.

"**Agency Agreement**" means an agency agreement dated on or about the Closing Date between the Issuer, the Note Trustee and the Agents.

"**Agents**" means each of the Paying Agent, the Calculation Agent and the Registrar.

"**Arrangers**" means each of:

(a) IDCM Limited, a limited liability company incorporated under the laws of England and Wales with registered number 09101952 whose registered office is at Mitre House, 12-14 Mitre Street, London EC3A 5BU; and

(b) Foresight Group LLP, a limited liability partnership incorporated under the law of England and Wales with registered number OC30078 whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG.

"**Assumptions**" means the Economic Assumptions, the Market Assumptions and the Technical Assumptions incorporated in the Initial Base Case and any Updated Base Case, as amended, updated and replaced from time to time subject to and in accordance with Paragraph 3 of Schedule 3 to each of the Note Subscription Agreements.

"**Authorisations**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"**Authorised Holding**" means a denomination of a Note in an amount of EUR 100,000.

"**Authorised Person**" shall mean any person who is designated in writing by the Issuer from time to time to give Instructions to any Agent under the terms of the Agency Agreement.

"**Autonomous Guarantees**" means the first demand surety (*Fideiussione a prima richiesta*) provided by each OpCo to guarantee the Issuer's repayment of the Notes.

"**Available Funding**" means the net proceeds of the notes after deducting the Required DSRA Balance and the Performance Bond Balance.

"**Base Case**" means the audited financial model implemented by the Model Auditor on behalf of the Issuer and the other Finance Group Companies on or before the Closing Date.

"**Base Case Calculation Date**" means the date of delivery of an Updated Base Case in accordance with Paragraph 3 of Schedule 3 (*Base Case and Operation Budget*) of each of the Note Subscription Agreements.

"**Base Case Ratios**" means the ADSCR and the LLCR ratios set out in the Base Case.

"**Base Equity**" means the equity injected or to be injected in the Issuer by means of a capital increase, *versamenti in conto futuro aumento capitale* and/or by means of Shareholder Subordinated Debt.

"**Basic Terms Modification**" has the meaning given to the term in Condition 14 (*Meetings of Noteholders; Modification, Waiver and Substitution*).

"**Book-Entry Interests**" means Restricted Book-Entry Interest and Unrestricted Book-Entry Interests.

"**Borsa Italiana**" means Borsa Italiana S.p.A., with registered office at Piazza degli Affari n. 6, Milan, Italy.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Rome, Milan and New York and, on any day when a payment is due to be made which is also a TARGET2 Settlement Day.

"**Calculation Agent**" means Elavon Financial Services DAC, UK Branch in its capacity as calculation agent under the Agency Agreement.

"**Calculation Date**" means, in respect of a Note Interest Payment Date, 30 Business Days before such Note Interest Payment Date.

"**Carpaneto PV Plant**" means the 819.12 kWp photovoltaic plant located in the Municipality of Carpaneto Piacentino, Province of Piacenza (Italy).

"**Cash Available for Debt Service**" means, on each Calculation Date and in respect of any period, the difference between (i) Project Revenues for such period (disregarding any VAT reimbursement or compensation) and (ii) Operating Costs for such period.

"**Cash Management Agreement**" means the cash management agreement dated on or about the Closing Date among, among others, the Issuer, the Note Trustee and the Cash Manager.

"**Cash Manager**" means Elavon Financial Services DAC, UK Branch in its capacity as cash manager.

"**Cash Pooling Account**" means the Issuer's bank account opened with UniCredit S.p.A. with IBAN IT 83 O 02008 01781 000102183264 and SWIFT UNCRITM1M45.

"**Cash Pooling Agreement**" means the cash pooling agreement dated on or about the Closing Date by and among the Issuer, each of the OpCo and UniCredit S.p.A.

"**Cash Trap Lockup Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-03 in the Issuer's name with the Issuer Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Charged Property**" means any assets that are or are purported to be the subject of a Security under the English Security Documents and Italian Security Documents.

"**Clear Days**" means, in respect of any period, complete days, not including:

(a) the day on which such period begins; and

(b) if such period is defined by reference to an event, the day of that event.

"**Clearing Systems**" means Euroclear and Clearstream, collectively.

"**Clearstream**" means Clearstream Banking, *société anonyme*.

"**Closing Date**" means 29 July 2016 or such later date as the Issuer and the Initial Noteholders shall agree.

"**Common Depositary**" means Elavon Financial Services DAC as common depositary for the Clearing Systems.

"**Competent Authority**" means any European, national, local or regional authority competent under the relevant laws and regulations to issue the relevant permits, authorizations, opinions or way of leaves however named or any court of competent jurisdiction on a European, national and regional level.

"**Conditions**" means the terms and conditions of the Notes and "**Condition**" means any of them.

"**Construction Costs**" means all amounts payable by the Issuer under the Interconnection Agreement and the Plant EPC Contract.

"***Conto Energia* Concession**" means the incentive tariff agreements executed between each OpCo and the GSE pursuant to terms and conditions provided for under the Ministerial Decree dated 5 May 2011.

"**Contractor**" means the Plant Maintenance Contractor or the Plant EPC Contractor.

"**Controlling Party**" means:

(a) in respect of acceleration pursuant to Condition 11(b), the Note Trustee as directed:

(i) in writing by holders of at least half of the aggregate Outstanding Principal Amount of the Notes then Outstanding; or

(ii) by an Extraordinary Resolution of the Noteholders;

(b) in respect of any other matter relating to the Transaction Documents that are governed by English law, the Note Trustee acting on the written instructions of the holders of at least half of the aggregate Outstanding Principal Amount of the Notes then Outstanding; and

(c) in respect of any other matter, the Representative:

(i) acting on the instructions of the Noteholders by Extraordinary Resolution, if there is more than one Noteholder; or

(ii) if not, acting on the instructions of the Noteholder.

"**Debt**" means, on any day, the aggregate Outstanding Principal Amount of the Notes on such day.

"**Debt Service**" means, for any relevant period, the aggregate of all scheduled principal repayments, interest, fees and costs accrued or payable under the Transaction Documents.

"**Debt Service Reserve Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-02 in the Issuer's name with the Issuer Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Decree No. 239**" means legislative Decree 1 April 1996, n. 239.

"**Deed of Charge**" means the deed of charge dated on or about the Closing Date between, among others, the Issuer and the Note Trustee in respect of the Issuer's Project Accounts.

"**Default Interest**" shall have the meaning given to that term in Condition 6 (c).

"**Definitive Note**" means a Note that is represented by a Definitive Note Certificate.

"**Definitive Note Certificate**" means a note certificate representing the Notes issued in exchange for the relevant global note pursuant to Condition 2, in the relevant form or substantially in the relevant form set out in Part 2 of Schedule 1 (*Forms of Definitive Note Certificate*) to the Trust Deed.

"**Development Costs**" means all costs which the Parent and its affiliates have incurred on the Issuer's behalf in developing the Project (including, among others, internal costs such as salaries) and all Land Costs prior to the Closing Date and provided that such Development Costs have been confirmed by a

written declaration of the Issuer stating that such amounts have been properly incurred for the development of the Project.

"**Direct Agreements**" means each of the 18 direct agreements in the agreed form executed on or about the Closing Date by each Finance Group Company with one or more of its Contractors and the Representative.

"**Discharge Date**" shall mean the date, following payment in full or provision for payment in full of the Notes and other Secured Obligations, on which the security created pursuant to the Security Documents will be discharged.

"**Disclosure Pack**" means each of the following, dated on or about the Closing Date:

(a) the energy market report of Poyry Management Consulting (Italia) SRL entitled "THE ITALIAN ELECTRICITY AND RENEWABLES MARKET (WITH SOLAR ANNEX)";

(b) the technical reports of EOS Consulting S.p.A. entitled "Final Assessment of the Technical Assumptions" and "Addendum to the technical assessments";

(c) the insurance report of the AON Italia entitled "Talesun – Report DD";

(d) the model audit report of the PricewaterhouseCoopers Advisory SpA entitled "Talesun - Model Review Report";

(e) the tax review report of TLS Associazione Professionale di Avvocati e Commercialisti;

(f) the legal due diligence reports of Orrick Herrington & Sutcliffe LLP entitled "Legal DD Report Difesa Portoflio" dated 1 March 2016, "Due Diligence Report Calabria Solar" dated 1 March 2016, "Legal DD Report CS2" and " DD Report Trovo e Six Reliance letter";

(g) the letter of Orrick Herrington & Sutcliffe LLP dated 1 March 2016 and addressed to the Noteholders in relation to the outcome of their review of the DLA Piper due diligence reports mentioned in paragraph (h) below;

(h) the legal due diligence reports of DLA Piper entitled "No.1 Roof-Mounted Photovoltaic Plant of a Power of 819,12 kWp in Carpaneto Piacentino" and "No.4 Roof-Mounted Photovoltaic Plants located in Abruzzo Region", each dated 15 January 2016; and

(i) EOS Consulting S.p.A. reliance letter dated 30 June 2016 entitled "Object: Financing of a portfolio composed by No 39 solar plants in several Italian Regions (the "Caesar project")".

"**Dispute**" has the meaning given to it in Clause 18 of the Trust Deed.

"**Distribution**" means:

(a) A dividend or other distribution (in cash or in kind) in respect of the share capital (including capital reserves) and repayment to the Shareholder of any amount paid as *versamenti in conto futuro aumento capitale* of the Issuer or another Finance Group Company;

(b) any payment by the Issuer or another Finance Group Company in respect of Shareholder Subordinated Debt or Sponsor Subordinated Debt; and/or

(c) any intercompany loan or any other payments (including fees) by the Issuer or another Finance Group Company to or on behalf of the Parent, the Shareholder, any Subordinated Creditor, the Sponsor and/or in each case to or on behalf of any of their affiliates or related funds.

"**Distribution Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-05 in the Issuer's name with the Issuer Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Distribution Conditions**" has the meaning given to that term in Condition 5(p) (*Distributions*).

"**Draft Operation Budget**" has the meaning given to that term in Paragraph 2 to Schedule 3 to each of the Note Subscription Agreements.

"**DSCR Trigger Ratio**" means 1.20:1.

"**Economic Assumptions**" means economic assumptions used for the Financial Model (including, without limitation, those relating to interest rates, inflation, rates of taxation and VAT).

"**Eligible Institution**" means in respect of any of the Project Accounts, a financial institution:

(i) with a short-term, unsecured, unsubordinated and unguaranteed debt obligations rating of at least P-2 by Moody's or F2 by Fitch, and a long-term unsecured, unsubordinated and unguaranteed debt obligations rating of at least Baa2 by Moody's or BBB by Fitch; and

(ii) which is an authorised institution under the Financial Services and Markets Act 2000 or an institution duly established in accordance with the regulations applicable to deposit-taking institutions in such other jurisdiction as may be by the Controlling Party (acting reasonably),

in the case of Issuer Project Accounts, located in England and in the case of any other Finance Group Company's account, located in Italy or (in either case) such other jurisdiction as may be approved by the Controlling Party (acting reasonably).

