

Sonnedix Italia S.p.A.

a joint stock company

with its registered office in Turin, Via Ettore De Sonnaz no.
19 Share capital of euro 50,000.00 fully paid-in

Tax code, VAT number and registration number with the Companies' Registry of Turin
07056960961

R.E.A. no. TO-1170669

Admission Document

in connection with the application for admission to trading of the financial instruments named "€ 95,000,000 Floating Rate Notes due 28 February 2030", ISIN IT0005220691 (issue price: 100 per cent.) on the professional segment (ExtraMOT PRO) of the multilateral trading facility ExtraMOT operated by Borsa Italiana S.p.A.

The financial instruments are issued in dematerialised form (*forma dematerializzata*) in accordance article 83-bis and subsequent of the Italian Legislative Decree no. 58 of 24 February 1998 as amended (the **Financial Law**) and the Regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time (the **Bol/CONSOB Regulation**) and will be held through and accounted for in book entry form with the central securities depository and management system managed by Monte Titoli S.p.A.

**CONSOB AND THE ITALIAN STOCK EXCHANGE HAVE NOT EXAMINED NOR APPROVED
THE CONTENT OF THIS ADMISSION DOCUMENT**

This admission document is dated 2 December 2016

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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, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Structuring Mandated Lead Arrangers, the Issuer, 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, constitute a representation or imply that there has been no change in the affairs of the Issuer or the SPVs or in the information contained herein since the date hereof or the date upon which this Admission Document has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer 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 Structuring Mandated Lead Arrangers accept no responsibility whatsoever for the contents of this Admission Document or for any other statement, made or purported to be made by the Structuring Mandated Lead Arrangers or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Structuring Mandated Lead Arrangers accordingly disclaim all and any liability, whether arising in contract or otherwise, which it might otherwise have in respect of this Admission Document or any such statement.
- 1.3 The Structuring Mandated Lead 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 Structuring Mandated Lead Arrangers as to the accuracy or completeness of the information contained in this Admission Document not verified by the latter or any other information provided by the Issuer, 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 Structuring Mandated Lead 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 Structuring Mandated Lead 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 Securities Act or any other state or other jurisdiction's securities laws, are in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act). 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). The Notes may not be offered or sold directly or indirectly, and neither this Admission Document nor any other 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.
- 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 Some statements in this Admission Document are, or may be deemed to be, forward-looking statements. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Admission Document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the section entitled "Risk Factors" and other sections of this Admission Document. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Admission Document, if one or more risks or uncertainties materialise, whether or not such risks or uncertainties are identified in the section entitled "Risk Factors" or elsewhere in this Admission Document, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.
- 1.10 Any forward-looking statements contained in this Admission Document speak only as at the date of this Admission Document. Save as required under applicable laws and regulations, each of the Issuer and the Structuring Mandated Lead Arrangers expressly disclaim any obligation or undertaking to disseminate after the date of this Admission Document any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.
- 1.11 Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Structuring Mandated Lead Arrangers or from any other person as investment advice or as a recommendation to invest in the Notes or an assurance or guarantee as to the expected results of an investment in the Notes, 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.
- 1.12 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

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

Admission Document means this admission document relating to the trading of the Notes prepared in accordance with the Rules of ExtraMOT.

Advisers means the Technical Adviser, the Model Auditor, the Insurance Adviser, the Finance Parties' Legal Adviser, the Borrower's Legal Adviser, the Tax Adviser and each other adviser appointed in accordance with Clause 17 (*Appointment of Advisers*) of the CTDA and **Adviser** means any one of them.

AEEG means *Autorità per l'energia elettrica, il gas ed il sistema idrico*, being the regulator in Italy for the water, gas and electricity industries.

Agency Agreement means the agreement dated on or about the Issue Date between the Issuer, the Paying Agent and the Calculation Agent under which, amongst other things, each of them is appointed, respectively, as principal paying agent and calculation agent for the purposes of the Notes.

Applicable Accounting Principles means generally accepted accounting principles in Italy, including, without limitation, the Italian accounting standards (and relevant interpretations) issued by "*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*" and by "*Consiglio Nazionale dei Ragionieri*" as amended by the "*Organismo Italiano di Contabilità*" (**OIC**) together with the Italian accounting standards issued by OIC, as in effect at the relevant time or for the relevant period and as consistently applied.

Authorised Credit Facility means:

- (a) any Notes;
- (b) the Loan Facilities; and
- (c) any Hedging Agreements.

Bankruptcy Law means Italian Royal Decree no. 267 of 16 March 1942, as amended and/or supplemented from time to time.

Borrower means Sonnedix Italia S.p.A. a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with its registered office in Turin (Italy), Via Ettore De Sonnaz no. 19, fiscal code, VAT number and registration number with the Company Register of Turin no. 07056960961, R.E.A. TO-1170669, in its capacity as borrower under the Facilities Agreement.

Borrower's Quotaholder Loans means each shareholder loan made or to be made by the Borrower to any SPV pursuant to the Cash Contribution Agreement (and includes Financiers' Funded Quotaholders Loans and Equity Funded Quotaholder Loans).

Calculation Date means each 30 June and 31 December if each year.

Cash Contribution Agreement means the agreement to be entered into between the Borrower and each SPV setting out the terms on which the Borrower will undertake to make Borrower's Quotaholder Loans and other payments in the SPVs.

Cash Intercompany Loans Agreement means in respect of each SPV, an intercompany loan agreement to be entered into on the Issue Date between that SPV as lender and the Issuer as borrower each setting out the terms on which that SPV will undertake to make loans to the Issuer.

Civil Code means the Italian civil code set out in Royal Decree no. 262 of 16th March, 1942 as amended and/or integrated from time to time.

Common Documents means:

- (i) the Security Documents;
- (ii) the Common Terms and Definitions Agreement; and
- (iii) the Intercreditor Agreement.

Common Terms and Definitions Agreement or **CTDA** means the common terms and definition agreement entered dated 30 November 2016 between, *inter alios*, the Issuer and Natixis S.A. as Transaction Agent.

CONSOB means the *Commissione Nazionale per le Società e la Borsa* (i.e. the Italian securities authority).

Consob Regulation no. 11971 means CONSOB Regulation no. 11971 dated 14 May 1999 as subsequently amended and supplemented.

DSRA Facility means the revolving credit facility for a maximum aggregate amount up to euro 9,100,000 (nine million and one hundred thousand/00), as detailed under the Facilities Agreement.

Energy Development means Energy Development S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Via Giuseppe Giusti no. 33, Palermo and registered with the companies' register of Palermo at no. 05690740823.

Energy Development PV Plant means each of the following plants developed by Energy Development:

- (a) the 991.8 kWp photovoltaic plant in the Municipality of Vittoria (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 950.04 kWp photovoltaic plant in the Municipality of Vittoria (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **Energy Development PV Plants** means all of them, collectively.

Equity Funded Quotaholders Loans means Borrower's Quotaholders Loans existing as at the day before the Issue Date other than Financiers Funded Quotaholders Loans.

ESC means Energia e Sviluppo Centro S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 03089450542.

ESC PV Plant means each of the following plants developed by ESC:

- (a) the 1,713 kWp photovoltaic plant in the Municipality of Deruta (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities);
- (b) the 2,0304 kWp photovoltaic plant in the Municipality of Terni (including all necessary

civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and

- (c) the 2,882.52 MWp photovoltaic plant in the Municipality of Perugia (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

EURO means the single currency unit of the Participating Member States of the European Union as constituted by the Treaty on the Functioning of the European Union and as referred to in the legislative measure of the Council of the European Union for the introduction of, changeover to or operation of a single or unified European currency (whether or not known as the Euro), being in part the implementation of the third stage of the European Monetary Union.

ExtraMOT PRO means the multilateral trading system named "*segmento professionale ExtraMOT PRO*" which is part of the multilateral trading system (*sistema multilaterale di negoziazione delle obbligazioni*) held by Borsa Italiana S.p.A. and named "ExtraMOT".

Facilities Agreement means the agreement dated on the Signing Date between, amongst others, the Borrower and the Lenders documenting the Loan Facilities.

Final Maturity Date means 28 February 2030.

Finance Cost means for any relevant period, the finance costs paid or payable or (in respect of a projection) projected to be paid or payable in that period under the Finance Documents, including:

- (a) scheduled repayment instalments payable in respect of the Loan Facilities and the Notes;
- (b) interest (including default interest), fees, commissions, hedging premia (if any) and costs and expenses payable by the Borrower to any Finance Party under the Finance Documents;
- (c) amounts payable by the Borrower under any Hedging Agreement (but excluding Hedging Termination Payments); and
- (d) any amount payable by the Borrower in accordance with the Finance Documents representing Increased Costs (as defined in the Facilities Agreements), Tax payments, stamp duty, registration or payment in respect of any other similar tax or payment in respect of any indemnity.

Finance Documents has the meaning attributed to it under paragraph 5(c)(ii)(A) below.

Financial Indebtedness means (without double-counting) any indebtedness for or in respect of:

- (a) moneys borrowed or raised;
- (b) any documentary or standby letter of credit facility but not relating to trade instruments;
- (c) any acceptance credit;
- (d) any bond, note, debenture, loan stock or other similar instrument but not irade instruments;
- (e) any finance or capital lease or hire purchase contract which would, in accordance with Applicable Accounting Principles, be treated as such;

- (f) any amount raised pursuant to any issue of shares which are capable of redemption before the latest final maturity date of any Senior Debt;
- (g) receivables sold or discounted (other than on a non-recourse basis);
- (h) the amount of any liability in respect of any advance or deferred purchase agreement if one of the primary reasons for entering into such agreement is to raise finance;
- (i) any termination amount due from the Debtor in respect of any Treasury Transaction that has terminated;
- (j) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing (other than any trade credit or indemnity granted in the ordinary course of the Issuer's business and upon terms usual for such business);
- (k) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution but not in respect of any trade instrument; and
- (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in paragraphs (a) to (k) (inclusive) above;

Finance Law means Italian Legislative Decree no. 58 dated 24 February 1998, as subsequently amended and supplemented.

Financiers Funded Quotaholder Loans means Borrower's Quotaholders Loans funded with the proceeds of the Authorised Credit Facilities in accordance with the Common Terms and Definitions Agreement and the Cash Contribution Agreement.

Financial Model has the meaning attributed to it under paragraph 5(d) below.

First Calculation Date means 31 December 2016.

Forecast Debt Service Cover Ratio means, in respect of any Calculation Date, the ratio of:

- (a) Forecast Net Cash Flow; to
- (b) Forecast Finance Costs,

in each case, for the Future Calculation Period commencing on the day after that Calculation Date.

Forecast Finance Costs means, in respect of any Future Calculation Period, the Finance Costs projected in the Updated Base Case to be paid during that Future Calculation Period.

Forecast Net Cash Flow means, in respect of each Future Calculation Period, the Net Cash Flow projected in the Updated Base Case to be received during that Future Calculation Period.

Funds Flow Statement means the funds flow statement as to the use of the proceeds of the Authorised Credit Facilities in the form attached under Schedule 11 (*Funds Flow Statement*) of the CTDA.

Future Calculation Period means, in respect of a Calculation Date, the 12 (twelve) month period starting on the day after such Calculation Date (or, in respect of the final Calculation Date, the period commencing on the day after such Calculation Date and ending on the Final Maturity Date for the Project Facility).

Group means the Borrower, the Sub-Holdings and the SPVs.

GSE means Gestore dei Servizi Energetici S.p.A., being the state-owned company which promotes and supports renewable energy sources in Italy.

Hedge Counterparty means any counterparty which accedes as a hedge counterparty to the Intercreditor Agreement and the Common Terms and Definitions Agreement as a hedge counterparty.

Hedging Agreement means any Treasury Transaction entered or to be entered into by the Issuer with a Hedge Counterparty in compliance with the Hedging Policy.

Hedging Liabilities means any present and future liabilities in respect of a Hedging Agreement.

Hedging Policy means the hedging policy as set out in Schedule 5 (*Hedging Strategy*) of the Common Terms and Definitions Agreement.

Hedging Termination Payments means any net amount falling due from the Borrower under a Hedging Agreement as a direct or indirect result of the termination, wholly or in part, of that Hedging Agreement, other than interest accruing on any such amount not paid when due (or, as the context may require, any net amount which would fall due upon any such termination).

Historic Debt Service Cover Ratio means, in respect of any Calculation Date, the ratio of:

- (a) the Net Cash Flow; to
- (b) the aggregate Finance Costs,

in each case, for the Previous Calculation Period ending on the Calculation Date.

Intercreditor Agreement means the intercreditor agreement between, among others, the Issuer, the Secured Creditors (as defined in the Common Terms and Definitions Agreement) and the Transaction Agent dated on the Signing Date.

Issue Date means the date of issue of the Notes, being 2 December 2016.

Issuer or **Sonnedix Italia** means the Borrower, in its capacity as issuer of the Notes under the Notes Subscription Agreement and the Terms and Conditions.

Italian Consolidated Banking Act means the Italian consolidated banking act (*T.U. delle leggi in materia bancaria e creditizia*) set out in Legislative Decree no. 385 of 1 September 1993, as amended and/or integrated from time to time.

Italian Stock Exchange means Borsa Italiana S.p.A., with its registered office in Milan, Piazza degli Affari, no. 6.

Lenders means Natixis S.A. – Milan Branch and BNP Paribas S.A. – Italian Branch and any successor, assignee or transferee pursuant to the terms of the Facilities Agreement.

Loan Facilities means the Project Facility and the DSRA Facility to be made available by the Lenders to the Issuer pursuant to the Facilities Agreement.

Monte Titoli means Monte Titoli S.p.A., with its registered office in Milano, Piazza degli Affari no. 6.

Natixis S.A. means Natixis S.A. a French *société anonyme*, registered with the Registry of Companies of Paris under registration number B 542044524 with its registered office at no. 30, Avenue Pierre Mendès-France, 75013 Paris – France.

Net Cash Flow means, in respect of any period, **A** minus **B**, where:

- (a) **A** is the aggregate Revenues received by the Borrower and the SPVs (without double counting) during that period; and
- (b) **B** is the aggregate of all amounts payable by the Borrower and the SPVs during that period in respect of Operating Costs;

in each case on an "actuals" rather than an "accruals" basis.

Notes means the euro 95.000.000,00 (in words EUR ninety five million /00) floating rate notes with final maturity date on 28 February 2030 to be issued by the Issuer on the Issue Date.

Noteholders means, at any time, the holder for the time being of a Note and **Noteholders** means all of them, including the Notes Subscribers.

Notes Subscribers means the initial investors who will subscribe for the Notes pursuant to the terms of the Notes Subscription Agreement.

Notes Subscription Agreement means the agreement executed on the Signing Date between among others, the Issuer, and the Notes Subscribers for the sale by the Issuer and the subscription as principal by such investor of the Notes.

O&M Contractor means each entity acting as O&M contractor under any O&M Contract.

O&M Contracts means each operation and maintenance contract entered into in respect of the PV Plants that is listed in ANNEX°5 (*O&M Contracts*) and any other replacement operation and maintenance contract entered into by any SPV after the Signing Date in accordance with the Common Terms and Definitions Agreement.

Operating Costs means, in respect of any period, all costs and expenses incurred by any member of the Group in connection with the operation, management, maintenance, asset management and repair of the Portfolio included in the relevant Operating Budget, including:

- (a) Borrower's Costs incurred in the relevant period;
- (b) amounts paid or payable and liabilities under the Project Documents;
- (c) insurance premia paid or payable in respect of Insurances;
- (d) premia on insurances taken out as additional forms of credit support acceptable to the relevant VAT authority/*ufficio IVA* (as an alternative to provision a VAT bond under the VAT Bond Facility);
- (e) utilities and consumption costs;
- (f) Taxes (including IMU);
- (g) costs and expenses paid or payable to Advisers under the Finance Documents;
- (h) capital expenditures (including major or unscheduled maintenance) and Permitted Capex under letter (a) of the relevant definition; and
- (i) all other costs agreed by the Transaction Agent and the Borrower as Operating Costs,

but excluding the following:

- (i) Finance Costs other than those specified in paragraph (g) above;
- (ii) VAT;

- (iii) any Permitted Capex under letter (b) of the relevant definition; and
- (iv) amounts incurred or paid in respect of Shareholder Loans, Borrower's Quotaholder Loans or the Existing Financial Indebtedness.