"**Eligible Voter**" means (if the Notes are in definitive form) the holder of the relevant Notes or (if the Notes are represented by a Global Note) the person in whose account with the clearing systems the interest in the relevant Note is held resulting from the records of the accountholder holding the Notes (directly or indirectly) for such person in the relevant clearing system at the close of business on the seventh Clear Day which is also a Business Day prior to the date fixed for the First Call, or, where applicable, for the Second Call or any further call (as the case may be), in accordance with article 83-*sexies* of the Italian Financial Act.

"**Enel**" means Enel Distribuzione S.p.A.

"**Enforcement Action**" has the meaning given to the term in Condition 12 (c).

"**English Security Documents**" means the Deed of Charge and any other any other security document in respect of English assets designated as an English Security Document by the Issuer and the Note Trustee.

"**Environment**" means all or any of the following media: air (including air within buildings or other structures and whether above or below ground), land (including buildings and any other structures or erections in, on or under it and any soil and anything below the surface of land), land covered with water and water (including sea, ground, drinking and surface water).

"**Environmental Approvals**" means any permit, approval, consent, licence or other authorisation required under any applicable Environmental Laws.

"**Environmental Law**" means all statutes, treaties and conventions, directives, regulations, circulars and guidance notes having legal or judicial import or effect whether of a criminal, civil or administrative nature, and the rules of common law, relating to or concerning:

(a) pollution or contamination of the Environment;

(b) harm to the health of humans, living organisms and ecological systems;

(c) the generation, manufacture, processing, distribution, use (including abuse), treatment, storage, disposal, transport or handling of any dangerous substance; and

(d) the emission, leak, release or discharge into the Environment of noise, vibration, dust, fumes, gas, odours, smoke steam, effluvia, heat, light radiation (of any kind), infection, bacteria, electricity or any Dangerous Substance and any matter or thing capable of constituting a legal nuisance or any actionable tort or deceit of any kind in respect of such matters.

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Existing Intercompany Loan**" means each of the intercompany loans which were granted by the Issuer to each OpCos prior to the Closing Date and which have been partly reimbursed through the proceeds of the issue of the Notes.

"**ExtraMOT Market**" means the bonds multilateral trading facility organized and managed by Borsa Italiana denominated "Extramot".

"**ExtraMOT Pro**" means the ExtraMOT Pro multilateral trading facility operated in Italy by Borsa Italiana S.p.A.

"**ExtraMOT Regulation**" means the regulation concerning the management and functioning of the ExtraMOT Market issued by Borsa Italiana, in force as from 8 June 2009 (as amended and supplemented from time to time).

"**Extraordinary Operating Costs**" means Operating Costs that are not included in, or are in excess of, costs set out in the Operations Budget that are, in the good faith opinion of the Issuer, necessary for the Finance Group to protect their key revenue generating assets, conduct their respective businesses and continue to be able to comply with their respective obligations under the Transaction Documents provided that such Extraordinary Operating Costs are no greater than 20 per cent. of the Operating Costs for the relevant period.

"**Extraordinary Resolution**" means a resolution of Noteholders passed at a duly convened meeting of Noteholders having the requisite quorum and requisite majority described in Condition 14 (*Meetings of Noteholders; Modification, Waiver and Substitution*) as an "Extraordinary Resolution".

"**Fee Letter**" means any agreement setting out fees payable to a Finance Party under any Transaction Document to which the Issuer is a party.

"**Feed-In Tariff**" means the feed-in tariff granted by GSE pursuant to the Italian ministerial decree dated 19 February 2007 as amended and integrated from time to time according to the applicable law prior to the Closing Date.

"**Final Maturity Date**" has the meaning given to that term in Condition 8(a).

"**Final Redemption Amount**" means an amount equal to the aggregate Outstanding Principal Amount of the Notes, plus accrued but unpaid interest thereon, payable in accordance with Condition 8(a).

"**Finance Group Company**" means each of:

(a) the Issuer; and

(b) each OpCo,

together, the "**Finance Group**".

"**Finance Parties**" means the Note Trustee, the Representative, the Controlling Party and the Noteholders.

"**Financial Collateral Arrangements Regulations**" means the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended or supplemented.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit or bill discounting facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Standard);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any Treasury Transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Maturity Date or are otherwise classified as borrowings under the Accounting Standard;

(j) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;

(k) any amount raised under any transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Standard; and

(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.

"**Financial Model**" means the spreadsheet based financial model developed by the Issuer and incorporated in the Initial Base Case and any Updated Base Case, as amended, updated and replaced from time to time subject to and in accordance with Paragraph 3 to Schedule 3 to each of the Note Subscription Agreements.

"**Financing Costs**" means, for any relevant period, the financing costs paid or accrued or (in the case of a projection) projected to be paid or projected to accrue in that period by any Finance Group Company, including, without limitation:

(a) fees and any other costs or expenses accrued or payable under the Transaction Documents;

(b) fees and any other costs incurred in connection with the listing and maintenance of listing of the Notes on the ExtraMOT Pro;

(c) amounts payable by such Finance Group Company as a consequences of market disruption, tax gross up and increased costs; and

(d) any unrecoverable value added tax or other Tax payable by such Finance Group Company in respect of any of the above.

"**Foreign Qualifying Holder**" means a "professional client" as defined in Annex II to the EU Directive 2004/39 that is (a) resident in a White-List Country and which has the beneficial interest in the payment of interest on the Notes or (b) an institutional investor established in a White-List Country; and in either case (a) or (b) has deposited the Notes with a Qualifying Intermediary and has filed a statement with the Qualifying Intermediary whereby it has declared itself to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. The statement must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001).

"**Funds Shortfall**" means, on any Calculation Date, the amount by which, prior to the making of any payments pursuant to the Pre-Acceleration Priority of Payments on such date, the aggregate amounts standing to the credit of the Proceeds Account is insufficient to meet payments due under paragraphs (a) to (c) (inclusive) of Part 1.B of the Pre-Acceleration Priority of Payments in the order specified therein.

"**General Transfer Regulations**" means the transfer regulations set out at Schedule 2 to the Agency Agreement.

"**Global Note**" means a Note that is represented by a Global Note Certificate.

"**Global Note Certificate**" means a note certificate representing some or all of the Notes while in global form, in each case in the relevant form or substantially in the relevant form set out in Part 1 of Schedule 1 (*Forms of Global Note Certificate*) of the Trust Deed.

"**Gross Redemption Yield**" has the meaning given to such term in Condition 8(d)(ii).

"**GSE**" means Gestore dei Servizi Elettrici - GSE S.p.A.

"**GSE Event**" means either of the following events:

(a) GSE does not perform its payment obligations or other material obligations under the *Conto Energia* Concession within three calendar months after the date for payment under the relevant *Conto Energia* Concession; and/or

(b) a change of law or a decision of the GSE whereby the Feed-In Tariff granted to the Finance Group Companies other than the Issuer is no longer payable by GSE to such Finance Group Companies in relation to Plants (including as a result of a revocation) or is directly or indirectly reduced.

"**GSE Trigger Event**" means if at any time the GSE (or any other entity which may replace the GSE as subject responsible for payment of the tariff) ceases to be controlled by the Italian State according to article 2359 of the Italian Civil Code.

"**Hedge Contract**" means an interest rate swap agreement, interest rate cap, floor or collar agreement, currency exchange agreement, currency exchange option, commodity option, commodity swap, hedging facility, swap option or any other similar agreement providing for the elimination of substantial mitigation of interest rate, foreign exchange, pricing or other similar risk, however denominated.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Indemnified Amounts**" has the meaning given to it in Clause 13.1 (*Indemnity*) of each of the Note Subscription Agreements.

"**Indemnified Person**" in respect of any party means that person and its directors, officers, agents or employees, controlling persons and, if applicable and permitted by the Transaction Documents, each person appointed as a delegate or subcontractor in respect of the obligations of that party.

"**Independent Expert**" has the meaning given to that term in Paragraph 5(a)(iii)(B) to Schedule 3 to each of the Note Subscription Agreements.

"**Initial Base Case**" means the Base Case, comprising the Financial Model and the Assumptions, delivered to the Note Trustee and each of the Initial Noteholders at or before the Closing Date in accordance with Clause 6 (*Conditions Precedent*) of each of the Note Subscription Agreements, as amended from time to time in accordance with and subject to Schedule 3 to each of the Note Subscription Agreements.

"**Initial Issuer Account Bank**" means Elavon Financial Services DAC, UK Branch.

"**Initial Noteholders**" means the initial subscribers of the Notes and each an "**Initial Noteholder**".

"**Initial Presentations**" means:

(i) the written presentation of the Arrangers dated March 2015 prepared in connection with the proposed financing structure for the Issuer;

(ii) the written presentation of the Parent dated August 2015 prepared in connection with the proposed financing structure for the Issuer; and

(iii) the written structuring memo of the Arrangers dated March 2016 prepared in connection with the

proposed financing structure for the Issuer.

"**Insolvency Proceedings**" means any of the following procedures which have occurred in respect of any Person:

(a) such Person becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo and accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Person is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Person are subject to a *pignoramento* or similar procedure having a similar effect, and in the opinion of the Representative (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success;

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by the Person or the same proceedings are otherwise initiated against such Person and, in the opinion of the Representative (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;

(c) such Person takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Noteholders and the Secured Parties) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of such Person (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative).

"**Instructions**" shall mean any notices, directions or instructions in written form received by any Agent in accordance with the Agency Agreement from an Authorised Person or from a person reasonably believed by such Agent to be an Authorised Person.

"**Insurance Adviser**" means AON Italia.

"**Insurance Policy**" means any and all of the Insurances that the Finance Group Companies are required to procure and maintain in accordance with Part 1 of Schedule 2 (*Insurance Requirements*) of each of the Note Subscription Agreements.

"**Insurance Proceeds**" means any amount payable by an insurer in respect of the Insurances, including proceeds of claims and ex gratia payments.

"**Insurances**" means each insurance policy in place on the Closing Date in the name of a Finance Group Company and any other Insurance (other than policies of life assurance or life insurance) taken out by or on behalf of any Finance Group Company or in which any Finance Group Company may on the Closing Date or at any time thereafter have an interest.

"**Insurer**" means, at any relevant time, any insurer with whom any Insurances have been placed.

"**Intellectual Property**" means intellectual property of every designation (including patents, copyrights, design registrations, trademarks, service marks and know-how).

"**Intercompany Debt**" means the Shareholder Subordinated Debt, the Sponsor Subordinated Debt and any other Financial Indebtedness between one Finance Group Company and another.

"**Intercompany Loan**" means each of the loans granted by the Issuer to each of the OpCos under an Intercompany Loan Agreement.

"**Intercompany Loan Agreement**" means each of the 9 loan agreements executed on or about the Closing Date among the Issuer from one side and each OpCos on the other side whereby the Issuer has granted to each OpCo intercompany loans.