Previous Calculation Period means, in respect of a Calculation Date, the 12 (twelve) month period ending on that Calculation Date (or, in respect of the First Calculation Date only, the period from 1 January 2017 to the First Calculation Date).

Project means the ownership, operation and maintenance of the PV Plants.

Project Documents shall have the meaning given to this term in paragraph 5(c)(ii)(B) below.

Project Facility means the term loan facility for a maximum aggregate amount up to euro 93,000,000 (ninety three million/00), to be drawn by the Issuer as detailed under the Facilities Agreement.

PV Plant means each of:

- (a) the Energy Development PV Plants;
- (b) the ESC PV Plants;
- (c) the Radiant PV Plant;
- (d) the Sarda Solar PV Plants;
- (e) the Sarda Solar II PV Plant;
- (f) the Sonnedix San Benedetto PV Plants;
- (g) the Sonnedix Ottobiano PV Plant;
- (h) the SV IV PV Plant;
- (i) the SV VI PV Plants;
- (j) the SV VIII PV Plant;
- (k) the SV X PV Plant;
- (l) the SV XIII PV Plant;
- (m) the SV XIV PV Plant;
- (n) the SV Lecce PV Plants;
- (o) the SV Piemonte I Plants;
- (p) the SV Piemonte III Plant;
- (q) the SV Roof I PV Plant; and
- (r) the Volta Renewables PV Plants.

Qualified Investors means the persons referred to in article 100 of the Finance Law who, as provided under article 34-ter of Consob Regulation no. 11971 dated 14 May 1999 and article

26 of Consob Regulation no. 16190 of 29 October 2007, are equivalent to the persons falling under the definition of “professional clients” pursuant to Directive 2004/39/CE (MiFID);

Radiant means Radiant S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Via Ettore De Sonnaz no. 19, Turin and registered with the companies’ register of Turin at no. 05954180484.

Radiant PV Plant means the 5,991 kWp photovoltaic plant developed by Radiant in the Municipality of Valentano (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

Revenues means, in relation to any period, all amounts paid to or received by the Borrower or any SPV (excluding, for the avoidance of doubt, any amounts made available under the Finance Documents or to the SPVs under the Cash Contribution Agreement) in respect of:

- (a) all amounts received by any member of the Group under the Project Documents (other than amounts paid or payable by the SPVs to the Borrower and/or any Borrower’s Quotaholder Loan);
- (b) all amounts received by the SPVs in respect of the sale of electricity pursuant to any GSE PPA and/or any Approved Power Purchase Agreement;
- (c) interest in respect of the Project Accounts and interests and other proceeds deriving from the holding or disposal of the Permitted Investments, but only if the amount does not form part of the balance required to be maintained in a Project Account in accordance with the Finance Documents;
- (d) all amounts representing payments of the Tariff paid to the SPVs by the GSE pursuant to any Tariff Agreement;
- (e) Insurance Proceeds in relation to advance loss of profit and business interruption Insurances;
- (f) Delay Liquidated Damages;
- (g) Tax refunds; and
- (h) any other amount agreed between the Borrower and the Transaction Agent from time to time.

Revised Operating Budget has the meaning given to that term in Clause 5.2 (*Operating Budget*) of the CTDA.

Rules of ExtraMOT means the rules of ExtraMOT issued by the Italian Stock Exchange in force from 8 June 2009 as subsequently amended and supplemented.

Sarda Solar means Sarda Solar S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies’ register of Turin at no. 03130450921.

Sarda Solar II means Sarda Solar II S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies’ register of Turin at no. 03338590924.

Sarda Solar PV Plant means each of the following plants developed by Sarda Solar:

- (a) the 1,496.88 kWp photovoltaic plant in the Municipality of Macomer (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 2,299.212 kWp photovoltaic plant in the Municipality of Ula Tirso (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **Sarda Solar PV Plants** means all of them, collectively.

Sarda Solar II PV Plant means the 7,225.68 MWp photovoltaic plant developed by Sarda Solar II in the Municipality of Macchiareddu (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

Security Documents means collectively:

- (a) the Security Documents (as such term is defined in paragraph 5(c)(ii)(A));
- (b) each deed of amendment, extension and/or confirmation of the above;
- (c) any document that the Borrower and the Transaction Agent agree shall be a Security Document.

Senior Creditor means any person to whom Senior Debt is owed.

Senior Debt means the principal outstanding amount under:

- (a) the Notes;
- (b) the Loan Facilities; and/or
- (c) the Hedging Agreement(s).

Shareholder means Sonnedix B.V., a company incorporated under the laws of Netherlands with registered office at Prins Bernhardplein 200, 1097 JB Amsterdam (the Netherlands) registration number with the Chamber of Commerce of Amsterdam 34357823, holding 100% of the Issuer's share capital as at the date hereof.

Shareholder Loan means any Financial Indebtedness that is owed by the Borrower to the Shareholder and which is subordinated to all the Financial Indebtedness due to the Finance Parties under the Finance Documents in accordance with the Intercreditor Agreement.

Signing Date means the date of execution of the CTDA.

Solar Holding means Solar Holding S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 04825170964.

Solar Holding I means Solar Holding I S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 05738970960.

Sonnedit San Benedetto means Sonnedix San Benedetto S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Via Ettore De Sonnaz no. 19, Turin and registered with the companies' register of Turin at no. 01942490689.

Sonnedit San Benedetto PV Plant means each of the following plants developed by Sonnedix San Benedetto:

- (a) the 2,812.80 kWp photovoltaic plant in the Municipality of San Benedetto dei Marsi (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 2,371.20 kWp photovoltaic plant in the Municipality of San Benedetto dei Marsi (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **Sonnedit San Benedetto PV Plants** means all of them, collectively.

Sonnedit Ottobiano means Sonnedix Ottobiano S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Via Ettore De Sonnaz no. 19, Turin and registered with the companies' register of Turin at no. 02338370188.

Sonnedit Ottobiano PV Plant means the 4,280 kWp photovoltaic plant developed by Sonnedix Ottobiano in the Municipality of Ottobiano (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SPVs means jointly Energy Development, ESC, Radiant, Sarda Solar, Sarda Solar II, Sonnedix San Benedetto, Sonnedix Ottobiano, SV IV, SV VI, SV VIII, SV X, SV XIII, SV XIV, SV Lecce, SV Piemonte I, SV Piemonte III, SV Roof I and Volta Renewables and **SPV** means any one of them.

Structuring Mandated Lead Arranger means each of Natixis S.A., Milan Branch and BNP Paribas, Italian Branch.

Sub-Holdings means each of the following companies directly or indirectly owned by the Borrower:

- (a) Solar Holding; and
- (b) Solar Holding I.

SV IV means SV IV S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 06137990963.

SV IV PV Plant means the 1,739.52 kWp photovoltaic plant developed by SV IV in the Municipality of Pontecurone (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV VI means SV VI S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no.

0635042961.

SV VI Plant means each of the following plants developed by SV VI:

- (a) the 2,307.36 kWp photovoltaic plant in the Municipality of Novi Ligure (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 4,296.98 kWp photovoltaic plant in the Municipality of Tortona (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **SV VI PV Plants** means all of them, collectively.

SV VIII means SV VIII S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 06350440969.

SV VIII PV Plant means the 4,567.225 kWp photovoltaic plant developed by SV VIII in the Municipality of Novi Fossati (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV X means SV X S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 06562230968.

SV X PV Plant means the 2,499.84 kWp photovoltaic plant developed by SV X in the Municipality of Novi Ligure (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV XIII means SV XIII S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 07439750964.

SV XIII PV Plant means the 998.40 kWp photovoltaic plant developed by SV XIII in the Municipality of Serravalle Scrivia (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV XIV means SV XIV S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 07439740965.

SV XIV PV Plant means the 998.40 kWp photovoltaic plant developed by SV XIV in the Municipality of Quargnento (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV Lecce means SV Lecce S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no.

07013910968.

SV Lecce PV Plant means the 6,429.60 kWp photovoltaic plant developed by SV Lecce in the Municipality of Leverano (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV Piemonte I means SV Piemonte I S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 06995290969.

SV Piemonte I PV Plant means each of the following plants developed by SV Piemonte I:

- (a) the 1,998.5460 kWp photovoltaic plant in the Municipality of Felizzano (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 480.70 kWp photovoltaic plant in the Municipality of Felizzano (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **SV Piemonte I PV Plants** means all of them, collectively.

SV Piemonte III means SV Piemonte III S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 07118480966.

SV Piemonte III PV Plant means the 999.233 kWp photovoltaic plant developed by SV Piemonte III in the Municipality of Carmagnola (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

SV Roof I means SV Roof I S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Turin (Italy), Via Ettore De Sonnaz no. 19 and registered with the companies' register of Turin at no. 06937980966.

SV Roof I PV Plant means the 892.44 kWp photovoltaic plant developed by SV Roof I in the Municipality of Costiglione Salluzzo (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities).

Tax means any tax, levy, impost, duty or other charge or withholding of similar nature, including any interest or penalty payable in connection with any failure to pay or any delay in paying any of the same.

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

Transaction Agent means Natixis S.A., a French société anonyme, registered with the Registry of Companies of Paris under registration number B 542044524 with registered office at 30, Avenue Pierre Mendès-France, 75013 Paris – France or any successor agent appointed pursuant to the Intercreditor Agreement.

Treasury Transaction means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index-linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap, reverse swap or combined similar agreement or without limitation any derivative transaction protecting against or benefiting from fluctuations in any rate or price.

Volta Renewables means Volta Renewables S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Italy, whose registered office is at Via Ettore De Sonnaz no. 19, Turin and registered with the companies' register of Turin at no. 01942490689.

Volta Renewables PV Plant means each of the following plants developed by Volta Renewables:

- (a) the 2,000 kWp photovoltaic plant in the Municipality of Tarquinia (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities); and
- (b) the 999 kWp photovoltaic plant in the Municipality of Minervino Murge (including all necessary civil works, electrical infrastructure, grid connection, cables (*cavidotti*), foundations, access roads, ancillary systems, safety, fire protection, control and monitoring and the relevant interconnection facilities),

and **Volta Renewables PV Plants** means all of them, collectively.

3 TYPE OF DOCUMENT

This Admission Document has been prepared in accordance with the Rules of ExtraMOT.

4 PERSONS RESPONSIBLE

- 4.1 Sonnedix Italia S.p.A., with its registered office in Turin, Via Ettore De Sonnaz, no. 19, is the only person responsible for the information provided under 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) Natixis S.A. Milan Branch in its capacities as Structuring Mandated Lead Arrangers and Transaction Agent;
 - (ii) BNP Paribas Securities Services, Italian Branch in its capacities as Calculation Agent, Paying Agent, Noteholders' Representative, Security Agent and

representative of the Noteholders under article 2414 bis, third paragraph, of the Civil Code;

- (iii) the Issuer;
- (iv) the Shareholder;
- (v) the SPVs;
- (vi) the Lenders; and
- (vii) Natixis S.A. and BNP Paribas S.A. in their capacities as Hedging Counterparty.

(b) Portfolio Overview

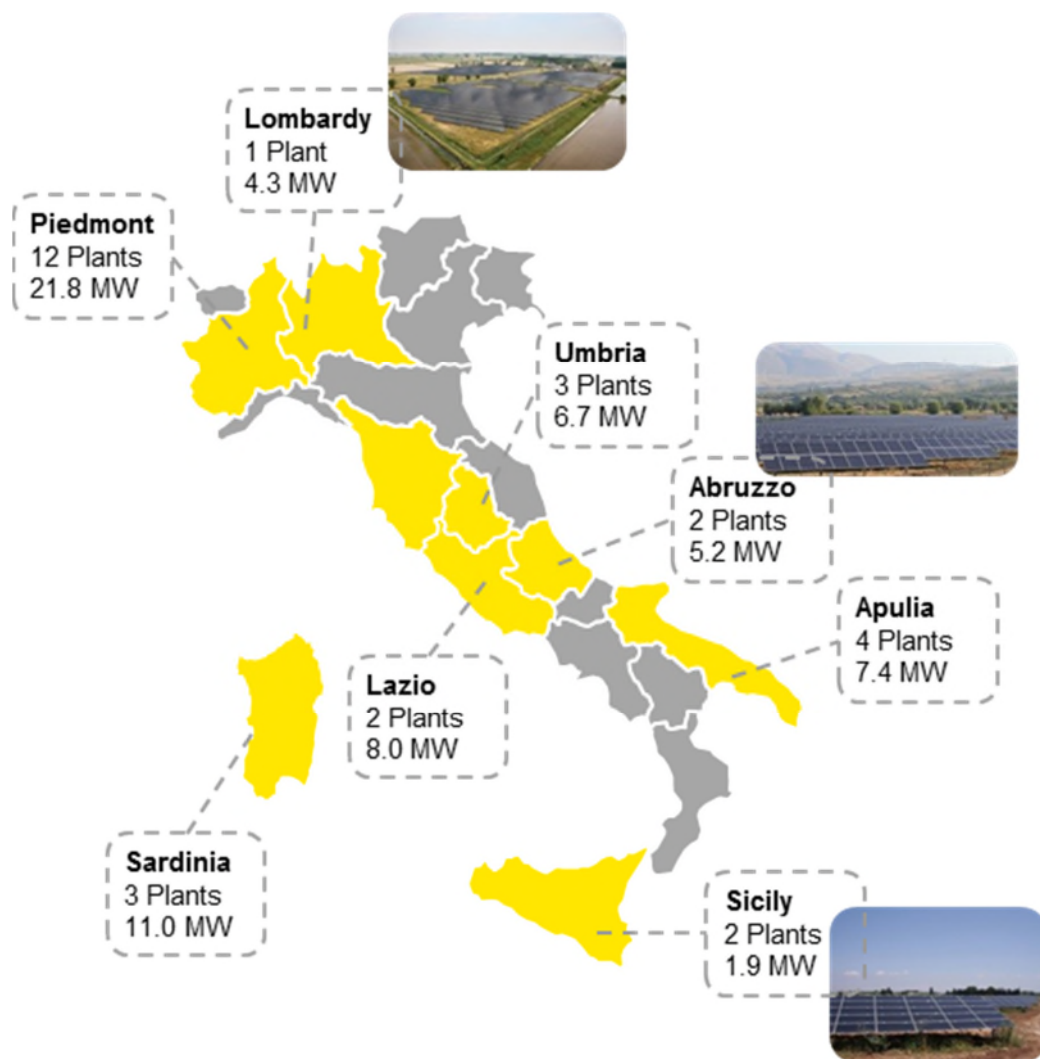
Sonnedit Italia S.p.A. controls, directly and indirectly, eighteen project companies (*i.e.* the SPVs) which, in turn, operate twenty six ground mounted photovoltaic plants and one rooftop with a total installed capacity of 66.3MW (*i.e.* the PV Plants).

The PV Plants are located in 8 regions of Italy including notably Piedmont (33% of aggregate capacity), Sardinia (17%), Apulia (11%), Latium (12%), Umbria (10%), Abruzzi (8%), Lombardia (6%) and Sicily (3%). See chart on the following page

All the PV Plants are fully operational and located in nine different Regions of Italy all having high irradiation levels, including notably Piedmont (33% of aggregate capacity), Sardinia (17%), Apulia (11%), Latium (12%), Umbria (10%), Abruzzi (8%), Lombardia (6%) and Sicily (3%).

All PV Plants are ground mounted except for a 0.9 MW plant in Piedmont which is roof-mounted.

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



The PV Plants are well diversified, in terms of solar irradiation (with the location of the PV Plants spread across Italy) and in terms of technology risk. Overall, all panels and inverters rely on technology supplied by well-established manufacturers:

- (i) 86.7% of the Portfolio combined capacity is installed with polycrystalline panels supplied by Q-Cells Suntech Power, REC, Trina Solar, Sharp, Sunpower, Et Solar, Hyundai and LDK;
- (ii) 24.6% with monocrystalline panels supplied by CETC, Sun Technics and Et Solar; and
- (iii) 12% with Thin Film technology panels supplied by First Solar.

The inverters are supplied by various manufacturers. The main ones are Xantrex (40% of installed capacity), Siemens (26%) and Power One (11%).

All the PV Plants are managed by reputable and experienced Operation and Maintenance operators.

All the PV Plants have been commissioned between December 2010 and September 2011. Therefore the Portfolio will bear no construction risk.

Irradiation levels have been estimated from actual available historical data (2012-2015, weighted average track record of 4.5 years) as well as on statistical data provided by reference instruments.

As specified above, the PV Plants have already been operational for approximately 6 years and, during that period, have reached in aggregate (and in some cases exceeded) the forecasted production levels.

(c) Contractual Structure

(i) The issuance of the Notes is part of a hybrid financing including both project financing facilities under the Facilities Agreement and funds to be made available by the Noteholders through the Notes.

(ii) The contractual structure can be summarised through the following main documents:

(A) Finance Documents:

- (1) the Terms and Conditions, detailing the terms and conditions of the Notes, attached as Annex 1 hereto (*Terms and Conditions of the Notes*);
- (2) the Common Terms and Definitions Agreement detailing the provisions and the main definitions that are common to the Finance Documents;
- (3) the Notes Subscription Agreement detailing the obligations of the Issuer and the Notes Subscribers in relation to the issue and the purchase by the Notes Subscribers of the Notes;
- (4) the Facilities Agreement documenting the Loan Facilities;
- (5) the Intercreditor Agreement dealing with the relationships between among others the Noteholders, the Lenders and the Security Agent;
- (6) the fee letters setting out any of the fees due to one or more Finance Parties (as defined in the Common Terms and Definitions Agreement) (the **Fee Letters**);
- (7) the Agency Agreement detailing the terms and conditions upon which the Paying Agent and the Calculation Agent, amongst other things, are appointed, respectively, as paying agent and calculation agent for the purposes of the Notes;
- (8) the Hedging Agreements;
- (9) the Cash Contribution Agreement;
- (10) any Borrower's Quotaholder Loan;
- (11) the Cash Intercompany Loan Agreement;
- (12) once executed and effective the direct agreements entered into by the SPVs in relation to the O&M Contracts (the **Direct Agreements**);
- (13) the deed of pledge over 100% of the Issuer's shares;

- (14) the deed of pledge over the Issuer's bank accounts
- (15) the deed of pledge over 100% of the quotas of any SPV directly controlled by the Borrower and the deed of pledge over the quota of Solar Holding;
- (16) the deed of pledge over 100% of the quotas of Solar Holding I owned by Solar Holding owned by the Borrower;
- (17) the deed of pledge over the quotas of any SPV directly controlled by Solar Holding I;
- (18) the deed of pledge over the quota of SVI I owned by SVI;
- (19) the deeds of mortgage over the lands over which the SPVs have a property title or a surface right;
- (20) the deeds of special privilege (*privilegio speciale*) pursuant to article 46 of Legislative Decree no. 385 dated 1 September 1993 over all the SPVs' movable assets;
- (21) the deed of assignment of the Issuer's receivables arising from, *inter alia*, the reimbursement from the SPVs of the Borrower's Quotaholder Loans;
- (22) the English law deed of assignment of the Issuer's receivables arising from the Hedging Agreements;
- (23) the deeds of assignment of the SPVs' receivables arising from, *inter alia*, certain insurance policies, the O&M Contracts, the power purchase agreements (other than those with the GSE), performance bonds issued in favour of the SPVs;
- (24) the deeds of assignment by way of security of the feed-in tariff receivables of the SPVs due from the GSE; and
- (25) a deed of pledge over each SPVs' bank accounts;

(the documents from (13) to (25) together the **Security Documents** and jointly with the documents from (1) to (12) above, the **Finance Documents**). All the Security Documents listed above will be entered into, *inter alios*, by the Security Agent as representative of the Noteholders under article 2414 bis, third paragraph, of the Italian Civil Code (as better detailed in paragraph 6.4(d) below); all the other Finance Documents, other than the Facilities Agreement, the Hedging Agreements, the Fee Letters, the Agency Agreement, will be entered into, *inter alios*, by all the Noteholders;

- (B) the main project documents and other material documents (hereinafter defined, the **Project Documents**):
 - (1) the Approved O&M Contracts;
 - (2) the Management Services Agreement;
 - (3) the Insurances;

- (4) the Tariff Agreements;
- (5) the Approved PPA;
- (6) any guarantee, bond or other performance security issued in favour of any SPV pursuant to the terms of a Project Document to support the obligations of that SPV's counterparty under that Project Document; and
- (7) each Interconnection Agreement.

(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**). 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, revenues, costs and economic assumptions which have been provided and/or verified by primary advisers and/or the Issuer's technical advisers.

The SPVs receive revenues from two main sources: the feed-in tariff and the sale of electricity either through dedicated off-take agreements with the GSE or through dedicated power purchase agreements with primary electricity producers.

The feed-in tariff is a pre-determined amount, 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 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 2017 deriving from the feed-in tariff are expected to be equal to euro 26,000,000.00 whilst the revenues for the same year deriving from dedicated off-take agreements with the GSE are expected to be equal to euro 3,200,000.00, for total expected revenues of euro 29,200,000.00. 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 land rights, management fees, insurances, security of the PV Plants, audit costs and taxes.

Considering the assumptions listed above, the Financial Model shows a minimum DSCR equal to 1.40x, and a full repayment of the term loan facility under the Facilities Agreement by 28th February 2030, with an average life of approximately 13 years.

6 RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfill 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 are 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 which may not be considered significant risks by the Issuer based on information currently available to it or which it may not be able to anticipate at present. 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 consider carefully whether an investment in the Notes is suitable for them in the light of the information in this Admission Document and their personal circumstances, based upon their own judgment and upon advice from such financial, legal and tax advisers as they deem necessary.

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, including the information incorporated by reference in 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 SPVs;
- (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 payment of capital and interest of the Notes, according to the repayment profile of the Notes described under the Terms and Conditions. Therefore, the Notes are generally subject to the risk that the Issuer may not be in the condition to fulfill its payment obligations under the Notes on the relevant scheduled payment dates.

(b) Risk related to other indebtedness of the Issuer

The Notes are issued in the context of a hybrid financing which also includes the Project Facilities granted to the Borrower by the Lenders.

The Issuer will also enter into Hedging Agreements with the Hedge Counterparty to cover interest rate risk for the Notes over the entire life of such Notes and for the term facility under the Facilities Agreement.

Therefore, since the Noteholders will not be the only senior creditors of the Issuer, the rights of the Noteholders will be subject to consents and majority voting, as set out in the Intercreditor Agreement with the other senior creditors of the Issuer, which will be based on a *pari passu* principle among the Noteholders, the Lenders and the Hedge Counterparties.

Although the existing financial indebtedness of the SPVs (including the relevant hedging transactions) will be reimbursed by the SPVs through the proceeds made available by

Sonnedit Italia through the relevant Borrower's Quotaholder Loans, to any SPV, the Issuer will have, following the issue of the Notes, other financial indebtedness to third parties, in particular connected with the operational needs of the Issuer and the SPVs.

Even though the overall amount of such additional financial indebtedness of the Issuer is not material if compared with the amount of the indebtedness to the senior creditors mentioned above, there still remains a cross-default risk also for such indebtedness under certain circumstances and a general insolvency risk for the Issues in case it is not able to comply with its obligation in relation to such additional financial indebtedness.

Below a breakdown of the consolidated net financial position of the Issuer.

	December 31st 2015	June 30th 2016
Bank and postal deposits	8.670.631	13.120.753
. Checks	618	0
Cash and cash equivalents	0	0
Total liquid funds	8.671.249	13.120.753
Due to banks	(4.360.758)	(2.296.967)
Due to banks - beyond 12 months	(63.365.632)	(64.740.270)
Due to other lenders	(88.422.786)	(78.178.000)
Due to other lenders - beyond 12 months	0	0
Total financial debt during period	(92.783.544)	(80.474.967)
Total financial debt after period	(63.365.632)	(64.740.270)
CONSOLIDATED NET FINANCIAL POSITION	(147.477.927)	(132.094.484)

(c) Liquidity and credit risk

The compliance by the Issuer with its payment obligations under the Notes is mainly dependent on the ability of the SPVs: (i) to make distributions in favour of the Issuer; (ii) to comply with their payment obligations under the Borrower's Quotaholder Loans advanced by the Issuer to them; and (iii) to comply with their payment obligations under the intercompany service agreements entered into with the Issuer.

Indeed, the Issuer will meet its payment obligations under the Notes mainly using the distributions made by the SPVs (in the form of dividends) or the proceeds deriving from the repayment by the SPVs of Borrower's Quotaholder Loans and payment by the SPVs of the amounts due for the intercompany services rendered by the Issuer.

In light of the Cash Intercompany Loans, the cash of the SPVs will be injected into the bank account of the Issuer, which will be entitled to set-off its credits towards the SPVs (once due and payable) with the SPVs' credits towards the Issuer under the Cash Intercompany Loans, 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 SPVs and, therefore, there is the risk that if the SPVs 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 SPVs nor to implement the above described set-off mechanism.

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

(d) Source of payments to Noteholders

As highlighted under paragraph 6.1(c) 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 SPVs to the Issuer.

The SPVs' ability to make such payments will, in turn, depend almost entirely on the revenues of the PV 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 Documents by the various counterparties of the SPVs. The performance by such parties of their respective obligations under the relevant Project Documents is dependent inter alia on the solvency of each relevant party.

(e) Insolvency risk

The performance by the SPVs of the transactions under the Cash Intercompany Loan Agreement and the Borrower's Quotaholders Loans is dependent on the solvency of each relevant party. The cash transfers operated by each SPV under the Cash Intercompany Loan Agreements and the Issuer through the Borrower's Quotaholders Loans and any other payment to a party by an Italian party may 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. The bankruptcy of a SPV or of the Issuer may jeopardise also the Loans made under the Cash Intercompany Loan Agreement and the Borrower's Quotaholders Loans.

(f) 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. For information in relation to the SPVs' litigations,

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. For information in relation to the SPVs' litigations, see paragraph 6.2(j) below.

(g) Acquisition Contracts

Neither the SPVs has been established by the Issuer, nor has the Issuer developed the PV Plants. All the SPVs have been purchased by the Issuer through specific sale and purchase agreements.

Even though specific due diligence has been carried out at the time of the relevant acquisitions, the Issuer has relied also on certain representations and warranties granted by the previous owners of the PV Plants on the features of the PV Plants and respectively. The acquisition contracts provide for indemnities given by the previous owners of the SPVs in relation to the representations and warranties given by them under the acquisition contracts (e.g. permits, authorisations, lands) as well as in relation to specific matters resulting from the due diligence. The benefit of any such indemnity will be directly and/or indirectly secured to the Noteholders and Lenders either through a pledge of the relevant receivables (where contractually possible under the

relevant acquisition contracts) or through expected payment thereof on a pledged account.

However, such indemnities are limited in time and amount and accordingly no assurance can be given that a claim under the indemnities will satisfactorily mitigate the adverse consequences from the representations and warranties under the acquisition contracts being found incorrect or untrue, or more in general any adverse consequences from the activities performed during the development of the PV Plants.

6.2 Risk factors related to the SPVs

(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 PV 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 PV Plants would generate sufficient cash flow to enable the SPVs 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 SPVs have contracted to third parties all activities related to the PV Plants respectively, including their operation and maintenance activities which have been contracted to the O&M Operators. The SPVs 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 PV 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 SPVs to make payments to the Issuer and, consequently, on the Issuer's ability to fulfill its payment obligations under the Notes.

(d) Components risk

The PV 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 PV Plants and therefore the SPVs' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfill its payment obligations under the Notes.

In practice, the availability and efficiency of the PV Plants may differ from any assumptions made by the Issuer, the SPVs, or the O&M Operators 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 SPVs' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfill its payment obligations under the Notes.

(e) Operating expenditures may exceed expectations

The financial forecasts for the operating costs of the SPV PV Plants are based partly on the terms of the O&M Contracts and certain assumptions. As a result of any cost increase exceeding the estimated amount, the SPVs' ability to make payments to the Issuer and, consequently, the Issuer's ability to fulfill 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 Contract, 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 SPVs' ability to make payments to the Issuer and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

(f) Insurance and co-insurance risk

Insurance obtained by the SPVs and the O&M Operators, 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 PV 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 SPVs as the case may be. 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 SPVs' ability to make payments to the Issuer and, consequently, on the Issuer's ability to fulfill its payment obligations under the Notes.

(g) Site risk

The components installed in the PV 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 PV Plants and, in turn, on the ability of the SPVs to make payments to the Issuer and on the Issuer's ability to fulfill its obligations under the Notes.

In the past, some of the SPVs have suffered from limited theft events. In order to mitigate such risk, in addition to the specific guardian and security contracts with specialized contractors already in place, during the last two years the SPVs have made further considerable investments in equipment aimed at reducing the likelihood of a repetition of those events.

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 SPVs.

(h) Encumbrances

With reference to some of the PV Plants there are certain minor encumbrances consisting, as the case may be, in easement rights of way, easement rights in relation to gas pipelines, 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 SPVs 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 SPVs 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.

(j) Risks related to litigation regarding the SPVs

Currently the SPVs are not parties nor are they aware of any actual or threatened proceedings by any third party.

Some of the SPVs are currently involved as claimants in certain administrative litigation proceedings before the Regional Administrative Court of Lazio – Rome. In particular, in November/December 2014 some of the SPVs filed challenges before the Regional Administrative Court of Lazio – Rome and against the Ministry for the Economic Development and GSE S.p.A. claiming for the annulment of the ministerial decrees implementing Article 26 of law decree no. 91 of 24 June 2014 as converted through law 11 August 2014 no. 116 (Spalma incentivi decree), which provide for the following: (i) the adjustment of the incentive tariffs and/or the incentive period for photovoltaic plants having a nominal power exceeding 200 kWp, as a consequence of the choice of one of the three possible options set out by the Spalma incentivi decree, including the outright cut of the incentive tariff; and (ii) the new operational modalities of payment of the incentive tariffs (i.e. fixed monthly payments for amounts equal to 90% of the average estimated production of each plant during the relevant year, and the balance by 30 June of the following year on the basis of the actual production of the plant). In December 2015 the Regional Administrative Court of Lazio – Rome deferred to the Constitutional Court the question as to the constitutional legitimacy of the abovementioned Article 26 for contrast with Articles 3, 11, 41, 77 and 117 paragraph 1 of the Italian Constitution, Article 1 of the Additional Protocol no. 1 to the Convention for the Protection of Human Rights and Fundamental Freedoms as well as Article 6 paragraph 3 of the Treaty on the European Union. The public hearing before the Constitutional Court to discuss the case has been scheduled for 6 December 2016. On that occasion, the Constitutional Court will have to assess the constitutional legitimacy of the provisions of Article 26. Under Italian law there are no mandatory deadlines within which the litigation proceedings before the Constitutional Court shall be closed after the first hearing; therefore, the Court might issue the judgment after a long time from the date of the first hearing. Pursuant to Article 136 of the Italian Constitution, when the Constitutional Court holds that a provision of law is unconstitutional, the provision ceases to have effect on the day after the ruling is published in the Official Gazette. The ruling of unconstitutionality will impact, in principle, on any legal relationship still pending on the date of the publication of the ruling; however, the Constitutional Court may also opt to limit the retroactive effects of a possible ruling of unconstitutionality.

On the basis of the available information, the Issuer considers that the negative outcome of the abovementioned litigation proceedings will not materially jeopardize the ability of the relevant SPVs to make the respective payments to the Issuer and, consequently, affect the ability of the Issuer to make payment on the Notes.

Finally, the SPVs may become involved, from time to time, in litigation as part of the ordinary course of their business. There can be no assurance that they will be successful in defending or pursuing any such litigation, for example in relation to health and safety matters or claims for loss or damage, that they would have booked sufficient provisions in their accounts or as to the effects such litigation may have on their business, financial condition and result of operations.