"**Interconnection Agreement**" means the grid connection agreement between each of the OpCos and Enel.

"**Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended.

"**Issuer**" means TS Energy Italy S.p.A., a joint stock company with a sole shareholder incorporated under the laws of Italy with registered number 07921510967 R.E.A. No MI 1990741 and whose registered office is at Galleria San Babila 4/b, Milan, Italy.

"**Issuer Acceleration Notice**" has the meaning given to that term in Condition 11(b).

"**Issuer Account Bank**" means the Initial Issuer Account Bank or any other Eligible Institution at which one or more of the Issuer's Project Accounts is held from time to time and over which security has been granted in favour of the Secured Parties.

"**Issuer Charged Property**" means all assets that are subject to Security granted or purported to be granted by the Issuer under the Deed of Charge.

"**Issuer Italian Security Agreements**" means the:

(A) n. 9 deeds of pledge over the shares of the OpCos;

(B) n. 9 assignments by way of security relating to the Intercompany Loans;

(C) n. 9 assignments by way of security relating to the Existing Intercompany Loans;

(D) a deed of pledge over the Cash Pooling Account.

"**Issuer Security**" means the security created by the Issuer pursuant to the English Security Documents and the Issuer Italian Security Agreements.

"**Issuers Regulation**" means the regulation issued by Consob with decision n. 11971 dated 14 May 1999, as subsequently amended and supplemented, concerning the regulation of issuers.

"**Italian Civil Code**" means Italian Royal Decree dated 16 March 1942, n. 262, as subsequently amended and supplemented from time to time.

"**Italian Financial Act**" means Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time.

"**Italian Security Documents**" means:

(a) the Issuer Italian Security Agreements;

(b) the OpCo Security Agreements;

(c) the Parent Security Agreement; and

(d) any other security document in respect of Italian assets designated in writing as an Italian Security Document by the Issuer and the Representative.

"**Land Costs**" means all costs (including deposits) incurred by the OpCos in acquiring land or interests in land for the Project.

"**Legal Reservations**" means each and all of the reservations that:

(a) equitable remedies may be granted or refused at the discretion of the court;

(b) laws relating to insolvency, bankruptcy, administration, receivership, reorganisation, liquidation or analogous proceedings that may affect the enforcement of contractual obligations including, without limitation, bankruptcy, suspension of payments, arrangement with creditors, judicial or voluntary liquidation proceedings, or any other proceedings affecting the rights of creditors generally;

(c) in some circumstances an English court may not give effect to those sections of certain documents which would provide that in the event of any illegality, invalidity or unenforceability of any provision of any such document the remaining provisions thereof shall not be affected or impaired, in particular if to do so would not accord with public policy or would involve the court in making a new contract for the parties;

(d) claims may be time barred under the Limitation Act 1980, or other similar applicable laws;

(e) an undertaking to assume liability for or to indemnify against non-payment of United Kingdom stamp duty land tax may be void;

(f) defences of set-off or counterclaim (provided that nothing in this definition purports to grant to the relevant person any such right and is without prejudice to any restriction contained in the relevant documents) may arise and similar principles, rights and defences may arise under the laws of any foreign jurisdiction in which relevant obligations may have to be performed;

(g) charges expressed to be a fixed charge may only operate so as to give effect to a floating charge;

(h) any payment made in compensation for a breach of documents may be a penalty and may not be enforceable in whole or part;

(i) apart from claims for the payment of debts (including the repayment of loans), contractual obligations are normally enforced by an award of damages for the loss suffered as a result of a breach of contract; and recoverable loss is restricted by principles such as causation, remoteness and mitigation; and

(j) the interpretation of the meaning and legal effect of any particular provision of a contract is a matter of judgment, which will ultimately be determined by the English courts.

"**LLCR**" means, on any Calculation Date, the ratio of:

(a) the Net Present Value of Cash Available for Debt Service, to

(b) Debt.

"**LLCR Trigger**" occurs when the LLCR as at the then most recent Calculation Date is less than or equal to the LLCR Trigger Ratio and shall be considered to be continuing unless and until the Target Condition has been met.

"**LLCR Trigger Ratio**" means 1.20:1.

"**Loss**" shall mean any loss (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"**LPA**" means the Law of Property Act, 1925

"**Maintenance Certificate**" means a certificate substantially in the form set out in Schedule 3 to the Cash Management Agreement.

"**Maintenance Reserve Amount**" means, on each Calculation Date and Note Interest Payment Date, an amount equal to the sum of:

(a) €1.00 per kWp for the Panels then forming part of the Plant at the Project Sites; and

(b) €4.00 per kWp for the Inverters then forming part of the Plant at the Project Sites.

"**Management Services Agreement**" means the agreement between each of the OpCos, the Issuer and the Manager for the management and supervision of the engineering, procurement, design, construction, commissioning, testing, completion, maintenance and operation of the Plant dated on or about the Closing Date.

"**Manager**" means Talesun Energy Solutions S.r.l.

"**Mandates**" means the two specific mandates dated on or about the Closing Date whereby the Initial Noteholders have appointed the Representative.

"**Mandatory Amortisation Amount**" has the meaning given to that term in Condition 8(c).

"**Mandatory Prepayment Amount**" has the meaning given to that term in Condition 8(c).

"**Mandatory Prepayment Event**" means the (i) occurrence of a GSE Event which shall be deemed to continue until the Note Interest Payment Date upon which the ADSCR determined pursuant to paragraph (b) of the definition thereof is equal to or greater than 1.45 under a P90 scenario, and/or (ii) the LLCR is equal to or less than 1.45.

"**Margin Stock**" has the meaning specified in Regulation U.

"**Market Adviser**" means Pöyry Management Consulting (Italia) Srl.

"**Market Assumptions**" means the market assumptions for the sale of electricity price used for the Financial Model.

"**Material Adverse Effect**" means any event or series of events occurring at any time which has or, is reasonably likely to have, a material adverse effect on:

(a) the business, operation, property, financial condition or performance of a Finance Group Company or the operation of the Project; and/or

(b) the ability of the Parent, a Finance Group Company to perform its obligations under the Transaction Documents or the Project Documents; and/or

(c) the validity or enforceability of the Transaction Documents including any Security granted under the Transaction Documents or the rights or remedies of any Finance Party under the Transaction Documents.

"**Material Contract**" means:

(a) each Project Contract;

(b) any other contract, pursuant to which the aggregate consideration payable or receivable by a Finance Group Company is greater than EUR 50,000; and

(c) any other contract designated in writing as a "Material Contract" by the Controlling Party and the Issuer from time to time.

"**Mid-Swap Rate**" has the meaning given to the term in Condition 6(b).

"**Model Auditor**" means PricewaterhouseCoopers Advisory SpA.

"**Net Present Value**" means, in relation to any amounts falling due or forecast to fall due or to be received after a Calculation Date, the net present value of such amounts on such Calculation Date, calculated on the following basis:

(a) income is a positive cash flow;

(b) expenditure is a negative cash flow;

(c) a discount rate equal to the then current rate of interest on the Notes; and

(d) the initial date for such net present value calculation is such Calculation Date.

"**New Issuer**" has the meaning given to it in Clause 9.1 (*Procedure*) of the Trust Deed.

"**Note**" means the EUR 40,000,000 secured senior notes issued by the Issuer on or about the Closing Date.

"**Note Amortisation Amount**" means, in respect of a Note, each Scheduled Note Amortisation Amount and each Mandatory Prepayment Amount, if any.

"**Note Certificates**" means Global Note Certificates and Definitive Note Certificates.

"**Note Event of Default**" means any of the events or circumstances listed in Condition 11 (*Events of Default*).

"**Noteholder**" means, at any time, the holder for the time being of a Note; and "**Noteholders**" shall mean all or any of them.

"**Note Interest Payment Date**" means 30 June and 31 December of each year, commencing on 31 December 2016, provided that, should a Note Interest Payment Date fall on a day different from a Business Day, such date shall be postponed to the immediately following Business Day, provided that such postponement does not cause such date to fall on the following month, in which case the Note Interest Payment Date shall fall on the Business Day immediately preceding the original payment date;

it remains understood that any such postponement or anticipation will not have any effect on the amounts due by the Noteholders and will not determine any postponement or anticipation of any subsequent Note Interest Payment Date. (Modified Following Business Day Convention Unadjusted).

"**Note Interest Period**" means:

(a) the period beginning on (and including) the Closing Date and ending on (but excluding) the first Note Interest Payment Date; and

(b) thereafter, each successive period beginning on (and including) a Note Interest Payment Date and ending on (but excluding) the next succeeding Note Interest Payment Date.

"**Note Subscription Agreement**" means each of the note subscription agreements dated on or about the Closing Date between, among others, the Issuer, each Initial Noteholder, the Note Trustee, the Cash Manager and the Registrar.

"**Note Trustee**" means U.S. Bank Trustees Limited in its capacity as note trustee under the Trust Deed and any successor duly appointed in accordance with the Trust Deed.

"**Official Body**" means any government, nation or supranational body or political subdivision thereof or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any agency, authority, instrumentality regulatory body, court, central bank or other entity exercising executive, legislative judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles.

"**OpCo**" means each of DES Energia Dieci S.r.l., DES Energia Dodici S.r.l., DES Energia Tredici S.r.l., DES Energia Quattordici S.r.l., ONICE S.r.l., SOLAR SICILY S.r.l., SUNFLOWER S.r.l., CS Solar 2 S.r.l., TROVOSIX S.r.l.

"**OpCo Account Bank**" means:

(a) UniCredit S.p.A. provided that it retains a short-term, unsecured, unsubordinated and unguaranteed debt obligations rating of at least P-3 by Moody's or BBB- by S&P, and a long-term unsecured, unsubordinated and unguaranteed debt obligations rating of at least A3 by Moody's or BBB- by S&P; or

(b) any other Eligible Institution which is an Italian bank or the Italian branch of a foreign bank at which the Revenue Accounts are held from time to time and over which account Security has been granted in favour of the Finance Parties.