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 PV 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 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 PV 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 SPVs might exceed estimates if the inflation rate were to increase significantly. Consequently, a significant increase in the inflation rate may affect the SPVs' 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 SPVs receive revenues from two principal sources: the feed-in tariff and the sale of electricity, which account for 89% and 11%, respectively, of their 2016 total revenues (excluding other minor revenues such as, among others, insurance proceeds and the sale of electrical substations). The price obtained from the sale of electricity is subject to the general demand for energy and the SPVs might face potential declines in revenues from the PV Plants respectively 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 SPVs to make payments to the Issuer and, consequently, on the Issuer's ability to fulfill 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 zonale orario*) quoted on the electricity exchange.

Currently 13 SPVs benefit from the dedicated off-take regime with GSE while 5 SPVs have rather entered into power purchase agreements with DufEnergy Trading SA and all such power purchase agreements have a duration of 1 (one) year.

For 2017, the Borrower signed preliminary power purchase agreements for all PV Plants with the trader DufEnergy Trading SA. At the expiry of the power purchase agreements, the SPVs may either enter into new power purchase agreements or opt to benefit from the dedicated off-take regime with GSE.

However, no assurance can be given that, in the future, the power purchase agreements will be renewed nor that, 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 SPVs.

(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 SPVs) 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".
- (iv) 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 23.3-bis of law decree no. 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.
- (v) By Resolution dated 28 July 2016 no. 444/2016/R/eel, AEEG set out new rules to avoid the risk of opportunistic or anomalous behaviour from operators on the dispatching market. This type of conduct aims to obtain undue profits from the

voluntary balancing between forecasts and the actual exchange of energy on the wholesale markets, thus transferring improper costs onto the bills of final consumers. The changes introduced (which were implemented as part of the Resolution no. 393/2015 and consulted with documents 163/2015 and 316/2015 from June 2016) immediately concern all wholesalers, traders and vendors, small and large producers in different ways and from January 2017 also small producers that use renewable sources. In particular, to prevent anomalous behaviours, the mechanism for price recognition in case of balancing¹ has been modified (prices recognised for the energy used for maintaining system equilibrium), preventing individual operators from taking undue advantage from voluntary balancing actions, contrary to the principles of diligence, skill, prudence and foresight required by regulations. In fact, regulations already counteracted the phenomenon of voluntary balancing, i.e. with different energy withdrawal programmes in relation to the most diligent forecasts. Now the prices recognised in case of balancing are changed, making sure that the existing ban on voluntary balancing is combined with a financial disincentive. Therefore, those with anomalous behaviours, over a predefined 'band' of predicted-actual tolerance², will not only be prevented from gaining economic advantages, but rather will be penalised. The introduction of further monthly checks on the final balance by the network operator (Terna) is also provided in order to monitor the proper operation of the market. All of the measures put in place contribute to correct the various anomalies on the wholesale market, which could have found structural completion on the supply side if the capacity market segment was already active. AEEG's actions will continue with the comprehensive reform of the governance of balancing (as already outlined in the consultation document 368/2013/R/eel), for which adjustment of the European regulatory framework on *Balancing guidelines* is awaited, which is currently being developed, and the consequent fully operational design of the dispatching service market.

(h) Mandatory incentives re-modulation regime

- (i) The Italian Government has approved law decree no. 91/2014 (the **Law Decree**), converted into law no. 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 26.3 of the Law Decree, from 1 January 2015 the feed-in tariff relating to PV plants having nominal power higher than 200 kW will be subject to a

¹ Balancing is the difference between the actual withdrawal schedule presented and the reasonable forecasts made previously, thus creating a difference between the forecasts themselves and actual supply/withdrawal from the network. These differences should be kept to a minimum according the diligence, skill, prudence and foresight towards the system, in as much as balancing significantly affects the security of the system. Conduct does not comply with these principles when balancing is expanding voluntarily to profit from the individual operator.

² Range of +/- 15% from August 2016, +/-7.5% from January 2017.

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 will be 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 will remain equal to 20 years, however the tariff shall be re-calculated during two separate "incentive terms". The tariff will be 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 "I_{new}" is calculated as follows:

$$I_{new} = I_{old} * (1 - X_i)$$

Where:

- I_{old} is the value of the original incentive;
- X_i is the percentage re-modulation coefficient, which varies for each year "i" during the residual incentive period according to the following formula:

$$X_i = \begin{cases} -X_0, & 2015 \leq i \leq 2019 \\ -X_0 + K * (i - 2019), & 2020 \leq i \leq (2015 + a - 6) \\ +X_0, & (2015 + a - 5) \leq i \leq (2015 + a - 1) \end{cases} \quad \begin{matrix} \\ \\ 0, \\ i = 2015 + a \end{matrix}$$

Where:

- X_0 is calculated as follows:

$$X_0 = F_{(a)} + [F_{(a+1)} - F_{(a)}] * \quad \text{—}$$

- "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:

$$K =$$

- (C) the incentive period will remain equal to 20 years, but the tariff will be reduced, until the end of the relevant incentive period, as follows:
- (1) by 6 per cent for PV plants having a nominal power between 200 kW and 500 kW;
 - (2) by 7 per cent for PV plants having a nominal power between 500 kW and 900 kW;

- (3) 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 will be applied. 18 SPVs did not notify any chosen option to the GSE so that option under point (C)(3) above applies while the other 1 SPV, namely Volta Renewables, of the Portfolio has chosen the option under point (C)(2) above.
- (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 counter-guaranteed 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 mentioned 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 re-modulations detailed above.

Given that the GSE will have only one month for implementing the new regime, it cannot be ruled out that – for the first period of effectiveness of the new regime – there may be errors by the GSE in the calculation, or delays in the payment, of the reshaped incentives. Furthermore, considering that through the re-modulation the Government aims at reaching a specific overall saving in public expenditures, it cannot be ruled out that if these targets are not achieved further new regulations are 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, the SPVs' 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 SPVs 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, the SPVs carry on their business and, accordingly, may have an adverse impact on their financial results or increase their costs or liabilities. In addition, the SPVs, 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 SPVs 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 corporate income taxes

The energy industry is subject to the payment of income taxes which tend to be, in some countries, higher than those payable in many other commercial activities. In addition, in recent years, the Issuer has experienced adverse changes in the tax regimes applicable to energy companies.

For example, Italian Law Decree no. 138 of 13 August 2011, which was converted into Law no. 148 on 14 September 2011, extended the application of additional corporate income tax (the so called "Robin Hood tax") to the production, transport, dispatch and sale of electricity. Moreover, Law Decree no. 69 of 21 June 2013 (the so-called "*Decreto del Fare*", entered into force on 22 June 2013 and converted into Law no. 98 on 9 August 2013) has modified the criteria to apply the Robin Hood taxation to companies operating in the energy business so that the Robin Hood taxation applies to energy companies which had revenues higher than euro 3 million (instead of euro 10 million, as previously provided) and declared taxable profits higher than euro 300 thousand (instead of euro 1 million, as previously provided) in the financial year prior to the one in which the surcharge becomes applicable.

As a result of such measures, the SPVs were subject to the additional corporate income tax currently at 6.5%. In addition, companies were not permitted by law to pass on the increased tax liability to customers via a tariff increase and this shall therefore result in additional costs for the Issuer.

It must be noted though that such adverse tax regulation has been finally cancelled with retroactive effect back to the financial year 2015, because it was deemed not to be compliant with the Italian Constitution provision by the High Court.

Any future adverse changes in the income tax rate or other taxes or charges applicable to the SPVs 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.

Nevertheless, due to the above, no material risk (additional to those burdening any tax payer carrying on business activity in Italy, might be currently envisaged with a reasonable forecast.

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

All the PV 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

The Issuer has applied for admission of the Notes 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 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 floating rate notes. The fluctuation of the interest rates on the financial markets influences the prices and the performance of the Notes. However the Issuer will enter into Hedging Agreements with the Hedge Counterparty to mitigate such risk in relation to 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 SPVs 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 SPVs

Noteholders will share the security interest created under the Security Documents with the Lenders and (only in relation to certain Security Documents) with the Hedge Counterparties.

At the Issue Date, not all the 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 Security Documents will be perfected, the six-month hardening period of the security interest created under the 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.

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 SPVs on their assets. In order to comply with the SPVs' corporate benefit principles, and to comply with legal requirements binding on the SPVs, the maximum guaranteed amount of the security granted by the SPVs is limited to a specific maximum guaranteed amount equal to 150% of the amount of the proceeds of the Notes and the Project Facilities down streamed by the Issuer to the relevant SPV as non –convertible shareholder loans (i.e., if the amount of the overall facility is 100, but only 30 is made available to a SPV, the secured amount will be 45). Furthermore, any amount enforced under any security document granted by a SPV shall reduce, proportionally, the amounts due by that SPV to the Issuer under the relevant Financier's Funded Quotaholder Loan.

Pursuant to article 2474 of the Civil Code, the security granted by each SPV 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 SPV or, to the extent it falls under Article 2474 of the 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).

The security interest under the Security Documents in favour of the Notes will be created, under the third paragraph of article 2414 bis of the Civil Code, in favour of the Security Agent, which will be entitled to exercise, in the name and on behalf of the Notes Subscribers (and any subsequent Noteholder, subject to the entering into of an accession deed to the Intercreditor Agreement), all the rights relating to such security interests and in favour of the Noteholders.

However, the enforceability of Italian law security interests granted in favour of a representative (rappresentante) of the holders of the Notes pursuant to the third paragraph of article 2414 bis of the 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 Transaction Agent 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 recharacterisation under local laws.

The security under the Security Documents may be subject to practical problems generally associated with the realisation of security interest. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consent. In addition, the consent of any third parties may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of such security may significantly decrease. As a result, in these circumstances, the amount recoverable by the Noteholders could be materially reduced or eliminated.

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.

In the absence of precedents, the deeds of assignment of the feed-in tariff will be entered into also in favour of the Noteholders notwithstanding that the form of assignment imposed by GSE does not expressly acknowledge the possibility that bondholders (as opposed to banks) may be beneficiaries thereunder. If such deeds are challenged by the GSE arguing that they shall not secure the Noteholders, the CTDA provides that the affected assignment of the feed-in tariff shall be deemed to be terminated and each relevant SPV shall enter into (and perfect within the timeframe indicated therein) a new assignment of feed-in tariff receivables in favour of the Lenders only. In this case the Noteholders will not benefit directly from the assignments of feed-in tariff receivables, but they will benefit from them indirectly by way of the Intercreditor Agreement; however the secured obligations under such new assignment of feed-in tariff receivables will be only those arising from the Facilities Agreement.

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 third parties.

(e) Risks related to variations of the tax system

All the present and future taxes applicable to any payments made in accordance with the payment obligations of the Notes will be borne by each Noteholder. There is no certainty that the tax system as at the date of this Admission Document will not be modified during the term of the Notes with consequent adverse effects on the net yield received by the Noteholders.

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

The Notes are expected to be listed and negotiated 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 article 32, paragraph 8, of Law Decree no. 83 of 22 June 2012 and Legislative Decree no. 239 of 1st April 1996.

No assurance can be given that the Notes will be listed or that, once listed, the listings will be maintained or that such listings will satisfy the listing requirement under article 32(8) of Law Decree no. 83 of 22 June 2012 and 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 n. 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 Finance Law). If the Notes are not listed or that listing requirement is not satisfied, and the Noteholders should not qualify as Qualified Investors, 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 terms and conditions of the Notes without the consent of all Noteholders

The Terms and Conditions, the Intercreditor Agreement and the 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 Structuring Mandated Lead Arrangers, being entities operating with the appointment of the Issuer and receiving a fee in relation to the placement of the Notes and being lenders to the Issuer under the Facilities Agreement, 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

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.

In addition, there are 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 the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. See ANNEX⁴ (*Selling Restrictions*) below.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States or for the account or benefit of a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each Noteholder to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see ANNEX⁴ (*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 for them, based upon their own judgment, 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.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Structuring Mandated Lead 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 Structuring Mandated Lead 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 Terms and Conditions at any time. The amount due to the Noteholders upon exercise of that option is at their principal amount together with accrued interest.

The Issuer also has the option to redeem the Notes in part but such redemption will be subject to the decision of the Noteholders' Meeting and the majority specified in the Terms and Conditions.

If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as that of the Notes.

(m) Noteholders' directions and resolutions in respect of early redemption of the Notes after a Change of Control and other mandatory prepayment events

Upon occurrence of a Change of Control, as described in paragraph 0 below, the Issuer shall redeem the Notes in whole at the conditions specified in Condition 4.2 of the Terms and Conditions.

The amount due to the Noteholders upon Change of Control is at their principal outstanding amount with accrued interest.

Upon occurrence of certain other mandatory prepayment events specified in the Terms and Conditions and in CTDA the Issuer must apply the relevant amount specified thereunder to redeem the Notes in part but such redemption will be subject to the decision of the Noteholders' Meeting and the majority specified in the Terms and Conditions. Please refer to Condition 4.3 of the Terms and Conditions.

The amount due to the Noteholders upon such other mandatory prepayment events is the principal amount of the Notes together with accrued interest.

If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as that of the Notes.

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. In addition, except as specifically set out in Condition 4.2 of the Terms and Conditions in relation to the Change of Control, the Notes do not contain provisions that provide a right to Noteholders to require the Issuer to purchase or redeem the Notes in any other circumstances.

(n) Limitation of the Noteholders rights under the Intercreditor Agreement

The rights of the Noteholders under the Notes and the other Finance Documents, including the rights to send an enforcement notice of the Security Documents, are limited by the complex voting mechanics provided in the Intercreditor Agreement. Under the Intercreditor Agreement there are certain decisions which are considered "Entrenched Rights" of the Noteholders (as better defined under the Intercreditor Agreement), which cannot be taken without the positive vote of the Noteholders' Meeting in accordance with the relevant majorities specified in Condition 10.2 and 10.3 of the Terms and Conditions.

In this case if the NoteHolders' meeting has voted against a proposed resolution pursuant to Condition 10.3 of the Terms and Conditions, although the relevant majority for Extraordinary Voting Matters (as defined under the Intercreditor Agreement) may have been reached in relation to the same resolution, the resolution shall be considered as not approved for the NoteHolders. The same resolution, however, can be considered as approved for the other Secured Creditors who voted in its favour, to the extent that this circumstance would not adversely affect the rights of the NoteHolders.

Please refer to Condition 10.4 of the Terms and Conditions for further acknowledgements of the limitations of the rights of the NoteHolders under the Intercreditor Agreement.

(o) No optional redemption for taxation reasons

Prospective investors should consider that the Terms and Conditions do not provide for an optional redemption in case the Issuer is required to pay additional amounts to the Noteholders to compensate them for certain withholding taxes arising as a consequence of a change in law or a new regulation.

If any of the events set out above occur, in fact, the Issuer may be required to pay additional amounts and there can be no assurance that the funds available in all of these circumstances would be sufficient to ensure that the Issuer has the necessary funds to meet its payment obligations in respect of the Notes in whole or in part.

(p) Insolvency laws applicable to the Issuer or the SPVs

The Issuer and the SPVs are incorporated in the Republic of Italy. The Issuer and the SPVs 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 (6 (six) months in some circumstances), although in certain circumstances such term can be up to 2 (two) 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 SPVs' 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 SPVs, as applicable, (although the Transaction Agent may have certain rights under the terms of the pledge over the Issuer's shares and the pledge over the SPVs' 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 SPVs or every decisions by the respective shareholders, including the declaration of dividends in respect of the Issuer's ordinary shares, and the SPV's quota, although such decisions are subject to the provisions/limitations under the Finance Documents.

Moreover, the cash transfers operated by each SPV under the Borrower's Quotaholder's Loans 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.

(q) Change of law

The structure of the transaction described hereunder and, *inter alia*, the issue of the Notes are based on Italian law and tax and administrative practice in effect at the date hereof and have due regard to the expected tax treatment of the Notes under such law and practice. No assurance can be given as to any possible change to Italian law or tax or administrative practice 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.

(r) Innovative transaction structure

The transaction described hereunder seeks to merge features of a banking facility in the structure of a debt securities issue. Although precedent transaction of this type have been already completed in the Italian market, to date there are 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 financing structure will not have a material adverse effect on any investment in the Notes.

(s) 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 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. 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 agreement with the United States to improve FATCA provisions. Such agreement was ratified by Italy on 18 June 2015. Under such bilateral agreement, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA.

(t) 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 PV 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, the SPVs.

(u) 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.

(v) 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.

(w) 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 (**Investor's Currency**) other than euro. 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

Sonnedit Italia S.p.A.

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

The Issuer has its registered office in Turin (Italy) Via Ettore De Sonnaz, no. 19 and is registered with the Companies' Registry of Turin under no. 07056960961, R.E.A. No. TO-1170669.

7.3 The date of incorporation

The Issuer was incorporated on 3 June 2010.

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 Turin (Italy) Via Ettore De Sonnaz, no. 19, e-mail:Italy_admin@sonnedix.com.

7.6 Description of the Issuer

Sonnex Italia is the investment company formed by Sonnex B.V for its investments in the Italian renewable energy sector. It is a holding company owning directly or indirectly 100% of the shares of the SPVs.

The Issuer's strategy is to operate the portfolio described above.

7.7 Any recent events particular to the Issuer, the SPVs, 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 SPVs which are to a material extent relevant to the evaluation of the Issuer's or SPVs' solvency (other than disclosed in this Admission Document).

8 ORGANISATIONAL STRUCTURE

Sonnex Italia S.p.A. is the investment company formed by Sonnex B.V for its investments in the Italian renewable energy sector.

Below a table indicating the members of the board of directors of statutory auditors and the independent auditors at present holding office.

MEMBERS OF THE BOARD OF DIRECTOR	<i>Chairman</i>
	Maurizio Grassi
	<i>Director</i>
	Silvia Cazzola
	<i>Director</i>
	Axel Thiemann
BOARD OF STATUTORY AUDITORS	<i>Chairman</i>
	Luciano Pasquini
	<i>Standing Auditors</i>
	Stefano D'Amora
	Rosanna Gismondi
	<i>Substitute Auditors</i>
	Andrea Giammello
	Annalisa Pagnanelli
INDIPENDENT AUDITORS	EY S.P.A.

The auditors EY S.p.A. above have been mandated for the three year period 2015-2017.

The Sonnex Group, including its subsidiary Sonnex B.V., is an independent renewable power producer originally founded in 2009 by a team composed of entrepreneurs, engineers and energy industry specialists. In December 2014, Sonnex Solar LP and IIF Solar Investment Ltd., an investment vehicle owned by institutional investors advised by J.P. Morgan Asset Management, agreed to set-up a 50/50 joint venture platform named Sonnex Power Holdings Limited with a commitment of over euro 300 million aimed at pursuing Sonnex's development in the global solar market.

In 2016, the JV shareholders agreed to a change in the ownership structure. On 29 August 2016, IIF purchased a number of shares from the other JV shareholder such that became the owner of 96.5% of the shares in Sonnedix Power Holdings Ltd.

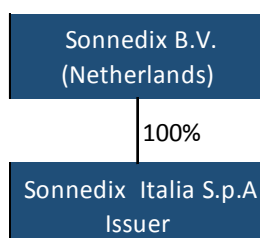
Sonnedix is committed to promoting, developing and operating solar power projects globally. Sonnedix’s current global pipeline of solar projects includes several projects at various stages of development totalling 795 MW, including 353 MW currently in operation/mechanically complete (in Europe, Thailand, Chile, South Africa, Japan and Puerto Rico).

In March 2016, Sonnedix Italia acquired Solar Holding - a 49 MW portfolio of 22 operating solar PV plants in Italy - from Diamond Generating Europe (a 100% subsidiary of Mitsubishi Corporation), INCJ and other shareholders. This acquisition brought Sonnedix Italia’s solar PV total capacity in Italy to approximately 69 MW.

9 MAJOR SHAREHOLDERS

As at the date hereof Sonnedix B.V. holds 100% of the Issuer's share capital.

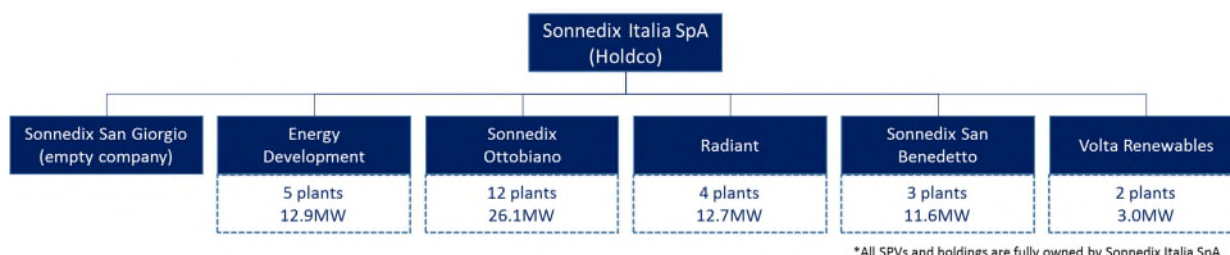
The current ownership structure of the Issuer is shown below.



The Group structure will remain unchanged until the Issue Date.

Following the Issue Date it is envisaged that the Borrower starts a corporate reorganization through vertical and horizontal mergers among the SPVs, with the purpose of (i) achieving operating costs reduction, and (ii) simplify and streamline information flow and decision making within the group.

The process is expected to be achieved by calendar year end. The final Group structure will be based on all 30 PV Plants grouped under an umbrella of 6 SPVs consolidated according to their geographic location. At restructuring, the Portfolio’s legal structure will be the following:



The reorganization will be carried through the “Proposed Mergers” (as defined in the CTDA) according to the following steps:

- (a) (vertical) merger of Solar Holding and Solar Holding I into the Borrower;
- (b) (horizontal) merger of SV VI, SV Piemonte I, SV Piemonte III, SV Roof I, SV VIII, SV IV, SV X, SV XIII; and SV XIV into Sonnedix Ottobiano;

- (c) (horizontal) merger of Energia Sviluppo Centro into Radiant;
- (d) (horizontal) merger of SV Lecce into Sonnedix San Benedetto; and
- (e) (horizontal) merger of Sarda Solar and Sarda II into Energy Development.

From a legal standpoint, each "Proposed Merger" implies the following steps:

- (i) merger approval by the board of directors;
- (ii) merger approval by the relevant shareholder, by means of a notarial deed as soon as the board resolution is passed and enrolled in the Companies' Registrar;
- (iii) merger deeds, to be performed only after 30 (thirty) days following the enrolment of the shareholder's resolution in the Companies' Registrar except for the one relating to the Proposed Merger of Solar Holding and Solar Holding I into the Borrower which will be performed 60 (sixty) days following the enrolment of the shareholder's resolution in the Companies' Registrar.

The envisaged structure will not adversely affect the security package granted to the lenders and confirmed that the proposed mergers will not impact the security created under the Security Documents.

From a tax point, the tax advisor confirmed that there is no impact in terms of taxes, since the tax consolidation perimeter will not change.

From an economic perspective, the Borrower will benefit from some cost savings in terms of overhead. These cost savings are reflected in the Financial Model.

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 circumstances:

- (a) Sonnedix Power Holdings Limited ceases to own at least 50.1% of the share capital and/or the voting rights in the Shareholder or ceases to have the power, directly or indirectly, whether through the ownership of its share capital, by contract or otherwise, to:
 - (i) cast, or control the casting of, more than 50,1% of the maximum number of votes that might be cast at a general meeting of the Shareholder, (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Shareholder;
 - (ii) give directions with respect to the operating and financial policies of the Shareholder with which the directors or other equivalent officers of the Shareholder are obliged to comply; and/or
- (b) the Shareholder ceases to own at least 50.1% of the share capital and/or the voting rights in the Borrower or cease to control the Borrower pursuant to article 2359 paragraph 1, no. 1 or 2 of the Civil Code, unless any of the transactions under paragraph (a) and/or (b) above are the result of a "Permitted Transfer" (as such term is defined in the CTDA, it being understood that in any case where Sonnedix Power Holdings Limited and/or the Shareholder cease to own directly 100 per cent of the share capital and voting rights respectively in the Shareholder and the Debtor, the successor – even if permitted under the CTDA – shall comply with the provisions of the Intercreditor Agreement).

Such circumstances include the transfer to certain entities described therein subject to satisfaction of certain additional conditions defined therein.

The Issuer is subject to direction and control activity (*"attività di direzione e coordinamento"* for the purpose of article 2497 et seq. of the Civil Code) exercised by Sonnedix B.V., which is entitled to exercise the majority of the voting rights in the Issuer.

10 ISSUER'S FINANCIAL STATEMENTS

The latest published unconsolidated financial statements (balance sheets and profit and loss account) of the Issuer, together with the relevant audit letter, are attached to this Admission Document as ANNEX°2 (*Issuer's financial statements as of 31 December 2015 and relevant audit letter*).

Being the Issuer exempt from drafting the consolidated accounts, a specific pro forma balance sheets and profit and loss account was drafted according to the European Union Regulation n. 809/2004 (Annex II) and approved by the Board of Directors on November 16th 2016 and it is attached to this Admission Document as ANNEX°3 (*Issuer's consolidated pro forma financial statements as of 31 December 2015 and relevant audit letter*).

A consistent approach with the consolidation principles applied to the pro forma consolidated financial statements as of December 31st 2015, was kept in drafting the consolidated pro forma accounts as of June 30th 2016, whose key financials are detailed in the following table.

June 30th 2016	key consolidated financials
Total revenues	16.564
<i>revenues from sales</i>	<i>2.414</i>
<i>revenues from feed in tariff</i>	<i>14.149</i>
EBITDA	11.090
EBIT	5.344
Net profit	(859)
Net equity	14.594
Net financial position	(132.094)

As for the above reported financials, it is worth enlightening the following:

- Sales revenues are deriving by the sale of the energy produced to the customers, mainly large national or international dealers.
- The sales of the feed in tariff are relating to the state incentive paid the Gestore dei Servizi Energetici – GSE S.p.A., a company fully owned by the Ministry of Finance and Economy.
- Earnings before interest, taxes, depreciation and amortization (EBITDA), earnings before interest and taxes (EBIT) and net profit are determined at a consolidated level, by adjusting the overall aggregate amounts according to the generally accepted consolidation principle in force in Italy (OIC 17).
- The net financial position is composed by the outstanding bank loans and financial lease principals, as of June 30th 2016. As a consolidation adjustment, financial leases have been adjusted according to International Accounting Standard n. 17.

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

See ANNEX°1 (*Terms and Conditions of the Notes*).

12 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

12.1 Application for admission to trading

The Issuer has applied to the Italian Stock Exchange for admission of the Notes to trading on ExtraMOT PRO. 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 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 Notes Subscription Agreement, 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.

Certain restrictions apply to the ability of the Notes Subscribers and their assignee to sell the Notes. For more details please refer to paragraph 1.6 above and Annex 5 below.

14 USE OF THE PROCEEDS RELATED TO THE SELLING OF THE NOTES

The net proceeds of the Notes will be used by the Issuer (i) to grant quotaholder loans to the SPVs; (ii) to pay the transaction costs related to the Project (including *inter alia* cost of advisors, counsels); (iii) make a distribution to the Shareholder and (iv) for general corporate purposes. Each SPV will use the proceeds of the Notes advanced by the Issuer to it by way of quotaholder loans to reimburse in full the respective existing financial indebtedness, break costs, prepayment penalties and unwinding costs associated to the hedging liabilities.

ANNEX 1

Terms and Conditions of the Notes

The following is the text of the terms and conditions of the Notes (the **Conditions**) of the "€ 95,000,000 Floating Rate Notes due 28 February 2030" (the "**Notes**"). These Conditions shall be read and construed in conjunction with the Common Documents. The Notes are subject to, and the NoteHolders shall benefit of, the Common Terms and Definitions Agreement (as defined below) and the other Common Documents. The rights and powers of the NoteHolders (as defined in Condition 1.3 below) may only be exercised in accordance with these Conditions, the Common Terms and Definitions Agreement and the other Common Documents. The Initial Investors, as initial NoteHolders and original party to the Common Documents, and any other NoteHolder, by executing a deed of accession to the Common Documents (other than the Security Documents) in the form specified in Schedule 1 Part B of the Intercreditor Agreement and attached hereto as Appendix 2 (*Form of Accession Deed*) in accordance with Condition 10.9 below, are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Common Documents. These Conditions shall be read and construed in conjunction with the sections of the documents incorporated by reference set out in the table below.

The issue, pursuant to Article 2410 of the Civil Code, of th Notes has been authorised by a shareholders' resolution dated 16 November 2016 (Notary Alberto Guidi of Milan no. 58,525 rep./13,229 racc.), of Sonnedix Italia S.p.A. (the **Issuer**) which have been registered with the Companies' Register of Turin on 18 November 2016.

The rights and powers of the NoteHolders (as defined in Condition 1.3 below) may only be exercised in accordance with these Conditions, the Common Terms and Definitions Agreement as defined below and the intercreditor agreement dated 30 November 2016 between, among others, the Notes Subscriber, the Lender, the Transaction Agent and the Security Agent (the **Intercreditor Agreement**).

In addition, pursuant to a specific mandate dated on or about the Issue Date (the **Mandate**) the NoteHolders have appointed BNP Paribas Securities Services – Milan Branch, which has accepted such appointment, to act as their and any subsequent Noteholders' representative with reference to the Security Documents pursuant to Article 2414-bis, third paragraph, of the Civil Code (in such capacity, the **Representative**).

The Notes are subject to, and the NoteHolders shall benefit of, the Common Terms and Definitions Agreement. The additional agreements entered into in relation to the Notes include:

- (a) an agency agreement dated on or about the Issue Date (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, BNP Paribas Securities Services, Milan Branch, as paying agent and calculation agent in respect of the Notes (the **Paying Agent** and **Calculation Agent**);
- (b) a pledge over the shares of the Issuer, dated on or about the Issue Date (as amended or supplemented from time to time, collectively the **Share Pledge**) between Sonnedix B.C. on one side and the Representative and the other Secured Creditors on the other side;
- (c) the following security agreements dated on or about the Issue Date (as amended or supplemented from time to time, collectively the **Issuer Security Agreements**) between the Issuer on one side and the Representative and the other Secured Creditors on the other side:
 - (i) five deeds of pledge over the quotas of the SPVs directly controlled by the Borrower and over the quota of Solar Holding;
 - (ii) the deed of assignment of the Issuer's receivables arising from, *inter alia*, (i) the reimbursement from the SPVs of the Borrower's Quotaholder Loans;
 - (iii) the deed of the pledge over the Issuer's bank accounts;
 - (iv) the deed of assignment of the Issuer's receivables arising from the Hedging Agreements;

- (d) the following security agreements dated on or about the Issue Date (as amended or supplemented from time to time, collectively the **SPV's Security Agreements**) by and between each SPV on one side and the Representative and the other Secured Creditors, on the other side:
- (i) certain assignment agreements by way of security of the feed in tariffs and/or all included tariff towards the GSE;
 - (ii) no. 18 deeds of mortgage over the lands;
 - (iii) a deed of pledge over the quota of Solar Holding I owned by Solar Holding;
 - (iv) no. 13 deeds of pledge over the quotas of the SPVs directly controlled by Solar Holding I;
 - (v) no. 18 special privilege deeds over the SPVs' movable assets;
 - (vi) certain deeds of pledge over the SPVs' bank accounts;
 - (vii) no. 18 assignment agreements by way of security of the SPVs' receivables arising from, inter alia, the O&M Contracts, the power purchase agreements (other than those with the GSE), performance bonds issued in favour of the SPV;
 - (viii) no. 18 assignment agreements by way of security of the feed-in tariff receivables of the SPVs derived from the GSE.
- (e) the agreement dated on or about the Issue Date between the Transaction Agent, the Issuer and each SPV setting out the terms on which the Issuer will undertake to make the quotaholders loan in the SPVs (the **Cash Contribution Agreement**);
- (f) the intercompany loan agreements to be entered into on the Issue Date between each SPV as lender and the Issuer, as borrower, each setting out the terms on which that SPV will undertake to make loans to the Issuer (the **Cash Intercompany Loans Agreement**);
- (g) the amendments to the existing intercompany loan agreements and the (new) intercompany loan agreements, between the Issuer as lender and each SPV, as borrower each setting out the terms of the loans made or to be made, as the case may be, by Issuer to the SPVs to be entered into on the Issue Date (the **Borrower's Quotaholder Loans**); and
- (h) once executed and effective the direct agreements entered into by the SPVs in relation to the O&M Contracts (the **Direct Agreements**).