"**OpCo Security Agreements**" means:

(a) the assignment agreements by way of security of the feed in tariffs and/or all included tariff towards the GSE;

(b) n. 2 deeds of mortgage over the land and/or the rooftops over which the OpCo's have a property or a surface right;

(c) n. 9 special privilege deeds over the OpCo movable assets;

(d) n. 9 deeds of pledge over the OpCo bank accounts;

(e) n. 7 assignment agreements by way of security of the consideration arising from Power Purchase Agreements and any further assignment by way of security of the consideration arising from any additional Power Purchase Agreement;

(f) n. 9 assignment agreements by way of security of the amounts due from *inter alia* each Plant Maintenance Contract, certain insurance policies, the Management Services Agreement and the Performance Bonds to be issued in favour of each of the OpCo's;

(g) n. 9 Autonomous Guarantees;

"**Operating Costs**" means, in respect of any period, operating and maintenance costs paid or payable by the Finance Group Companies including:

(a) operating and maintenance costs and expenses (including costs and expenses for repair and/or replacement of the Panels), set out in the Operation Budget;

(b) liabilities of any Finance Group Company under any Project Contract (in respect of operations and maintenance);

(c) insurance premia in respect of the Project;

(d) Land Costs;

(e) any amount payable under any Permit;

(f) administrative, legal, management, accounting and employee costs in respect of the Project;

(g) any capital expenditure provided under the Operation Budget;

(h) Project Taxes;

(i) (except for the purposes of calculating the Base Case Ratios) VAT payable in respect of any of the items listed in paragraphs (a) to (d) (inclusive), (f) and (g) above and paragraph (j) below or payable to the competent Italian tax authority (*ufficio IVA*); and

(j) all other costs and expenses which the Controlling Party agrees may be Operating Costs

but excluding:

(i) Financing Costs;

(ii) any principal amount payable under the Note Subscription Agreements;

(iii) any payment in respect of any Shareholder Subordinated Debt;

(iv) Distributions;

(v) depreciation, other non-cash charges, reserves, amortisation of intangibles and similar book-keeping entries, and

(vi) all reinstatement or repair work that is paid for by physical damage insurance proceeds.

"**Operating Report**" means the report to be prepared by the Issuer, verified by the Technical Adviser and delivered to the Controlling Party and the Note Trustee pursuant to Paragraph 1 of Schedule 3 (*Base Case and Operations Budget*) to each of the Note Subscription Agreements, in respect of the

implementation of the project budget forecasts under the relevant Operation Budget over the preceding six month period and including, *inter alia*, information relating to the performance ratio of the Plant.

"**Operation Budget**" means a budget itemising the semi-annual operation expenditures forecast for a financial year of the Finance Group Companies, delivered by the Issuer in accordance with the provisions of Paragraph 2 of Schedule 3 to each of the Note Subscription Agreements.

"**Optional Redemption**" has the meaning given to it in Condition 8(d).

"**Ordinary Resolution**" means a resolution of Noteholders passed at a duly convened meeting of Noteholders having the requisite quorum and simple majority described in Condition 14 (*Meetings of Noteholders; Modification, Waiver and Substitution*) as an "Ordinary Resolution".

"**Outstanding**" or "**outstanding**" means, in relation to the Notes, all the Notes issued other than:

(a) those Notes which have been redeemed in full pursuant to the Trust Deed;

(b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Note Trustee or to the Paying Agent in accordance with the Agency Agreement (and, where appropriate, notice has been given to the relevant Noteholders in accordance with Condition 15) and remain available for payment against presentation of the relevant Notes;

(c) those Notes which have become void under Condition 10;

(d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13;

(e) (for the purpose only of ascertaining the Outstanding Principal Amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13; and

(f) any Global Note Certificate to the extent that it shall have been exchanged for another Global Note Certificate in respect of the Notes or for the Notes of the relevant class in definitive form pursuant to its provisions;

provided that for each of the following purposes:

(i) the right to attend and vote at any meeting of the Noteholders of any class or classes, an Extraordinary Resolution in writing or by electronic voting or an Ordinary Resolution in writing or by electronic voting and any direction or request by the Noteholders;

(ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 11 of the Trust Deed and Conditions 11 and 12;

(iii) any right, discretion, power or authority (whether contained in the Trust Deed, any other Transaction Document or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders; and

(iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, any Holding Company of the Issuer or any other Subsidiary of any such Holding Company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

"**Outstanding Principal Amount**" means, on any day, in respect of a Note, the principal amount that remains outstanding in respect of such Note.

"**P90 scenario**" means the projected electricity generation in the Financial Model under a probability of exceedance of 90 per cent.

"**Panel & Inverter Reserve Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-04 in the Issuer's name with the Issuer Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Panels**" means the photovoltaic cell arrays installed at each Plant.

"**Parent**" means TS Energy Europe S.A., with registered number B 194.549 incorporated in Luxembourg.

"**Parent Security Agreement**" means the Italian law deed of pledge over the shares of the Issuer dated on or about the Closing Date between TS Energy Europe S.A., the Issuer and the Representative.

"**Paying Agent**" means Elavon Financial Services DAC, UK Branch in its capacity as paying agent under the Agency Agreement.

"**Performance Bond**" means the performance bond to be issued by the Plant Maintenance Contractor pursuant to the Plant Maintenance Contract.

"**Performance Bond Balance**" means the annual aggregate consideration to be paid by all the OpCos to the Plant Maintenance Contractor pursuant to the Plant Maintenance Contracts equal to EUR 762,301.02.

"**Permit**" means any authorisation, approval, consent, resolution, licence, exemption, filing, notarization or registration or permit to be granted by, applied for to, or filed with any public (including governmental and regulatory) or private entity or body which is to any extent required for the construction, completion, testing, commissioning, operation, ownership or maintenance of the Project.

"**Permitted Financial Indebtedness**" means:

(a) Financial Indebtedness outstanding pursuant to the Notes;

(b) Financial Indebtedness incurred with the consent of the Controlling Party;

(c) any other Financial Indebtedness permitted by the Transaction Documents;

(d) Intercompany Debt which is subordinated to all Debt Service in accordance with the Subordination Deed;

(e) any Permitted Guarantee required to be provided by any OpCo in order to comply with any Project Contract provision as at the Closing Date and/or applicable law; and

(f) Financial Indebtedness incurred in the ordinary course of business that does not exceed, in aggregate across the Parent and all Finance Group Companies, at any time EUR 200,000.00.

"**Permitted Guarantees**" means:

(a) the Autonomous Guarantees;

(b) any guarantee required by law;

(c) otherwise required by each Finance Group Company to carry on its business in relation to the Project.

"**Permitted Security**" means:

(a) liens arising solely by operation of law (or by agreement having substantially the same effect) and in the ordinary course of any Finance Group Company's business, securing obligations not more than 6 months overdue;

(b) any netting or rights of set-off existing in the ordinary course of business between any Finance Group Company and its respective suppliers or customers or otherwise in connection with a transaction relating to Permitted Financial Indebtedness;

(c) a Security arising under the Security Documents; and

(d) any other Security created with the prior written consent of the Controlling Party.

"**Person**" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, Official Body, firm, consortium or any other entity (whether or not having separate legal personality).

"**Plant**" means each photovoltaic solar installation owned by each OpCo.

"**Plant EPC Contract**" means each construction contract in respect of a Plant between the relevant OpCos and the Plant EPC Contractor.

"**Plant EPC Contractor**" means Bester Generacion S.L.

"**Plant Maintenance Contract**" means each maintenance agreement in respect of a Plant between an OpCo and the relevant Plant Maintenance Contractor initially dated as below.

CS Solar 2 Plant	3 December 2013
Gamerra Plant	10 July 2013
Vannucci Plant	16 May 2013
Salomone Plant	12 July 2013
Monfenera Plant	1 June 2013
Villasanta Plant	1 June 2013
Briscese Plant	10 June 2013

Scianna Plant	31 May 2013
Beraudo Plant	12 June 2013
Giannettino 1 Plant	23 September 2013
Giannettino 2 Plant	23 September 2013
Turba Plant	23 September 2013
Macomer Plant	6 June 2013
Pisano Plant	21 October 2013
Arzago Plant	5 February 2014
Bagnolo San Vito A Plant	6 February 2014
Bagnolo San Vito B Plant	6 February 2014
Casalmaggoire Plant	5 February 2014
Drizzona Plant	5 February 2014
Gottolengo Plant	5 February 2014
Mantova Plant	5 February 2014
Sabbioneta Plant	5 February 2014
Laureti Plant	14 February 2014
Rossikol Plant	14 February 2014
Sam Plant	14 February 2014
Sozio Plant	14 February 2014
Safe Plant	16 May 2014

"**Plant Maintenance Contractor**" means Bester Generacion S.L. or any other primary operator appointed by the Issuer and with the prior approval of the Technical Advisor.

"**Plant Maintenance Replacement Conditions**" means:

(A) in respect of a replacement Plant Maintenance Contract, a replacement plant maintenance agreement in respect of the relevant Plant between the OpCo and the Plant Maintenance Contractor in form and substance on substantially the same terms as the existing Plant Maintenance Contract or as approved by the Controlling Party (whose consent cannot be unreasonably withheld); and

(B) in respect of a replacement Plant Maintenance Contractor, a replacement plant maintenance contractor in respect of the relevant Plant which is an entity that is reputable and qualified in the Italian market to replace the existing Plant Maintenance Contractor, as confirmed by the Technical Adviser.

"**Pledged Property**" means any assets that are or are purported to be the subject of a Security under the Italian Security Documents.

"**Policy**" has the meaning given to the term in Part 2 of Schedule 2 (*Endorsements and Loss Payee Clause*) of each of the Note Subscription Agreements.

"**Post-Acceleration Priority of Payments**" means the priority of payments for the application of funds from the Project Accounts set out in Schedule 3.

"**Potential Note Event of Default**" means an event which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Notes or the Transaction Documents or any combination of any of the foregoing) be a Note Event of Default.

"**Power Purchase Agreement**" means any contract or series of contracts for the sale of electricity entered into by any OpCo that meets the following requirements:

(a) The purchaser satisfies the following conditions:

(i) the purchaser shall have all the necessary qualifications and permits required by the law to be entitled to purchase electricity;

(ii) the purchaser shall have significant experience in the business of trading of electricity;

(iii) the purchaser shall not currently be involved in any litigation for fraud, misrepresentation to public bodies or authorities or criminal offences under the laws of Italy or its country of origin, unless such litigation is being reasonably contested by the purchaser;

(iv) the purchaser shall not have been party to a Power Purchase Agreement terminated for the purchaser's breach;

(v) no material dispute, litigation or arbitration shall be pending between the purchaser and/or any OpCo and/or the Parent and/or the Sponsor which may have a direct and material negative impact on the Power Purchase Agreement to be entered into;

(vi) the duration of any Power Purchase Agreement shall not exceed one year;

(vii) the Power Purchase Agreement shall be at arm's length and conform to the industry practice of the electricity market; and

(viii) the Power Purchase Agreement and the receivables thereunder shall not be capable of being assigned nor transferred nor pledged by the purchaser without the prior written consent of the relevant OpCo.

(b) In relation to payments by the purchaser:

(i) the purchaser shall undertake to make all payments into the relevant OpCo's Revenue Account;

(ii) any failure to make payment on the relevant due date and any other material breach by the purchaser shall entitle the relevant OpCo to suspend the performance of its obligations;

(iii) any failure by the purchaser to make payment on the relevant due date shall entitle the relevant OpCo to receive default interest;

(iv) any failure by the purchaser to make two payments on the relevant due dates shall entitle the relevant OpCo to terminate the agreement pursuant to art. 1456 of the Italian Civil Code;

(v) payments shall be made on a monthly basis; and

(vi) unbalance charges shall be borne by the purchaser.

(c) The purchaser shall entirely assume the volume risk.