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Issuer Security Agreements, the SPVs Security Agreements, the Parent Pledge, the Cash Contribution Agreement, the Cash intercompany Loans Agreement, the Direct Agreement, the Mandates Agency Agreement, the Note Subscription Agreements (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 Mandate. Copies of the Transaction Documents are available for inspection during normal business hours at the Specified Offices of the Paying Agent.

1 Currency, Denomination, Form and Transfers, Certain Definitions

1.1 Currency, Denomination

The Notes are being issued by the Issuer in Euro (**Specified Currency**) in the denomination of EUR 100,000.00 (the **Specified Denomination**) and in the aggregate principal amount of Euro 95,000,000 (in words: EUR ninety five million) as floating rate notes.

1.2 Form and Transfers

- (a) The Notes are issued in bearer (*al portatore*) and dematerialised form (*forma dematerializzata*) in accordance with the provisions of Article 83-bis and subsequent of the Italian Legislative Decree No. 58 of February 24, 1998 as amended (the **Financial Law**) and the Regulation issued by the Bank of Italy and CONSOB on February 22, 2008, as amended and supplemented from time to time (the **Bol/CONSOB Regulation**) and will be held and accounted for in book entry form with the central securities depository and management system managed by Monte Titoli on behalf of the NoteHolders (as defined in Condition 1.3) until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder (as defined in Condition 1.3). No physical documents of title will be issued in respect of the Notes. However, the NoteHolders have the right to obtain certifications (*certificazioni*) pursuant to Article 83-quinquies and Article 83-novies, 1(b) of the Financial Law.
- (b) The Notes will at all times be evidenced by, and title thereto will be transferable by means of, book-entries on the relevant accounts opened with *Monte Titoli* in accordance with:
 - (i) the provisions of Article 83-bis and ff. of the Financial Law; and
 - (ii) the Bol/CONSOB Regulation.

1.3 Certain Definitions

- (a) Unless otherwise defined in these Conditions or the context requires otherwise, words and expressions used in these Conditions have the meaning and construction ascribed to them in the common terms and definitions agreement dated on the date hereof between, *inter alios*, the Issuer and Natixis S.A. as Transaction Agent (the **Common Terms and Definitions Agreement**).
- (b) In addition in these Conditions:

BTP means *Buoni del Tesoro Poliennali* of the Republic of Italy.

Custodian means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which a NoteHolder maintains a securities account in respect of the Notes and includes any clearing system (including Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking, societe anonyme, 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) which holds an account with Monte Titoli.

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (the **Calculation Period**), the actual number of days in the Calculation Period divided by 360.

Decree No. 239 means Legislative Decree No. 239 of April 1, 1996.

Determination Day means the second Business Day prior to the commencement of the relevant Interest Period.

Early Redemption Amount means the principal amount outstanding of any Note plus interest (including the Margin) accrued to, but excluding, the date of redemption.

EURIBOR/6months means:

- (a) the applicable Screen Rate;
- (b) if no Screen Rate is available for the Interest Period the Interpolated Screen Rate; or
- (c) if:

- (i) no Screen Rate is available for the Interest Period; and
- (ii) it is not possible to calculate an Interpolated Screen Rate, the Reference Bank Rate,

provided that (x) if the rate is less than zero, EURIBOR/6 months shall be deemed to be zero, (y) if the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate will be the one applicable for the last preceding Interest payment date.

FATCA means:

- (a) sections 1471 to 1474 of the US Code or any associated regulations;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the "US Internal Revenue Service", the US government or any governmental or taxation authority in any other jurisdiction, including the agreement signed on 10 January 2014 with the Republic of Italy.

FATCA Deduction means a deduction or withholding from payment under a Bond Transaction Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Instalment Amount has the meaning attributed to it in Condition 4.1 (*Redemption at Maturity*).

Instalment Date has the meaning attributed to it in Condition 4.1 (*Redemption at Maturity*).

Interest Payment Date means each 30 June and 31 December, subject to adjustment in accordance with the provisions set out in Condition 3.4 (Payment Business Day) below.

Interest Period means for the first interest period the period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and for the following periods the period from, and including, each Interest Payment Date to, but excluding, the following Interest Payment Date.

Interpolated Screen Rate means the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, on the Determination Day for Euro.

Issue Date 2 December 2016.

Margin means 2.30% per annum.

Maturity Date has the meaning attributed to it in Condition 4.1 below (*Redemption at Maturity*);

Monte Titoli Account Holders means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any clearing system (including Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium and

Clearstream Banking, societe anonyme, 42 Avenue IF Kennedy, 1855 Luxembourg, Luxembourg) which holds an account with Monte Titoli.

NoteHolder means, from time to time, any holder of a Note.

NoteHolders' Representative or **RON** means the NoteHolders representative to be appointed pursuant to Condition 10.8 (*NoteHolders' Representative*) below.

Payment Business Day means a day (other than a Saturday or a Sunday):

- (a) on which Monte Titoli is operating, and
- (b) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Milan, Paris, London and Luxembourg and on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 is open.

Rate of Interest has meaning attributed to it in Condition 2.2 (*Rate of Interest*).

Reference Banks means the principal office in Paris of Natixis S.A., Ubi Banca S.p.A., Unicredit S.p.A. or such other banks as may be appointed by the Issuer in consultation with the RON.

Reference Banks Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the European Interbank Market, in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

Reference Interest Rate means EURIBOR 6/months being the rate (expressed as a percentage rate per annum) for deposits in the Specified Currency for a period equivalent to the relevant Interest Period which appears on the Screen Page as of 11.00 a.m. (Brussels time) on the Determination Day, all as determined by the Calculation Agent.

Screen Rate means the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period, displayed on the appropriate page (currently, page EURIBOR 01) of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Calculation Agent after consultation with the Issuer may (acting reasonably) specify another page or service displaying the appropriate rate.

Specified Currency has meaning attributed to it in Condition 1.1 (*Currency, Denomination*).

Specified Denomination has meaning attributed to it in Condition 1.1 (*Currency, Denomination*).

Specified Office: means the offices of BNP Paribas Securities Services located in piazza Lina Bo Bardi 3, 20124 Milan (Italy).

2 Interest

2.1 Interest Payment Dates

The Notes shall bear interest on their outstanding principal amount from, and including the Issue Date to and including the Maturity Date. Interest on the Notes shall be payable semi-annually in arrears on each Interest Payment Date.

2.2 Rate of Interest

The rate of interest (**Rate of Interest**) for each Interest Period shall be the Reference Interest Rate plus the Margin.

2.3 Minimum Rate of Interest

If the Reference Interest Rate in respect of any Interest Period determined in accordance with the above provisions is less than 0.00 per cent per annum, the Reference Interest Rate for such Interest Period shall be 0.00 per cent per annum.

2.4 Accrual of Interest

If the Issuer fails to redeem the Notes when due, interest shall continue to accrue, automatically and without demand, on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of interest which corresponds to the Rate of Interest plus two (2) per cent per annum. The default interest is without prejudice to the right to compensation for any other costs, expenses reasonably incurred and documented as a consequence of such delay.

2.5 Calculation of Amount of Interest

- (a) The Calculation Agent will, on or as soon as practicable after each date at which the relevant Rate of Interest is to be determined, calculate the amount of interest payable under the Notes in respect of the Specified Denomination for the relevant Interest Period.
- (b) The amount of interest payable for any Interest Period shall be calculated by applying, for any Note, the Rate of Interest, as appropriate, to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency, with half of such sub-unit being rounded upwards.

2.6 Notification of Rate of Interest and Amount of Interest

The Calculation Agent will cause the applicable Rate of Interest, the Interest Period, the interest amount and the Interest Payment Date for the relevant Interest Period to be notified to the Issuer and to the NoteHolders in accordance with Condition 9 (*Notices*) promptly after their determination. If required by the rules of any stock exchange or multilateral trading facility on which the Notes are from time to time listed, the Issuer will cause as soon as possible after their determination the relevant Rate of Interest, the Interest Period, the interest amount and the Interest Payment Date for the relevant Interest Period to be notified to such stock exchange or multilateral trading facility.

2.7 Determinations Binding

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 2 (*Interest*) by the Calculation Agent shall (in the absence of wilful misconduct, bad faith, manifest error or gross negligence) be binding on the Issuer, the Paying Agent and the NoteHolders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent or the NoteHolders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3 Payments

3.1 Payments

All payments in respect of the Notes will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of those banks and authorised investment firms whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised investment firms from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through the clearing systems to the accounts with the clearing systems of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli and of the relevant clearing systems, as the case may be.

3.2 Manner of Payment

Payments of amounts due on the Notes shall be made in Euro.

3.3 Discharge

Payments to Monte Titoli or to its order shall, to the extent of amounts so paid correspond to the amounts due on the date the payment is made, constitute the discharge of the Issuer from its liabilities under the Notes.

3.4 Payment Business Day

- (a) If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Payment Business Day the due date for such payment shall be postponed to the next day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding day which is a Payment Business Day.
- (b) If the due date for a payment of interest is brought forward or postponed, the amount of interest on the Notes shall be adjusted accordingly.
- (c) If the due date for the redemption of the principal amount of the Notes is adjusted the NoteHolder shall not be entitled to payments in respect of such adjustment.

3.5 References to Principal and Interest

- (a) References in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
 - (i) each Instalment Amount of the Notes (as specified in Condition 4.1);
 - (ii) the Early Redemption Amount of the Notes (as specified below); and any premium and
 - (iii) any other amounts (other than interest) which may be payable under or in respect of the Notes.
- (b) References in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in Condition 6 (*Taxation*)) which may be payable under Condition 6 (*Taxation*).

4 Redemption

4.1 Redemption at Maturity

Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the provisions set out in Condition 3.4 (*Payment Business Day*), the Notes shall be redeemed on each instalment date (each an **Instalment Date**) at each instalment amount (each an **Instalment Amount**) set out in Appendix 1 (*Amortisation Plan*) below. In any case the Notes shall be redeemed in full at the Instalment Date of 28 February 2030 (**Maturity Date**).

4.2 Early Redemption - Change of Control

- (a) Subject to paragraph (b) below, upon occurrence of a Mandatory Prepayment Event under clause 4.2 (*Change of Control*) of the Common Terms and Definitions Agreement, the Notes shall be redeemed in whole, but not in part, simultaneously with the occurrence thereof at their Early Redemption Amount.

- (b) If the Change of Control has occurred in a situation where the relevant Finance Parties have denied their consent or failed to respond, prior to the occurrence of a Change of Control, to the relevant waiver request sent by the Issuer in relation to a Change of Control within 15 (fifteen) Business Days of the request, then the Notes shall be redeemed in whole, but not in part, simultaneously with the occurrence of the Change of Control pro-rata between the outstanding Instalments Amounts at their Early Redemption Amount and no early redemption penalties or fees will be due.

4.3 Early Redemption – Mandatory Prepayment

- (a) Subject to paragraph (b) below, upon occurrence of a Mandatory Prepayment Event under clause 4 (*Mandatory Prepayment*) of the Common Terms and Definitions Agreement (other than a Mandatory Prepayment Event under clause 4.2 (*Change of Control*)), the Issuer shall notify the RON thereof.
- (b) Upon the occurrence of the circumstances under paragraph (a) above the RON shall convene the NoteHolders' Meeting in order to vote on the relevant early redemption and:
 - (i) if the NoteHolders' Meeting rejects (with the majority requested for the Ordinary Matters under Condition 10.3(a)(i)(B) and 10.3(a)(ii)(B)) the early redemption of the Notes, no early redemption of the Notes will occur; or
 - (ii) if the NoteHolders' Meeting approves (with the majority requested for the Ordinary Matters under Condition 10.3(a)(i)(B) and 10.3(a)(ii)(B)) the early redemption of the Notes, the Issuer shall redeem the Notes in whole or part, to the extent provided under clause 4 (*Mandatory Prepayment*) of the Common Terms and Definitions Agreements and in accordance with paragraph (c) below.
- (c) Notes redeemed pursuant to this Condition 4.3 (*Early Redemption – Mandatory Prepayment*) will be redeemed at their Early Redemption Amount pro- rata between the outstanding Instalment Amounts and (no early redemption penalties or fees shall apply) within the following terms:
 - (i) in the case under clause 4.1 (*Mandatory Prepayment – Insurance Proceeds/Excess Net Disposal Proceeds*), letter (a) of the Common Terms and Definitions Agreement, on the next Instalment Date;
 - (ii) in the case and circumstances under clause 4.1 (*Mandatory Prepayment – Insurance Proceeds/Excess Net Disposal Proceeds*), letter (b) of the Common Terms and Definitions Agreement, promptly upon receipt of the amount referred therein; or
 - (iii) in the case under clause 4.5 (*Mandatory Prepayment - Equity Cure*) of the Common Terms and Definitions Agreement, within 2 Business Days after receipt by the Debtor of the Equity injection provided thereunder.

4.4 Early Redemption at the Option of the Issuer

- (a) Subject to paragraph (b) below, the Issuer may, at its option and at any time, redeem the Notes in part or in whole, giving not less than 10 (ten) Business Days' irrevocable prior notice of redemption, in accordance with Condition 9 (*Notices*), to the RON, the Paying Agent, the Calculation Agent and the NoteHolders. Notes shall be redeemed at their Early Redemption Amount pro-rata between the outstanding Instalment Amounts.
- (b) Upon occurrence of the circumstances under paragraph (a) above – other than in case of redemption in whole of the Notes - the Issuer shall convene the NoteHolders' Meeting in order to vote on the relevant early redemption and:

- (i) if the NoteHolders' Meeting rejects (with the majority requested for the Extraordinary Matters under Condition 10.3(c) the early redemption of the Notes, no early redemption of the Notes will occur; or
 - (ii) if the NoteHolders' Meeting approves (with the majority requested for the Extraordinary Matters under Condition 10.3(c) the Notes will be redeemed at their Early Redemption Amount pro-rata between the outstanding Instalment Amounts.
- (c) The Issuer shall, if it gives notice that it intends to redeem the Notes pursuant to this Condition 4.4 prior to giving such notice to the NoteHolders (through the RON), provide the RON with the following documents:
- (i) a written confirmation of the amount of such redemption or repayment; and
 - (ii) a certification signed by an authorised signatory of the Issuer certifying that it has received conditional commitments in relation to the funds necessary on the date on which redemption is to occur to discharge all its liabilities due on such date (unless redemption will be made by means of, respectively:
 - (A) Equity and/or amounts standing to the credit of the Distribution Account, in which case the Issuer will certify the availability of the relevant Equity and/or amounts standing to the credit of the Distribution Account; or
 - (B) refinancing, in which case the Issuer will provide a document summarising the terms and conditions offered to the financiers of the relevant refinancing).

5 Paying Agent and Calculation Agent

5.1 Appointment; Specified Offices

The initial Paying Agent and the initial Calculation Agent and their respective initial specified offices are:

BNP Paribas Securities Services, Milan Branch a *société en commandite par actions* incorporated under the laws of France, whose registered office is at 3 Rue d'Antin, 75002, Paris (France) acting for the purpose hereof through its Milan office is at piazza Lina Bo Bardi 3, 20124 Milan (Italy) registered with the companies' register held in Milan at number 13449250151, fiscal code and VAT number 13449250151,

The Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices.