(d) No penalties or indemnity clauses outside usual market practice shall be applicable against any OpCo.

(e) Any Power Purchase Agreement shall include the consent of the purchaser to the pledge / assignment by way of security by the relevant OpCo in favour of the Finance Parties of all the receivables arising from that agreement.

"**PPA Replacement Conditions**" means the conditions specified in the definition of Power Purchase Agreement in relation to any replacement Power Purchase Agreement or Power Purchaser, as applicable.

"**Pre-Acceleration Priority of Payments**" means the priority of payments for the application of funds from the Proceeds Account before the service of an Issuer Acceleration Notice set out in Schedule 2.

"**Priority of Payments**" shall mean the Pre-Acceleration Priority of Payments and the Post-Acceleration Priority of Payments as applicable and "**Priorities of Payments**" shall mean each of them.

"**Proceeding**" means any suit, action or proceedings arising out of or in connection with the Trust Deed or the Notes.

"**Proceeds Account**" means the account with IBAN number GB69DEUT40508117703603, sort code 40-50-81 and sub-account number 732558-01 in the Issuer's name with the Account Bank opened in accordance with Condition 5(u) or such other account replacing such account from time to time in accordance with the Cash Management Agreement.

"**Professional Investor**" means a person or entity which can be qualified as professional investors as defined by EU Directive 2004/39.

"**Project**" means the operation of each Plant, including the interconnection with the national grid in Italy and the relevant substation.

"**Project Accounts**" means each of:

(a) the Proceeds Account;

(b) the Debt Service Reserve Account;

(c) the Cash Trap Lockup Account;

(d) the Panel & Inverter Reserve Account;

(e) the Distribution Account;

(f) the Cash Pooling Account; and

(g) each Revenue Account.

"**Project Contracts**" means:

(k) each Plant EPC Contract;

(l) each Plant Maintenance Contract;

(m) the Interconnection Agreement;

(n) the Conto Energia Concession;

(o) each Power Purchase Agreement;

(p) each Site Agreement;

(q) any municipality agreement;

(r) the Management Services Agreement;

(s) any Insurance Policy;

(t) the Cash Pooling Agreement; and

(u) any guarantee, bond or other performance security relating to any of the foregoing,

together with any contract, agreement or document entered into by a Finance Group Company in replacement thereof.

"**Project Costs**" means:

(a) Development Costs;

(b) Land Costs incurred by the Issuer until the Closing Date;

(c) Construction Costs and any other liabilities under any Project Contract up to the Closing Date;

(d) costs for the Panels' supply or debts towards Talesun Solar Germany GmbH arising from the Panels' supply;

(e) fees and costs of the Issuer's professional advisers engaged in respect of the design and

(f) construction of the Plant;

(g) up to the Closing Date, insurance premia in respect of the Project;

(h) up to the Closing Date, any amount payable under any Permit;

(i) legal, accounting and other professional fees incurred by the Issuer in connection with the negotiations and entry into of the Transaction Documents, Project Contracts and documents referred to therein;

(j) taxes payable by the Issuer prior to the Closing Date;

(k) Financing Costs accrued prior to the Closing Date;

(l) *imposta sostitutiva* in respect of the Notes; and

(m) any other costs and expenditure which the Initial Noteholders agree may be Project Costs, but excluding:

(n) any principal amount outstanding under the Note Subscription Agreements;

(o) VAT payable in respect of items in paragraphs (a) to (j) inclusive and (l) above;

(p) Operating Costs.

All the above items shall be considered on a cash basis.

"**Project Party**" means:

(a) until the expiry of the defects period under a Plant EPC Contract, the Plant EPC Contractor;

(b) each Plant Maintenance Contractor;

(c) the Manager;

(d) Enel;

(e) GSE;

(f) each power purchaser under a Power Purchase Agreement; and

(g) any guarantor or successor of the foregoing.

"**Project Revenues**" means, for any relevant period (without double counting and determined solely on a cash basis), amounts payable to or to the order of any Finance Group Company in connection with the Project during that period including, without limitation:

(a) proceeds arising from the Project Contracts (or any guarantee, bond or other security in respect of any of them);

(b) interest on the Project Accounts and income of any kind in respect of Permitted Investments;

(c) insurance proceeds (excluding physical damage insurance proceeds and insurance proceeds in respect of liabilities);

(d) proceeds of any claims of a revenue nature of any Finance Group Company;

(e) any other revenues that may arise in connection with the Project,

but in any event excluding:

(i) any compensation;

(ii) amounts paid to a Finance Group Company under the Transaction Documents; and

(iii) performance liquidated damages and delay liquidated damages.

"**Project Site**" means each site over which Plant has been built.

"**Project Taxes**" means all Taxes payable or to be payable by a Finance Group Company, excluding VAT.

"**Qualified Institutional Buyer**" or "**QIB**" has the meaning given to such term under Rule 144A.

"**Qualified Purchasers**" or "**QPs**" has the meaning given to such term in Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder.

"**Qualifying Intermediary**" means any bank, financial intermediary or other entity, including but not limited to Euroclear and Clearstream, required to levy the *imposta sostitutiva* and to comply with all the related duties under Decree No. 239.

"**Quasi-Security**" has the meaning given to that term in Condition 5(m)(i).

"**Rate of Interest**" means in relation to a Note, given to such term in Condition 6(b).

"**Redemption Percentage**" has the meaning, in relation to a Note, given to such term in Condition 8(d)(ii).

"**Redemption Rate**" means the Mid-Swap Rate plus 0.50 per cent.

"**Register**" means the register in relation to the Notes maintained by the Registrar;

"**Registrar**" means Elavon Financial Services DAC in its capacity as registrar under the Agency Agreement.

"**Reg S**" or "**Regulation S**" means Regulation S promulgated under the Securities Act.

"**Reg S Definitive Note**" or "**Regulation S Definitive Note**" means a Definitive Note in individual registered form issued and transferrable in accordance with Regulation S.

"**Reg S Global Note**" or "**Regulation S Global Note**" means the Global Note in fully registered form representing those Notes sold outside the United States of America to non-U.S. Persons in reliance on Regulation S.

"**Reg S Note**" means a Notes in the form of either the Reg S Global Note, a beneficial interest therein or a Reg S Definitive Note.

"**Regulation U**" means Regulation U issued by the Board of Governors of the Federal Reserve System of the United States of America, 12 C.F.R. Section 221.

"**Remaining Project Costs**" means the amount of Project Costs which the Issuer and/or the OpCos, acting reasonably, certify it is necessary to pay to a third party (and which have not already been paid) on the Closing Date.

"**Remediation Event**" means any event or circumstance that has a Material Adverse Effect on the ability of a Project Party to perform its obligations under a Project Contract to which it is a party and either no Remediation Plan has been agreed in accordance with Condition 5(ad) (*Remediation*) or a Remediation Plan has been implemented but such event or circumstance continues to have such Material Adverse Effect.

"**Remediation Plan**" has the meaning given to that term in Condition 5(ad) (*Remediation*).

"**Representative**" means U.S. Bank Trustees Limited a company incorporated under the laws of England and Wales with registered number 02379632 whose registered office is at Fifth Floor, 125 Old Broad Street, London EC2N 1AR acting under the Mandates or any other Representative appointed by the Noteholders pursuant to paragraph 3 of Article 2414-bis of the Italian Civil Code.

"**Representative of Noteholders**" means any person or entity appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code, to act from time to time as common representative (*rappresentante commune*) of the Noteholders.

"**Required DSRA Balance**" means, on the Closing Date and on each Calculation Date, an amount equal to 50% of all scheduled Debt Service over the following twelve months.

"**Required Maintenance Reserve Balance**" means, on any Calculation Date and Note Interest Payment Date, an amount desirable or necessary to maintain by way of reserves for maintenance and replacement of panels, inverters and related equipment of a type and condition substantially the same as the panels, inverters and related equipment comprised in the Plants, in each case in accordance with prudent business practices and as certified by the Technical Adviser from time to time.

"**Reserved Discretions**" has the meaning given to that term in Schedule 4 to each of the Note Subscription Agreements.

"**Restricted Book-Entry Interests**" means beneficial interests in respect of the Rule 144A Global Note.

"**Revenue Accounts**" means each of the following accounts in the name of an OpCo opened with UniCredit S.p.A.:

(a) DES Energia Dieci S.r.l.: account number 000101938142;

(b) DES Energia Dodici S.r.l.: account number 000101938173;

(c) DES Energia Tredici S.r.l.: account number 000101938174;

(d) DES Energia Quattordici S.r.l.: account number 000101938175;

(e) ONICE S.r.l.: account number 000500092557;

(f) SOLAR SICILY S.r.l.: account number 000102553201;

(g) SUNFLOWER S.r.l.: account number 000500088501;

(h) CS Solar 2 S.r.l.: account number 000102491287;

(i) TROVOSIX S.r.l.: account number 000102438184,

and any other account replacing such account from time to time with the consent of the Controlling Party.

"**Rule 144A**" means Rule 144A of the Securities Act.

"**Rule 144A Definitive Note**" means a Definitive Note in individual registered form issued and transferrable in accordance with Rule 144A.

"**Rule 144A Global Note**" means a Global Note in fully registered form representing those Notes sold in the United States of America to Qualified International Buyers in accordance with Rule 144A.

"**Rule 144A Note**" means Notes in the form of either the Rule 144A Global Note, a beneficial interest therein or a Rule 144A Definitive Note.

"**SCADA**" means a valid and operational monitoring system that has been verified and validated by the Technical Advisor to the Representative.

"**Scheduled Note Amortisation Amount**" has the meaning given to such term in Condition 8 (*Redemption*).

"**Secured Obligations**" means the aggregate of all monies and liabilities which from time to time are or may become due or owing or payable, and all obligations and other actual or contingent liabilities from time to time incurred, by the Issuer and/or any other Finance Group Company to the Secured Parties under the Notes or the Transaction Documents and pursuant to the Post-Enforcement Priority of Payments:

(a)in whatever currency;

(b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and

(c)including monies and liabilities purchased by or transferred to the relevant Secured Party.

"**Secured Party**" means each of the Noteholders, the Note Trustee, the Cash Manager, the Account Bank, the Paying Agent, the Calculation Agent, the Representative, the Registrar and any party that accedes to a Security Document as a secured creditor of the Issuer.

"**Security**" includes any mortgage, standard security, charge (whether legal or equitable), sub-charge (whether legal or equitable), assignment, assignation in security, right of set-off, pledge, lien, claim, hypothecation or other encumbrance or security securing any obligation of any person (including, without limitation, title transfer and retention arrangements (other than those entered into in the ordinary course of business), sale and leaseback, sale and repurchase arrangements or any other agreement, trust or arrangement having the effect of providing security).

"**Security Documents**" means the English Security Documents and the Italian Security Documents.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Senior Debt**" means all of the Secured Obligations.

"**Shareholder**" means the Parent in its capacity as shareholder of the Issuer.

"**Shareholder Subordinated Debt**" means any amounts loaned by the Shareholder to a Finance Group Company.

"**Shortfall**" has the meaning given to it in Clause 6.4 of the Agency Agreement.

"**Site Agreement**" means each agreement conferring on a Finance Group Company the right to use or have access to land (including *superficie* and *servitu* rights) or under which such Finance Group Company purchases land for the purposes of the Project unless substituted or released in accordance with the terms of the Note Subscription Agreements and each such substitute agreement entered into after the execution of the Note Subscription Agreements in form and substance satisfactory to the Controlling Party.

"**S&P**" means Standard and Poor's Credit Market Services Europe Limited.

"**Specified Office**" means:

(a) in respect of the Paying Agent:

125 Old Broad Street
London EC2N 1AR

or such other Specified Office as the Paying Agent shall designate pursuant to the terms of the Agency Agreement;

(b) in respect of the Registrar:

Block E
Cherrywood Science and Technology Park
Loughlinstown, Co. Dublin, Ireland

or such other Specified Office as the Registrar shall designate pursuant to the terms of the Agency Agreement; and

(c) in respect of the Issuer:

Galleria San Babila 4b
20122 Milano
Italy

or such other Specified Office as the Issuer shall designate by notice in writing to the other signatories to the Master Definitions Schedule.

"**Specified Time**" has the meaning give to that term in Paragraph 9 of Schedule 3 to each of the Note Subscription Agreements.

"**Sponsor**" means Talesun Solar Switzerland A.G.

"**Sponsor Subordinated Debt**" means any amounts loaned by the Sponsor to the Parent.

"**Subordinated Creditor**" has the meaning given to the term in the Subordination Deed .

"**Subordinated Debt**" means the Sponsor Subordinated Debt and all present and future liabilities and obligations at any time of the Issuer (and any other person that is a party to the Subordination Deed as an "**Obligor**"), to any of the Subordinated Creditors, whether documented or undocumented, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a)any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Subordinated Debtor of a payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Subordinated Debt Agreements**" means the shareholder loan between the Parent and the Issuer and any other agreements, arrangements (whether documented or undocumented) and documents from time to time constituting or evidencing indebtedness owed by the Issuer (and any other person that is a party to the Subordination Deed as an "Obligor") to the Subordinated Creditors or in respect of Sponsor Subordinated Debt.

"**Subordinated Debtor**" has the meaning given to the term in the Subordination Deed.

"**Subordination Deed**" means the subordination deed dated on or about the Closing Date between, among others, the Parent, the Issuer and the Note Trustee.

"**Subordination Period**" means the period from the Closing Date to the Discharge Date.

"**Subscription Price**" has the meaning given to the term in Clause 2.2 (*Subscription Price*) of each of the Note Subscription Agreements.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) more than half the issued share capital of which is beneficially owned by the first mentioned company or corporation; or

(b) which is directly or indirectly controlled by that entity pursuant to article 2359 of the Italian Civil Code.

"**TARGET2 Settlement Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

"**Target Condition**" is the condition that is met in respect of an ADSCR Trigger and an LLCR Trigger upon the earlier of:

(a) the ADSCR and the LLCR being greater than 1.30:1 for two consecutive Calculation Dates falling after such ADSCR Trigger or LLCR Trigger occurred; and

(b) the aggregate balance standing to the credit of the Debt Service Reserve Account and the Cash Trap Lockup Account being equal to or greater than the aggregate Outstanding Principal Amount of the Notes on the then most recent Calculation Date.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document.

"**Tax Payment**" means either the increase in a payment made by the Issuer or another Finance Group Company to a Finance Party under Condition 9(a) (*Tax gross-up*) or a payment under Condition 9(b) (*Tax indemnity*).

"**Technical Adviser**" means EOS Consulting S.p.A. or any other primary technical advisor appointed by the Issuer to replace it as previously approved by the Controlling Party.

"**Technical Assumptions**" means the technical assumptions used for the Financial Model.

"**Third Party Liability Insurance**" means insurance in respect of all sums which any Insured becomes liable to pay in respect of a legal liability to third parties.

"**Transaction Documents**" means the Note Subscription Agreements, the Conditions, the Fee Letters, the Security Documents, the Direct Agreements, the Intercompany Loan, the Trust Deed, the Cash Management Agreement, the Agency Agreement, the Subordination Deed and any other document designated as such by the Note Trustee and the Issuer.

"**Transaction Party Obligations**" means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due, joint or several, primary or secondary, liquidated or unliquidated or secured or unsecured) of the Issuer, the Cash Manager, and the Finance Group Companies, to the Noteholders arising under or in connection with the Transaction Documents.

"**Transferred Amount**" has the meaning given to it in Clause 15.2(b)(ii) of each of the Note Subscription Agreements.

"**Transfer Regulations**" means the Transfer Restrictions and the General Transfer Regulations.

"**Transfer Restrictions**" means the transfer restrictions set out at Schedule 3 to the Trust Deed.

"**Treasury Transaction**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Trust Deed**" means the trust deed dated on or about the Closing Date between, among others, the Issuer and the Note Trustee.

"**Trustee Acts**" means the Trustee Act 1925 and the Trustee Act 2000.

"**Unrestricted Book-Entry Interests**" means beneficial interests in respect of the Regulation S Global Note.

"**Updated Base Case**" means, on any date, the then most recent version of the Base Case that has been updated and approved in accordance with Paragraph 3 of Schedule 3 (*Base Case*) to each of the Note Subscription Agreements.

"**Updated Information**" has the meaning given in Clause 7.1(o) of each of the Note Subscription Agreements.

"**U.S. Person**" has the meaning given to that term in Rule 902 of the Securities Act.

"**Voting Certificate**" means, in relation to any meeting, a dated certificate in the English language (together with, if required by applicable Italian law, a translation thereof into Italian) issued either (A) by the relevant accountholder in the relevant clearing system or (B) by the Paying Agent on behalf of the clearing systems on the instructions given to the clearing systems by or on behalf of an Eligible

Voter or (C) (if the Notes are in definitive form) by the Paying Agent, and stating the name of (and document of identification to be provided by) the Eligible Voter, and in which it is stated that the person identified therein is entitled to attend and vote at the meeting.

"**Voting Instruction**" means, in relation to any meeting, a document in the English language issued by the Paying Agent in respect of any Eligible Voter:

(a) certifying that the Eligible Voter or a duly authorised person on its behalf has instructed the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolutions to be put to the meeting;

(b) listing the total number and (if in definitive form) the certificate numbers of the Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(c) authorising the Proxy to vote in respect of the Notes in accordance with such instructions.

"**White-List Country**" means a country which allows for a satisfactory exchange of information with Italy and is listed in a ministerial decree to be issued under article 11, paragraph 4, of Decree No. 239 and, until the enactment of a new decree, in the ministerial decree of 4 September 1996, as amended from time to time, and or in any other equivalent provisions of law as from time to time enacted.

"**24 Hours**" means a period of 24 hours including all or part of a day upon which banks are open for general business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for general business in all of the places as aforesaid;

"**48 Hours**" means a period of 48 hours including all or part of two days upon which banks are open for general business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for general business in all of the places as aforesaid.

"**1925 Act**" means the Law of Property Act 1925

2. Any reference in the Conditions to:

"**continuing**", in respect of a Note Event of Default, shall be construed as a reference to a Note Event of Default, as applicable, which has not been remedied or waived in accordance with and subject to the terms of the Conditions or, as the case may be, the relevant Transaction Document;

"**Euroclear**" and/or "**Clearstream**, **Luxembourg**" shall, wherever the context so admits, be deemed to include references to any additional or alternative clearing system approved by the Issuer and the Note Trustee;

"**enforcing security**" shall be construed as including a reference to the enforcement of rights under any Direct Agreement;

"**holder**" of a Note or "**Noteholder**" means:

(a) if and to the extent that the Notes are represented by the relevant Definitive Note Certificates, the bearers thereof; and

(b) if and to the extent that the Notes are represented by a Global Note Certificate, the persons for the time being shown in the records of the Clearing Systems as being holders of the Notes, in which regard any certificate or other document issued by the Clearing Systems as to the principal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect of which the right shall be vested, as against the Issuer and the Note Trustee, solely in the bearers of the relevant Global Note Certificate in accordance with and subject to their respective terms),

and related expressions shall be construed accordingly;

"**including**" shall be construed as a reference to "including without limitation", so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order, direction, requirement or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court including any provisions which amend, extend, consolidate, re-enact or replace same, or which has been amended, extended, consolidated, re-enacted or replaced (whether before or after the date of the relevant Transaction Document or other agreement into which the provisions of this Clause 2 are incorporated by reference) by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month except that:

(a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month, and references to "months" shall be construed accordingly;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly.

a "**successor**" of any party shall be construed so as to include an assignee, novatee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred;

the Note Trustee or the Representative exercising any discretion, entering into any consultation or acting reasonably or on reasonable grounds, shall be construed as meaning the same shall be performed on the instructions of the Controlling Party save where otherwise provided, and to the extent instructions are so followed, the Note Trustee and/or the Representative shall be deemed to have acted reasonably; and

a "**wholly-owned subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly-owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly-owned subsidiaries.

Schedule 2
Pre-Acceleration Priority of Payments

A. Intra-Note Interest Period Payments

On any Business Day falling before the service of an Issuer Acceleration Notice, other than any period from (and including) a Calculation Date to and including the next following Note Interest Payment Date, amounts standing to the credit of the Cash Pooling Account at opening of business on such day may be applied by the Issuer in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *first*, in or towards payment or making a prudent reserve for Project Taxes payable by the Issuer in accordance with the Operations Budget, unless said Project Taxes has been set off with any actual outstanding VAT credit and/or Tax credit;

(b) *second*, in or towards any other Operating Costs payable by the Issuer in accordance with the Operations Budget on such Business Day; and

(c) *third*, in or towards Extraordinary Operating Costs payable by the Issuer or any other Finance Group Company on such Business Day,

that have, in each case, been checked and verified in advance by the Issuer prior to such payment.

B. Note Interest Payment Dates

On each Note Interest Payment Date prior to the service of an Issuer Acceleration Notice, amounts standing to the credit of the Proceeds Account as at opening of business on the applicable Calculation Date will be applied by the Issuer (or the Cash Manager on its behalf) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *first*, *pro rata and pari passu* in or towards the fees or other remuneration payable to the Note Trustee, the Noteholder Representative and Representative, together with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by any of them;

(b) *second*, *pro rata and pari passu* in or towards the fees on other remuneration payable to the Paying Agent, Calculation Agent, Cash Manager, Issuer Account Bank, Registrar together with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by any of them.