5.2 Variation or Termination of Appointment

- (a) Subject to the provisions under the Agency Agreement, the Issuer reserves the right (with the prior approval of the NoteHolders' Representative) at any time to vary or terminate the appointment of the Paying Agent or the Calculation Agent and to appoint another Paying Agent or another Calculation Agent.
- (b) The Issuer shall at all times maintain:
 - (i) so long as the Notes are listed on a stock exchange or a multilateral trading facility, a Paying Agent in such place as may be required by the rules of such stock exchange or multilateral trading facility or its supervisory authority; and
 - (ii) a Calculation Agent.
- (c) The NoteHolders will be given notice by the Issuer in accordance with Condition 9 (*Notices*) of any variation, termination, appointment or any other change to the Paying Agent and the Calculation Agent as soon as possible upon the effectiveness of such change.

- (d) The Issuer undertakes, to the extent this is possible in a member state of the European Union, to maintain a Paying Agent in a member state of the European Union who is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive (the **Directive**) implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

5.3 Agents of the Issuer

The Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency to any NoteHolder.

6 Taxation

6.1 General Taxation

- (a) At the Signing Date, the Notes will be subject to the Italian tax regime regulated by Decree No. 239 provided that the Notes are listed on a regulated stock market or on a multilateral trading facility of a EU Member State or a State belonging to the European Economic Area which allows the exchange of information with the Italian tax authorities. A substitute tax (*imposta sostitutiva*) levied at the rate of 26 per cent will be applicable to interest and other proceeds payable to NoteHolders resident in Italy which are individuals, non-commercial partnerships, non-profit organisations, or entities which are exempt from corporate income tax. No *imposta sostitutiva* will be applicable on interest and other proceeds payable to:
 - (i) Italian resident corporate entities, Italian investment funds, Italian real estate investment funds, Italian pension funds or Italian permanent establishments of non-resident companies which have deposited the Notes in accordance with the provisions of the Decree No. 239;
 - (ii) non-Italian resident persons which are resident for tax purposes in a country which allows an adequate exchange of information with the Republic of Italy as indicated by Article 6 of Decree No. 239 that refers to applicable Italian tax laws and regulations as amended from time to time, including inter alia, Ministerial Decree as of September 4, 1996 and Ministerial Decree as of August 9, 2016 (the **Qualifying Countries**);
 - (iii) institutional investors as clarified by the Italian tax authorities under Circular Letter No. 23/E of 1 March 2002 incorporated in one of the Qualifying Countries if the Notes have been deposited in accordance with the provisions of article 7 of Decree No. 239 as amended and supplemented. In addition, non-Italian resident persons indicated in point (ii) above or non-Italian resident institutional investors indicated in point (iii) above have to produce a self-certification (in compliance with the tax forms and official instructions provided by the Italian Revenue Agency) stating that they meet the requirements of Decree No. 239; in any other case, the *imposta sostitutiva* levied at the rate of 26 per cent will be applicable on interest and other proceeds payable to non-Italian resident persons. The rate of the *imposta sostitutiva* may be decreased pursuant to the provisions of the applicable double tax treaty (if any).
- (b) all payments of principal and interest payable by the Issuer on the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the country in which the Issuer is domiciled (or resident for tax purposes) or by or on behalf of any political subdivision or authority therein or thereof having power to tax (**Withholding Taxes**), unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts (the **Additional Amounts**) of principal and interest as may be necessary in order that the net amounts received by the NoteHolders after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required.
- (c) No such Additional Amounts shall, however, be payable on account of any Withholding Taxes:

- (i) which are payable otherwise than by deduction or withholding from payments of principal or interest; or
- (ii) (which are payable where the NoteHolder is able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the country of domicile (or residence for tax purposes) of the Issuer or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (iv) which are payable as a result of a NoteHolder's (or beneficial owner's) failure, or the failure of any agent having custody or control over a payment, to establish its exemption from such deduction or withholding by complying with any requirements to report on it, its owners or holders of interests, or to enter into an agreement with a taxing authority to provide such information; or
- (v) which in case of payments by the Issuer are payable by reason of the NoteHolder having, or having had, some personal or business connection with the country in which the Issuer is domiciled (or resident for tax purposes); or
- (vi) in respect of any payment or deduction of any interest or principal on account of imposta sostitutiva (at the then applicable rate of tax) pursuant to Decree No. 239 with respect to any Notes or, for the avoidance of doubt, Italian Legislative Decree No. 461 of November 21, 1997 (as amended by Italian Legislative Decree No. 201 of June 16, 1998) (as any of the same may be amended or supplemented) or any related implementing regulations; or
- (vii) in all circumstances in which the procedures set forth in Decree No. 239 in order to benefit from a tax exemption have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (viii) in respect of any Notes where payments are required:
 - (A) in Italy; or
 - (B) more than 30 (thirty) days after the Maturity Date except to the extent that the relevant NoteHolder would have been entitled to an Additional Amount on the payment of such Note on such thirtieth day assuming that day to have been a Payment Business Day; or
 - (C) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts is paid to a non-Italian resident legal entity or a non-Italian resident individual which is neither resident nor incorporated in a Qualifying Country; or
 - (D) in respect of any Notes where such withholding or deduction is required pursuant to Presidential Decree No. 600 of 29 September, 1973, as amended or supplemented from time to time.

6.2 FATCA Information

- (a) Subject to paragraph (c) below, each NoteHolder, within 10 (ten) Business Days of a reasonable request by the Issuer and the Issuer within 10 (ten) Business Days of a reasonable request by a NoteHolder shall:
 - (i) confirm to the other whether it is:

- (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
- (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to Condition 6.2 a) that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party promptly.
 - (c) Paragraph (a) above shall not oblige any of the Issuer and the NoteHolders to do anything, and paragraph (a) (iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty;
 - (iii) any duty of confidentiality.
 - (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Bond Transaction Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

6.3 FATCA Withholding

Notwithstanding any other provision in this Agreement, the Issuer shall be permitted to withhold or deduct any amounts required by the FATCA or pursuant to any agreement with the U.S. Internal Revenue Service or any law implementing an intergovernmental approach to FATCA (**FATCA Withholding**). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a NoteHolder for any FATCA Withholding deducted or withheld by the Issuer, the Paying Agent or any other Party.

7 Status of the Notes

Subject to the Legal Reservations, the Issuer represents and agrees that:

- (a) the Notes constitute direct, secured and unconditional obligations of the Issuer and will at all times rank *pari passu* amongst themselves.
- (b) the Notes are, subject to the fulfilment of the relevant perfection formalities which are provided under the relevant Security Documents, secured claims under the Security Documents as contemplated thereunder.

8 Acceleration

8.1 Relevant Events

Subject to the terms of the Intercreditor Agreement, each NoteHolder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with accrued

interest, upon occurrence of a Relevant Event as identified in clause 13 (*Relevant Events*) of the Common Terms and Definitions Agreement.

8.2 Notice

Any notice, including any notice declaring Notes due in accordance with this Condition 8 (*Acceleration*), shall be made in accordance with Condition 9.3 (*Form of Notice to Be Given by any NoteHolder*).

8.3 Cancellation

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

9 Notices

9.1 Notification to Clearing System

Without prejudice to and in addition to the provisions of Clause 23 (Notices) of the Common Terms and Definitions Agreement and save for the provisions of Condition 10 (*Amendment of the conditions, joint representative*) below, and without prejudice to any other mandatory provisions of Italian law from time to time in force (including, without limitation, the Financial Law and the relevant implementing regulations), any notice regarding the Notes and/or to be given by the Issuer to the NoteHolders, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given, by or on behalf and at the instructions of the Issuer, through the systems of Monte Titoli.

9.2 Notification in the event of Listing

- (a) In the event the Notes are admitted to listing, trading or quotation by any listing authority, stock exchange, or multilateral trading facility, notices shall be published by the Issuer additionally in accordance with the rules and regulations of such listing authority, stock exchange or multilateral trading facility.
- (b) Any such notice shall be deemed to have been given on the date of such publication.

9.3 Form of Notice to be given by any NoteHolder

- (a) Unless stipulated differently in these Conditions, notices regarding the Notes which are to be given by any NoteHolder to the Issuer shall be validly given if delivered in writing in the English language to the Issuer by hand or registered mail with return receipt (*avviso di ricevimento*) at the following address: Viale F. Restelli 29 – 20124 Milano – Italy
- (b) The NoteHolder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be:
 - (i) in the form of a certification from the Custodian with which the NoteHolder maintains a securities account in respect of the Notes that such NoteHolder is, at the time such notice is given, the NoteHolder of the relevant Notes, or
 - (ii) in any other appropriate manner.

10 Amendment of the Conditions, NoteHolders' Representative

10.1 NoteHolders' Meeting

In accordance with Article 2415 of the Italian Civil Code, the NoteHolders' general meeting (the **Noteholders Meeting**) has the power to resolve upon the following:

- (a) the appointment and revocation of the NoteHolders' Representative;

- (b) amendments of these Conditions;
- (c) proposals for creditors' arrangements (*amministrazione controllata e concordato*);
- (d) the establishment of a fund for the expenses needed to protect the joint interest and the related accounts (*rendiconto*); and
- (e) other matters of common interest to the NoteHolders.

10.2 Calling of Meetings

A meeting may be convened by the directors of the Issuer or the NoteHolder's Representative and shall be convened upon request by NoteHolders holding at least 5 (five) per cent of the aggregate principal amount of the outstanding Notes. All meetings of NoteHolders will be convened and held in accordance with Italian law (including without limitation, the Financial Law and the relevant implementing regulations) and the Issuer's by-laws, each as from time to time amended. The notice to convene a meeting shall be published – at the expense of the Issuer - in the Gazzetta Ufficiale (the Official Gazette of the Republic of Italy) or in one of the newspapers referred to in the Issuer's by-laws (or according to such other publication method which may be required under any Italian law applicable or according to the by-laws of the Issuer from time to time) at least 15 (fifteen) days (or such other period as may be prescribed by then applicable Italian law or the Issuer's by-laws) prior to the date of the meeting or, alternatively, provided that a proof of receipt is achieved at least 8 (eight) days prior to the date of the meeting by means of:

- (a) letter or telegram to be sent by means of post offices or equivalent means with evidence of receipt (*avviso di ricevimento*) by the relevant addresses;
- (b) simple letter (*lettera semplice*) copy of which shall be returned by the addresses duly signed for receipt with evidence of the date of receipt;
- (c) telefax message or e-mail provided alternatively that:
 - (i) each of the addresses confirms in writing the receipt and the date thereof;
 - (ii) there is evidence (also by electronic means) of the receipt by the addressees,

provided that if, at any time, the meeting is not convened by e-mail as contemplated under 10.2(c) above, the Issuer and/or the RON shall deliver by email to the NoteHolders for information purposes only, the notice of calling of the meeting, to the NoteHolders, providing that the identities of the NoteHolders are known by the Issuer and/or the RON at the time of calling the relevant NoteHolders' meeting.

10.3 NoteHolders' Meetings and Quorums

In compliance with Article 2415, paragraph 3, of the Italian Civil Code the rules set forth under Italian law for an extraordinary general meeting of the shareholders of joint stock companies apply to the NoteHolders' meetings. Resolutions adopted are recorded in the competent companies' register under the responsibility of the public notary who drafted the minutes of the meeting. Without prejudice to Condition 10.4 below the majority required to pass a resolution of the NoteHolders' meeting shall be one or more NoteHolders representing:

- (a) for voting on any matter other than a Reserved Matter or an Extraordinary Matter and provided it does not give rise to Entrenched Rights (**Ordinary Matter**):
 - (i) on first call (A) at least 50.1% of the principal amount of the Notes for the time being outstanding or (B) exclusively in a case of a NoteHolders' Meeting convened in order to vote on the relevant early redemption pursuant to Condition 4.3(b) -above at least 66.67% of the principal amount of the Notes for the time being outstanding;

- (ii) in a case of a NoteHolders' Meeting convened following adjournment of the initial meeting for want of quorum, (A) at least 50.1% of the principal amount of the Notes for the time being outstanding represented at the relevant NoteHolders' meeting or (B) exclusively in a case of a NoteHolders' Meeting convened in order to vote on the relevant early redemption pursuant to Condition 4.3(b) above at least 66.67% of the principal amount of the Notes for the time being outstanding

(an **Ordinary Resolution**);

- (b) without prejudice to Condition 10.3(c) below, for voting on a Reserved Matter, at any meeting convened to vote on a Reserved Matter at least 1/2 (one half) of the aggregate principal amount of the Notes for the time being outstanding. For the purpose of this provision, a "**Reserved Matter**" means any amendment of these Conditions pursuant to Article 2415, paragraph 1, item 2 of the Italian Civil Code which does not give rise to Entrenched Rights;
- (c) for voting on an Extraordinary Voting Matter, at any meeting convened to vote on a Extraordinary Matter at least 3/4 (three quarters) of the aggregate principal amount of the Notes for the time being outstanding (an **Extraordinary Resolution**). For the purpose of this provision, an "**Extraordinary Voting Matter**" means any of the following matters:
 - (i) to change the quorum required at any meeting different from the one involving Entrenched Rights or the majority required to pass an Ordinary Matter under Conditions 10.3(a)(i)(B) and 10.3(a)(ii)(B) and/or an Extraordinary Matter;
 - (ii) to resolve on a early redemption of the Notes at the option of the Issuer under Clause 4.4. above;
 - (iii) to amend this definition or this Condition different from the one under (d) below.
- (d) for voting on any matters (i) falling under the definition of Entrenched Rights under the Intercreditor Agreement, and/or (ii) to change the quorum under this (d) and/or amend this clause (d), the unanimous vote of the Noteholders.

10.4 Binding Effects of the Resolutions – Intercreditor Agreement

- (a) Any resolution passed at a NoteHolders' meeting duly convened and held shall be binding upon all NoteHolders whether present or not present at the meeting and whether or not voting.
- (b) The NoteHolders acknowledge and agree that, in light of the provisions set out under the Intercreditor Agreement, subject to the Entrenched Rights (as defined in the Intercreditor Agreement), any decision taken by the Secured Creditors pursuant to the Intercreditor Agreement in accordance with the terms therein will be binding on all NoteHolders including:
 - (i) if the NoteHolders' meeting has voted in favour of any proposed resolution pursuant to Condition 10.3 above, but the relevant majority for passing the relevant request under the Intercreditor Agreement has not been reached, the relevant request may be considered, in certain circumstances, as not approved by all the Secured Creditors, including the NoteHolders, if so provided under the Intercreditor Agreement;
 - (ii) if the NoteHolders' meeting has voted against a proposed resolution pursuant to Condition 10.3 above, but the relevant majority for Extraordinary Voting Matters (as defined under the Intercreditor Agreement) has been reached in relation to the same resolution, then the resolution shall be considered as not approved for the NoteHolders but may nonetheless be considered as approved for the other Secured Creditors who voted in its favour, to the extent that this circumstance is not prejudicial to the NoteHolders;
 - (iii) any decision taken by the NoteHolders' meeting will count for the purpose of the Intercreditor Agreement as specified in clause 5.3(a)(iii) of the Intercreditor and therefore the outstanding principal amount of the Notes who took part to the meeting will count either for (where such

NoteHolders have voted in favour of the Proposal at the relevant NoteHolders Meeting) or against (where such NoteHolders have not voted in favour of the Proposal at the relevant NoteHolders Meeting) the relevant decision.

10.5 Challenge of Resolutions

In accordance with Article 2416 of the Italian Civil Code, the resolutions adopted by the NoteHolders' meeting may be challenged in accordance with Articles 2377 and 2379 of the Italian Civil Code. Such challenge is made before the Court of Milan against the NoteHolders' Representative.

10.6 Voting Rights

Each NoteHolder participating in any vote shall cast its vote in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

10.7 NoteHolders' Individual Action

In accordance with Article 2419 of the Italian Civil Code individual actions by NoteHolders are not precluded, provided such actions are not in conflict with the resolutions of the meeting of NoteHolders provided by Article 2415 of the Italian Civil Code and with the terms of the Intercreditor Agreement.