(c) *third*, *sequentially*, in or towards

(i) *firstly*, payment or making a prudent reserve for Project Taxes payable by the Issuer in accordance with the Operations Budget, unless said Project Taxes has been set off with any actual outstanding VAT credit and/or Tax credit;

(ii) *secondly*, in or towards any other Operating Costs payable by the Issuer (to the extent not paid by any other Finance Group Company) for that period in accordance with the Operations Budget during the period from and including the Calculation Date to and including such Interest Payment Date; and

(iii) *thirdly*, in or towards Extraordinary Operating Costs (as determined by the Issuer) payable by the Issuer during the period from and including the Calculation Date to and including such Interest Payment Date,

that have, in each case, been checked and verified in advance by the Issuer prior to such payment;

(d) *fourth*, in or towards

(i) *firstly, pro rata and pari passu*, payment of all amounts of interest and/or principal due or overdue in respect of the Notes;

(ii) *secondly*, *pro rata and pari passu*, any other amounts due to the Noteholders under the Transaction Documents including by way of indemnity; and

(iii) *thirdly*, other than in respect of amounts at paragraphs (g) and (h) below,

(A) if at any time Insurance Proceeds are available for distribution in accordance with Condition 8 (c) (iv), in or towards payment of Mandatory Prepayment Amounts; and/or

(B) if proceeding no. 6092/2014 R.G currently pending before the Supreme Administrative Court (*Consiglio di Stato*) is adversely determined in respect of Six Energy S.r.l, in or towards payment of mandatory prepayments of amounts in accordance with Condition 8 (c) (v).

(e) *fifth*, in or towards payment of all other Financing Costs due or overdue in respect of the Notes;

(f) *sixth*, in or towards payment of the following amounts, *pro rata* and *pari passu*:

(i) if the balance standing to the credit of the Debt Service Reserve Account is less than the Required DSRA Balance, in or towards crediting an amount to the Debt Service Reserve Account to bring the balance thereof to the Required DSRA Balance; and

(ii) in or towards the payment of an amount equal to the Maintenance Reserve Amount into the Panel & Inverter Reserve Account;

(g) *seventh*, other than in respect of amounts referred to in paragraph (h) below, if either (i) an ADSCR Trigger or an LLCR Trigger has occurred and is continuing, or (ii) on the first Note Interest Payment Date following the Closing Date, if the Technical Adviser has not certified (which certification shall be final and binding) to the Note Trustee that a SCADA is in place, in transfer of (x) up to the entire remaining balance of the Proceeds Account to the Cash Trap Lockup Account until the related Target Condition has been met in the case of (i), or (y) all amounts standing to the credit of the Proceeds Account to the Cash Trap Lock Up Account in the case of (ii) until a valid and operational SCADA is in place.

(h) *eighth*, if, on the relevant Calculation Date, a Mandatory Prepayment Event has occurred and is continuing, or a GSE Mandatory Prepayment Event has occurred, in or towards payment of all Mandatory Prepayment Amounts or such other amounts in accordance with Condition 8(c) (*Mandatory Prepayment*) that are due or overdue in respect of the Notes;

C. Base Case Calculation Dates

On any Business Day prior to the service of an Issuer Acceleration Notice, that falls within the 5 Business Day period beginning on a Base Case Calculation Date, amounts standing to the credit of the Proceeds Account as at opening of business on such Business Day may be applied by the Issuer, in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *first*, in or towards payment of all and any amounts outstanding under Part B above, as at the preceding Note Interest Payment Date; and

(b) *second*, if the Distribution Conditions have been satisfied, in or towards transferring all or part of the surplus (if any) to the Distribution Account.

Schedule 3
Post-Acceleration Priority of Payments

Following the service of an Issuer Acceleration Notice, the Cash Manager acting on the instructions of the Note Trustee, will apply monies standing to the credit of the Project Accounts (other than the Debt Service Reserve Account) in or towards satisfaction of the following liabilities in respect of the Notes in the following order of priority, in each case only to the extent that payments of a higher order of priority have been paid in full:

(a) *first, pro rata and pari passu,* in or towards the fees or other remuneration payable to the Note Trustee, Representative of Noteholders and Representative and any Receiver appointed by them, together with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by any of them;

(b) *second, pro rata and pari passu,* in or towards the fees or other remuneration payable to the Paying Agent, Calculation Agent, Cash Manager, Issuer Account Bank, and Registrar, together with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by any of them.

(c) *third, sequentially,* in or towards

(i) *firstly*, payment or making a prudent reserve for Project Taxes;

(ii) *secondly*, in or towards any ground or other rent payable under the Site Agreements,

and provided that (unless otherwise agreed in writing by the Controlling Party) no Enforcement Action has been taken at such time.

(d) *fourth*, in or towards

(i) *firstly, pro rata and pari passu,* payment of all amounts of interest or principal due or overdue in respect of the Notes; and

(ii) *secondly, pro rata and pari passu,* any other amounts due to the Noteholders under the Transaction Documents including by way of indemnity;

(e) *fifth, pro rata and pari passu,* in or towards payment of all other Financing Costs due or overdue in respect of the Notes;

(f) *sixth*, subject to the prior written consent of the Controlling Party, in or towards

(i) *firstly*, in or towards any other Operating Costs payable by the Issuer (to the extent not paid by any other Finance Group Company) in accordance with the Operations Budget; and

(ii) *secondly*, in or towards Extraordinary Operating Costs (as determined by the Issuer) payable by the Issuer during such period,

that have, in each case, been checked and verified in advance by the Issuer prior to such payment

(g) *seventh*, the surplus (if any) in payment to the Issuer or otherwise, as notified by the Issuer to the Cash Manager in advance.

ANNEX 2 – PART I
ISSUER'S CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015 AND RELEVANT AUDIT LETTER

ANNEX 2 – PART II
ISSUER'S FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

ANNEX 3 - SELLING RESTRICTIONS

1. GENERAL

1.1 Each Noteholder agrees that it will comply with all applicable laws and regulations in force:

in any jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes and will obtain any consent, approval or permission required by it for the subscription, purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such subscriptions, purchases, offers, sales or deliveries and the Issuer shall not have any responsibility therefor.

1.2 Each Noteholder represents and agrees that it will not offer, sell or deliver any Notes or distribute the admission document, any advertisement or other document or information relating to the Notes:

(a) in any country or jurisdiction except under circumstances that will result in compliance with any applicable law and regulation; nor

(b) to persons resident, domiciled or located, including a permanent establishment thereof established in one of the countries not listed in the Italian Ministerial Decree issued pursuant to article 11(4)(c) of Decree N. 239 of April 1, 1996. Currently reference is to be made to the Ministerial Decree of September 4, 1996 as subsequently amended and supplemented.

2. THE UNITED STATES OF AMERICA

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state or other jurisdiction's securities laws, and the Issuer will not be registered as an investment company under the provisions of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, the Notes may only be offered and sold, and may be re-offered, re-sold, pledged or otherwise transferred only (i) outside the United States pursuant to Regulation S under the Securities Act ("**Regulation S**") to a person who is not a "**U.S. person**" (as defined in Rule 902(k) of Regulation S, "U.S. Person") in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person that is both a "qualified purchaser", as defined under Section 2(a)(51) under the Investment Company Act (a "**QP**") and qualified institutional buyer, as defined in Rule 144A ("**Rule 144A**") under the Securities Act (a "**QIB**"), and otherwise agree to be bound by the transfer restrictions set forth in the Agency Agreement and the Trust Deed.

To ensure compliance with these restrictions, each Noteholder represents, warrants, acknowledges and covenants, and each purchaser (including each subsequent transferee) of Notes (or a beneficial interest therein) (and each such owner of a beneficial interest therein, collectively, the "**Purchaser**") by purchasing or otherwise acquiring such interest will be deemed to have represented, warranted, acknowledged and covenanted to the Issuer, the Note Trustee and the Arranger as follows:

1. The Purchaser is purchasing the Notes for its own account or for the account of one or more beneficial owners for which such person is acting as fiduciary or agent with complete investment discretion and with authority to bind such other person and not with a view to any public resale or distribution thereof.

2. The Purchaser and each person for which it is acting understands and acknowledges that the Notes and any beneficial interest therein have not been and will not be registered under the Securities Act or any other applicable state or foreign securities laws, and may not be offered, sold or otherwise transferred except pursuant to an exemption from registration and in compliance with the provisions of paragraphs 1 through 9 hereof. Notwithstanding the availability of an exemption from the registration requirements under the Securities Act, the Notes may not be resold or transferred except (i) outside the United States to a person that is not a U.S. Person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person who is both a QIB and a QP in a transaction meeting the requirements of Rule 144A who simultaneously therewith delivers to the Issuer an executed investor letter, substantially in the form of schedule 4 to the Agency Agreement.

3. The Purchaser and each person for which it is acting is (a) either (i) outside the United States and not a U.S. Person or (ii) both a QIB and a QP and meets the other requirements applicable to purchasers and transferees of Notes as set forth in the Trust Deed; (b) an institution that, in the normal course of business, invests in or purchases securities similar to the Notes and a highly sophisticated investor that has such knowledge and experience in financial and business matters that is capable of evaluating the merits and risks of an investment in the Notes, and able to bear the economic risk, and sustain a complete loss, of such investment in the Notes; and (c) without a need for liquidity with respect to its investment in the Notes and without a reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Notes.

4. If it is a U.S. Person, the Purchaser and each person for which it is acting understands and acknowledges that any sale of the Notes to it will be made in reliance on Rule 144A (other than the Initial Noteholders) and the exclusion from the definition of an investment company provided in Section 3(c)(7) of the Investment Company Act, and such acquisition will be for its own account or for the account of another QIB and QP that is also aware that the sale to it is being made in reliance on Rule 144A and, if a U.S. Person, that the Issuer is relying on the exception from the definition of an investment company provided in Section 3(c)(7) of the Investment Company Act. The Purchaser, and each person for which it is acting, understands and agrees that the Issuer and the Note Trustee shall have the right to request and receive such additional documents, certification, representations and undertakings from time to time as the Issuer or, as applicable, the Note Trustee may deem necessary in order to comply with the applicable legal requirements.

5. The Purchaser and each account for which it is purchasing is acquiring the Notes (or beneficial interest therein) for its own account for investment purposes and not for sale in connection with any distribution thereof and will purchase, hold or transfer at least €100,000 of the Notes or beneficial interests therein and, after giving effect to such transfer, will hold Notes (or beneficial interests therein) of not less than €100,000 in principal amount. It and each person for which it is acting (a) if a U.S. Person, was not formed, reformed or recapitalised for the purpose of investing in the Notes (or beneficial interest therein) and/or other securities of the Issuer, except when each beneficial owner of the Purchaser and each person for which it is acting is a QP, (b) to the extent the Purchaser or any person for which it is acting would be an investment company if it were not excluded from the definition of an investment company under the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or is a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the

Investment Company Act and the rules promulgated thereunder, (c) if a U.S. Person, is not a participant-directed employee plan, such as a 401(k) plan or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan, (d) if a U.S. Person, is not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of issuers unaffiliated with such broker-dealer if it is a dealer of the type described in paragraph (a)(I)(ii) of Rule 144A, (e) (if a U.S. Person) is not a (i) partnership, (ii) common trust fund, (iii) corporation, or (iv) special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investment to be made, or the allocation thereof, unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both a QIB and a QP, (f) (if a U.S. Person) has not invested more than 40 per cent. of its assets in the Notes (or beneficial interests therein) and/or other securities of the Issuer after giving effect to the purchase of the Notes (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs), (g) will provide notice of these transfer restrictions to any subsequent transferees who must agree to comply with such restrictions as a condition to any purchase of the Notes and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic or beneficial interest in the Notes acquired or reoffer, resell, pledge or otherwise transfer the Notes (or any beneficial interests therein), to any person except to a person that (x) meets all of the requirements in paragraphs 1 through the following paragraph 6 or paragraph 9 and (y) agrees not to subsequently transfer the Notes or any beneficial interest therein except in accordance with these transfer restrictions, and (h) understands that the Issuer may receive a list of participants holding positions in securities from one or more book-entry depositaries, including without limitation the Clearing Systems.

6. The Purchaser and each person for which it is acting understands and agrees that: (a) any purported sale or transfer of the Notes (or a beneficial interest therein) to a purchaser that does not comply with the requirements set forth in these paragraphs 1 through 6 will be of no force and effect and will be void ab initio and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Note Trustee or any intermediary; (b) in the event of a transfer of the Notes (or beneficial interest therein) to a U.S. Person that is not both a QIB and a QP (and does not meet the other requirements set forth in paragraphs 1 through 6) at the time of acquisition of the Notes (or beneficial interest therein), the Issuer may, in its discretion, either (a) compel such transferee to sell such Notes or interest herein (within 30 days after notice of the sale requirement is given) to a person (i) that is a QIB and, (ii) if such QIB is a U.S. Person, a QP, and meets the requirements set forth in paragraphs 1 through 6 hereof in a transaction exempt from registration under the Securities Act, or (b) if such transferee fails to effect the sale within such 30-day period, the Issuer has the right on behalf of such transferee (and such transferee by its accepting delivery of the Notes or beneficial interest therein irrevocably grants to the Issuer and the Issuer's agents full power and authority to, on behalf of such transferee), sell the Notes or such transferee's interest therein to a person designated by or acceptable to the Issuer who meets the requirements set forth herein at a price equal to the least of (1) the purchase price therefor paid by the original transferee, (2) 100 per cent. of the Outstanding Principal Amount thereof and (3) the fair market value thereof; and (c) the Issuer has the right to refuse to honour the sale or transfer of an interest in the Notes to a U.S. Person who is not both a QIB and a QP (and does not meet the other requirements set forth in paragraphs 1 through 6 above) at the time of acquisition of such Notes (or such beneficial interest).

7. The Purchaser (on its own behalf and on behalf of each account for which it is purchasing or acquiring the Notes) understands that there may be certain consequences under U.S. and other tax laws resulting from an investment in the Notes, and will make such investigation and consult such tax and other advisors with respect thereto as it deems. The Purchaser has received and reviewed the Disclosure Pack, and based on the information in the Disclosure Pack (i) has been given the opportunity to ask questions of and receive answers from the Issuer concerning matters pertaining to an investment in the Notes and (ii) has been given the opportunity to request and review additional information from the Issuer with respect to matters pertaining to an investment in the Notes. The Purchaser understands the terms, conditions and risks of the Notes and that the Notes involve a high degree of risk including possible loss of the Purchaser's entire investment. The Purchaser has not relied upon any investment advice or recommendation of the Issuer, the Arranger or any of their respective affiliates. The Purchaser has determined that it has the legal power, authority and right to purchase the Notes. The Purchaser understands that (i) there is no assurance that a secondary market for the Notes will develop, (ii) the fair market value of the Notes may reflect a substantial discount from the Purchaser's initial investment (iii) the Notes may trade at a value other than that which may be inferred from the current levels of interest rates, due to other factors including, but not limited to expectations of the future levels of interest rates and the occurrence of certain risk events.

8. For so long as the Issuer intends to rely on Section 3(c)(7) of the Investment Company Act, the Purchaser hereto agrees to comply with the provisions and procedures set forth in schedule 6 to the Note Subscription Agreements with respect to (i) Euroclear, (ii) Clearstream and (iii) Bloomberg (as such term is defined therein) and ISIN/Common Codes and each Purchaser understands and each beneficial owner is deemed to understand that the Issuer may receive a list of the Participants holding Notes (i.e. beneficial interests in a global Note) from Euroclear and Clearstream and any other depository through which the Notes (or beneficial interests therein) may be held.

9. The Purchaser agrees on its own behalf and on behalf of each investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, reoffer, sell or otherwise transfer such Notes only in accordance with all applicable securities laws of the United States, any state of the United States and any other applicable jurisdiction, subject in each case to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control. Such Purchaser acknowledges that the Global Notes will bear a legend substantially to the following effect:

Rule 144A Global Note:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND THE ISSUER (AS DEFINED IN THE TRUST DEED) HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE ON THE EXCLUSION FROM THE DEFINITION OF "**INVESTMENT COMPANY**" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT.

BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT (I)(A) IS AN "ELIGIBLE

INVESTOR" (AS DEFINED BELOW), (B) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, (C) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL THE PRECEDING REQUIREMENTS AND (D) AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (D) OR (II) IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT. IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (II), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REG S GLOBAL NOTE (AS DEFINED IN THE TRUST DEED); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE TO THE REGISTRAR (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT AND AVAILABLE FROM THE REGISTRAR).

"**ELIGIBLE INVESTORS**" ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE BOTH (A) QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") AND (B) QUALIFIED PURCHASERS (AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER ENTITIES THAT ARE BOTH QUALIFIED INSTITUTIONAL BUYERS AND QUALIFIED PURCHASERS AND EXCLUDES THEREFROM: (I) QUALIFIED INSTITUTIONAL BUYERS THAT ARE BROKER-DEALERS THAT OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN U.S. $25 MILLION IN SECURITIES IF IT IS A DEALER OF THE TYPE DESCRIBED IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNDER THE SECURITIES ACT, (II) A PARTNERSHIP, COMMON TRUST FUND, CORPORATION, SPECIAL TRUST, PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES, SHAREHOLDERS, EQUITY OWNERS, BENEFICIAL OWNERS OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF AND IN A TRANSACTION THAT MAY BE EFFECTED WITH LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION, (III) AN ENTITY THAT WAS FORMED, REFORMED OR RECAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER, UNLESS EACH BENEFICIAL OWNER OF SUCH ENTITY AND EACH PERSON FOR WHICH IT IS ACTING IS BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER, (IV) ANY ENTITY THAT WOULD BE AN INVESTMENT COMPANY IF IT WERE NOT EXCLUDED FROM THE DEFINITION OF INVESTMENT COMPANY PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR 3(c)(7) WITH RESPECT TO ITS HOLDERS THAT ARE U.S. PERSONS), WHICH FORMED PRIOR TO 30 APRIL, 1996, THAT HAS NOT RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WITH RESPECT TO THE TREATMENT OF SUCH ENTITY AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(c) OF THE INVESTMENT COMPANY ACT AND RULES THEREUNDER, (V) ANY PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH

(a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, AND (VI) ANY ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE SECURITIES OF THE ISSUER IMMEDIATELY SUBSEQUENT TO ANY PURCHASE OF THE NOTES.

THE PURCHASER ACKNOWLEDGES THAT EACH OF THE ISSUER AND THE NOTE TRUSTEE RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER OR THE NOTE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THIS GLOBAL NOTE ACKNOWLEDGES THAT IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY A PERSON ACTING ON BEHALF OF THE ISSUER THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY NOTES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER OR A PERSON ACTING ON ITS BEHALF, REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE PROVISIONS OF THE INVESTMENT COMPANY ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID AB INITIO AND WILL NOT BE HONOURED BY THE NOTE TRUSTEE. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A NOTEHOLDER AND THE ISSUER SHALL HAVE THE RIGHT, IN ACCORDANCE WITH THE CONDITIONS OF THE NOTES, TO FORCE THE TRANSFER OF, OR REDEEM, ANY SUCH NOTES.

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION OF SUCH NOTE, REPRESENTS AND WARRANTS THAT ON EACH DAY THAT IT HOLDS SUCH NOTE OR ANY INTEREST THEREIN EITHER (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I THEREOF (A "**BENEFIT PLAN**"), OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHICH IS SUBJECT THERETO (A "**PLAN**"), OR A GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-UNITED STATES LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTIONS 406 AND 408 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A BENEFIT PLAN, PLAN, OR GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH BENEFIT PLAN, PLAN, OR GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, OR (B) ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, A VIOLATION OF ANY SIMILAR LAW). ANY ATTEMPTED TRANSFER OF SUCH NOTE OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

Regulation S Global Note:

BY PURCHASING OR OTHERWISE ACQUIRING ANY BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER THAT IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY TO A NON-U.S. PERSON AND IN COMPLIANCE WITH THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. ANY TRANSFERS OF THE NOTES FOLLOWING THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE: (A) TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S) IN A TRANSACTION PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO PERSONS WHO QUALIFY AS "ELIGIBLE INVESTORS" (AS DEFINED IN THE TRUST DEED). IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (B), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE RULE 144A GLOBAL NOTE (AS DEFINED IN THE TRUST DEED); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE TO THE REGISTRAR (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT AND AVAILABLE FROM THE REGISTRAR).

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION OF SUCH NOTE, REPRESENTS AND WARRANTS THAT ON EACH DAY THAT IT HOLDS SUCH NOTE OR ANY INTEREST THEREIN EITHER (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I THEREOF (A "**BENEFIT PLAN**"), OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") WHICH IS SUBJECT THERETO (A "**PLAN**"), OR A GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-UNITED STATES THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTIONS 406 AND 408 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A BENEFIT PLAN, PLAN, OR GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH BENEFIT PLAN, PLAN, OR GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, OR (B) ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-UNITED STATES PLAN, A VIOLATION OF ANY SIMILAR LAW). ANY ATTEMPTED TRANSFER OF SUCH NOTE OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

Terms used in the above section have the meanings given to them by relevant U.S. securities laws and regulations.

3. **UNITED KINGDOM**

Each Noteholder represents, warrants and undertakes to the Issuer and each other Noteholde that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

4. **ITALY**

Each Noteholder understands that the offering of the Notes has not been registered pursuant to Italian securities legislation. Accordingly, each Noteholder represents and agrees that it has not offered or sold, and that it will not offer, sell or deliver any Notes or distribute any document relating to the Notes in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to article 100 of Financial Law and article 34-*ter*, first paragraph, letter b) of Regulation No. 11971; or

(b) in any other circumstances which are exempted from the rules on public offerings, pursuant to article 100 of the Financial Law and article 34-*ter* of Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, the Financial Law, CONSOB Regulation No. 16190 and any other applicable laws and regulations;

(ii) in compliance with article 129 of Legislative Decree No. 385 of 1 September 1993 as amended and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirements which may be imposed by CONSOB or other Italian authority.