10.8 NoteHolders' Representative

- (a) A representative of the NoteHolders (rappresentante comune) shall be appointed under Article 2417 of the Italian Civil Code in order to represent the NoteHolders' interests under these Conditions, to give effect to the resolutions passed at a meeting of the NoteHolders, and to execute and exercise on behalf of the Noteholders their rights and act as their agent in relation to the Finance Documents.
- (b) If the NoteHolders' Representative is not appointed by a meeting of NoteHolders, the NoteHolders' Representative shall be appointed by a decree of the president of the court where the Issuer has its registered office at the request of one or more NoteHolders or at the request of the directors of the Issuer. The NoteHolders' Representative shall remain appointed for a maximum period of three (3) financial years but may be reappointed again thereafter.

10.9 Benefit of the Common Documents

- (a) Before purchasing the Notes, the Common Documents will be disclosed to the prospective NoteHolders which, in order to benefit of the terms of the Common Documents, shall execute a deed of accession to the Common Documents (other than the Security Documents) in the form specified in Schedule 1 of the Intercreditor Agreement and attached hereto as Appendix 2 (*Form of Accession Deed*).
- (b) By accepting a Note, the Noteholders:
 - (i) shall be deemed to have agreed to, and accepted, the appointment of BNP Paribas Securities Services, Milan Branch as the initial Noteholders' Representative in accordance with the Notes Subscription Agreement and the relevant resolution of appointment; and
 - (ii) shall be deemed to:
 - (A) have agreed to, and accepted, the appointment of the Security Agent as agent of the NoteHolders for the purposes of Article 2414-bis, paragraph 3, of the Italian Civil Code; and
 - (B) have agreed and acknowledged that the Security Agent will exercise on behalf of the NoteHolders, all the rights relating to the Security created under the Security Documents, subject to the Intercreditor Agreement.

11 Statute of Limitation

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

12 Applicable Law, Submission to Jurisdiction, Enforcement and Listing Limitations on circulation

12.1 Applicable Law

The Notes, as to form and content, and all rights and obligations of the NoteHolders and the Issuer and any non-contractual obligations arising out of or in connection with them, shall in all respects be governed by, and shall be construed exclusively in accordance with, Italian law.

12.2 Submission to Jurisdiction

The courts of Milan have exclusive jurisdiction to settle and determine any dispute in connection with the Notes or their validity, interpretation or performance and any non-contractual obligations arising out of or in connection with any Note.

12.3 Enforcement

Any NoteHolder of Notes held through Monte Titoli may in any proceedings against the Issuer, or to which such NoteHolder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of a statement issued by the Custodian with whom such NoteHolder maintains a securities account in respect of the Notes:

- a) stating the full name and address of the NoteHolder;
- b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement; and
- c) confirming that the Custodian has given written notice to Monte Titoli containing the information pursuant to 11.3(a) and 11.3(b); or
- d) any other means of proof permitted in legal proceedings in the country of enforcement.

12.4 Listing

Application has been made to the Italian Stock Exchange for the Notes to be admitted to trading on the ExtraMOT PRO. As long as the Notes are admitted to trading on the ExtraMOT PRO, copies of the Common Documents are physically available, may be inspected and obtained by NoteHolders and prospective NoteHolders free of charge during usual business hours at the specified offices of the Issuer and of the RON at any time after the date of the Admission Document.

12.5 Limitations on circulation

The Notes can only be subscribed for by Qualified Investors and any subsequent transfer is not allowed and it is not enforceable towards the Issuer unless it is made in favor of one or more Qualified Investors.

The Notes are issued in exemption of the obligation to publish an offering prospectus pursuant to the Prospectus Directive.

The Notes have not nor will be registered with the Securities Act nor any other similar law in force in Canada, Australia, Japan or any other country in which the underwriting and/or the sale of the Notes is not allowed by the competent authorities.

Save for the above, the subsequent sale of the Notes in any of the abovementioned states or, in any case, in any country shall only be allowed only to the extent: (i) it is expressly admissible under the applicable rules and legislation of the relevant country; or (ii) in case the laws and regulations applicable in such countries expressly provide for specific exemptions which allow the circulation of the Notes.

The transfer of the Notes shall always occur in compliance with all the applicable legislation to the notes.

**APPENDIX 2
FORM OF ACCESSION DEED**

[To be executed by exchange of letters]

To: [] as Transaction Agent and [] as Security Agent

cc: *[existing secured creditors]*

THIS DEED dated [], is supplemental to:

- (a) *the Intercreditor Agreement (the "ICA") dated [•] and made between, amongst others, Natixis S.A. as transaction agent (the "Transaction Agent") and Sonnedix Italia S.p.A. (as from time to time amended, restated, novated or supplemented);*
- (b) *the Common Terms and Definitions Agreement (the "Common Terms and Definitions Agreement") of the same date and made between, amongst others, the Transaction Agent and Sonnedix Italia S.p.A. (as from time to time amended, restated or supplemented);*

Words and expressions defined or incorporated by reference in the ICA have the same meaning when used in this Deed.

[new NoteHolder] (the "New Secured Creditor") of [address] agrees with the Transaction Agent that, with effect from [insert date], the New Secured Creditor will become a party to and be bound by and benefit from the ICA and the Common Terms and Definitions Agreement as a Secured Creditor in respect of the Secured Liabilities.

The New Secured Creditor confirms that it [is/is not] a Qualifying Secured Creditor.

The New Secured Creditor confirms the appointment of its relevant Secured Creditor Representative of the New Secured Creditor under the ICA.

[The New Secured Creditor confirms the appointment of the Transaction Agent and the Security Agent (which hereby accept) under the ICA to act as its agent (mandatario con rappresentanza) acting on behalf and in the name of each Secured Creditor:

- (i) *to do anything which the Transaction Agent and/or the Security Agent as applicable is entitled to do under any Finance Document and subject to the terms of this Agreement, together with any other incidental rights, powers, authorities and discretions; and*
- (ii) *to exercise any of the rights conferred on the Transaction Agent and/or the Security Agent as the case may be in relation to the assets subject to the Security Documents;*
- (iii) *for the Security Agent, to identify the Secured Creditors from time to time existing;*

(iv) *for the Security Agent, to negotiate and approve the terms and conditions of such Finance Documents, execute any other agreement or instruments, give or receive any notice and take any other action in relation to the creation, perfection, maintenance, confirmation, extension, enforcement and release, in whole or in part, of the security created thereunder, in each case in the name and on behalf of it and the other Finance Parties.*

[In addition and without prejudice to the above, the New Secured Creditor hereby irrevocably confirms the appointment of the Security Agent, which accepts, at its agent (rappresentante dei sottoscrittori dei titoli) in relation to the Security Documents pursuant to and in accordance with article 2414 bis third paragraph of the Italian Civil Code to exercise all rights (tutti i diritti, inclusi i diritti di natura processuale) (the "Security Agent") in relation to the Security Interest created under the Security Documents. The New Secured Creditor confirms that the mandate shall have the same terms and conditions of the appointment under Schedule 3 of the ICA.] [For new Noteholders only]

The notice details for the New Secured Creditor are as follows:

[insert address, telephone, fax, email and contact details].

Nothing in this Deed shall be construed as a novation (novazione) under article 1230 and ff. of the Italian Civil Code.

This Deed and any non-contractual obligations arising out of or in connection with it are governed by Italian law.

The courts of Milan have exclusive jurisdiction to settle and determine any dispute in connection with this Deed and any non-contractual obligations arising out of it or in connection with it.

[Transaction Agent, Security Agent] / [New Secured Creditor]

ANNEX°2
ISSUER'S FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015 AND
RELEVANT AUDIT LETTER

ANNEX°3
ISSUER'S CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS AS OF 31
DECEMBER 2015 AND RELEVANT AUDIT LETTER

ANNEX°4 SELLING RESTRICTIONS

1. GENERAL

- 1.1 Each Notes Subscriber 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 Notes Subscriber represents and agrees that it will not offer, sell or deliver any Notes or distribute any document relating to the Notes to persons resident, domiciled or located, including a permanent establishment thereof established:
- (a) In any country or jurisdiction except under circumstances that will result in compliance with any applicable law and regulation; or
 - (b) To persons resident, domiciled or located including a permanent establishment thereof established in one of the countries listed in the Italian Ministerial Decree issued pursuant to article 11(4)(c) of the Legislative Decree no. 239 of April 1st, 1996. Currently, reference is made to the Ministerial Decree September 4, 1996 as amended and supplemented from time to time (including on 9 August 2016).

2. THE UNITED STATES OF AMERICA (THE "UNITED STATES")

- 2.1 Each Notes Subscriber represents, warrants and undertakes to the Issuer that:
- (a) it acknowledges (on behalf of itself and any person on whose behalf it is acquiring the Notes) that the Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States;
 - (b) neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes;
 - (c) it is acquiring the Notes outside the United States in an "offshore transaction" as defined in and in compliance with Regulation S under the Securities Act; and
 - (d) it will not reoffer, resell, pledge or transfer any Notes except in accordance with the Securities Act and any applicable laws of any state or other jurisdiction of the United States.

For purposes of this agreement, **United States** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia. Terms used in this Section shall have the meanings given to them under Regulation S under the Securities Act

3. UNITED KINGDOM

Each Notes Subscriber represents, warrants and undertakes to the Issuer and each other Notes Subscriber 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 Notes Subscriber understands that the Notes have been registered pursuant to Italian securities legislation. Accordingly, the Notes Subscriber represents and agrees that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy unless in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

The Notes Subscriber represents and agrees 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; or
- (b) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under the Financial Law or 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 must be:

- (a) 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 (**Decree no. 385**), Decree no. 58, CONSOB Regulation no. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with article 129 of Decree no. 385 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;
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

5. France

Each Notes Subscriber represents, warrants and undertakes that:

- (a) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (*an offer au public de titres financiers* as defined in Article L. 411-1 of the French Code *monétaire et financier*);
- (b) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account as defined in Articles L. 411-2 and D-441-1 of the French Code *monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d’investisseurs*) as defined in Article L. 411-2 and D. 411-4 Code *monétaire et financier* acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in Article L. 411-2 of the Code *monétaire et financier* (together the **Investors**).

Offers and sales of the Notes in the Republic of France will be made on the condition that the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.441-2, L. 412-1 and L. 621-8 of the *Code monétaire et financier*).

ANNEX°5

O&M CONTRACTS

- (a) O&M Contract entered into on 24 November 2011 between SV IV and Schneider Electric S.p.A. in relation to the PV Plant named "Pontecurone" (as amended and integrated from time to time);
- (b) O&M Contract entered into on 24 May 2010 between SV VI and SunPower Italia S.r.l. in relation to the PV Plants named "Novi Ligure" and "Tortona" (as amended and integrated from time to time);
- (c) O&M Contract entered into on 3 June 2010 between SV VIII and SunPower Italia S.r.l. in relation to the PV Plant named "Novi Fossati" (as amended and integrated from time to time);
- (d) O&M Contract entered into on 30 November 2011 between SV X and Schneider Electric S.p.A. in relation to the PV Plant named "Novi Bovone" (as amended and integrated from time to time);
- (e) O&M Contract entered into on 24 November 2011 between SV XIII and Schneider Electric S.p.A. in relation to the PV Plant named "Serravalle" (as amended and integrated from time to time);
- (f) O&M Contract entered into on 24 November 2011 between SV XIV and Schneider Electric S.p.A. in relation to the PV Plant named "Quargnento" (as amended and integrated from time to time);
- (g) O&M Contract entered into on 24 November 2011 between SV Lecce and Schneider Electric S.p.A. in relation to the PV Plant named "Leverano" (as amended and integrated from time to time);
- (h) O&M Contract entered into on 12 May 2014 between SV Roof I and Schneider Electric S.p.A. in relation to the PV Plant named "Peirano" (as amended and integrated from time to time);
- (i) O&M Contract entered into on 29 April 2011 between SV Piemonte I and Schneider Electric S.p.A. in relation to the PV Plant named "Felizzano 1" (as amended and integrated from time to time);
- (j) O&M Contract entered into on 29 April 2011 between SV Piemonte I and Schneider Electric S.p.A. in relation to the PV Plant named "Felizzano 2" (as amended and integrated from time to time);
- (k) O&M Contract entered into on 12 May 2014 between SV Piemonte III and Schneider Electric S.p.A. in relation to the PV Plant named "Carmagnola" (as amended and integrated from time to time);
- (l) O&M Contract entered into on 31 March 2011 between Sarda Solar and Schneider Electric S.p.A. in relation to the PV Plant named "Macomer" (as amended and integrated from time to time);
- (m) O&M Contract entered into on 5 November 2010 between Sarda Solar and Sunpower Italia S.r.l. in relation to the PV Plant named "Ula Tirso" (as amended and integrated from time to time);
- (n) O&M Contract entered into on 13 January 2012 between Sarda Solar II and Schneider Electric S.p.A. in relation to the PV Plant named "Macchiareddu" (as amended and integrated from time to time);
- (o) O&M Contract entered into on 11 April 2014 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Della Botte" (as MIL-#2099615-v89 10 amended and integrated from time to time);
- (p) O&M Contract entered into on 11 April 2014 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Massoli" (as amended and integrated from time to time);
- (q) O&M Contract entered into on 11 April 2014 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Trona" (as amended and integrated from time to time);

- (r) O&M Contract entered into on 23 December 2013 between Sonnedix San Benedetto and Belectric Italia S.r.l. in relation to the PV Plant named "Morgani" (as amended and integrated from time to time);
- (s) O&M Contract entered into on 23 December 2013 between Sonnedix San Benedetto and Belectric Italia S.r.l. in relation to the PV Plant named "Raglione" (as amended and integrated from time to time);
- (t) O&M Contract entered into on 10 December 2012 between Energy Development and Belectric Italia S.r.l. in relation to the PV Plants named "Vittoria Fossati" and "Vittoria Monte Calvo" (as amended and integrated from time to time);
- (u) O&M Contract entered into on 1 February 2016 between Volta Renewables and Rios Rinnovabili S.r.l. in relation to the PV Plant named "Tarquinia" (as amended and integrated from time to time);
- (v) O&M Contract entered into on 1 February 2016 between Volta Renewables and Rios Rinnovabili S.r.l. in relation to the PV Plant named "Minervino" (as amended and integrated from time to time);
- (w) O&M Contract entered into on 25 June 2012 between Radiant and Belectric Italia S.r.l. in relation to the PV Plant named "Valentano" (as amended and integrated from time to time);
- (x) O&M Contract entered into on 14 August 2011 between Sonnedix Ottobiano and Belectric Italia S.r.l. in relation to the PV Plant named "Ottobiano" (as amended and integrated from time to time);
- (y) O&M Contract entered into on 9 September 2016 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Della Botte" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (z) O&M Contract entered into on 9 September 2016 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Massoli" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (aa) O&M Contract entered into on 9 September 2016 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to one section of the PV Plant named "Trona" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (bb) O&M Contract entered into on 9 September 2016 between Energia Sviluppo Centro and Solarig Italia Operation and Maintenance S.r.l. in relation to one section of the PV Plant named "Trona" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (cc) O&M Contract entered into on 9 September 2016 between SV VIII and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Novi Fossati" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (dd) O&M Contract entered into on 9 September 2016 between SV VI and Solarig Italia Operation MIL-#2099615-v89 11 and Maintenance S.r.l. in relation to the PV Plant named "Novi Ligure" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (ee) O&M Contract entered into on 9 September 2016 between SV VI and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Tortona" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (ff) O&M Contract entered into on 9 September 2016 between Sarda Solar and Solarig Italia Operation and Maintenance S.r.l. in relation to the PV Plant named "Ula Tirso" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (gg) O&M Contract entered into on 10 August 2016 between Energy Development and Belectric Italia S.r.l. in relation to the PV Plant named "Vittoria Fossati" (effective from the date of delivery to the O&M contractor of a written notice to proceed);

- (hh) O&M Contract entered into on 10 August 2016 between Energy Development and Belectric Italia S.r.l. in relation to the PV Plant named "Vittoria Monte Calvo" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (ii) O&M Contract entered into on 10 August 2016 between Radiant and Belectric Italia S.r.l. in relation to the PV Plant named "Valentano" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (jj) O&M Contract entered into on 10 August 2016 between Sonnedix San Benedetto and Belectric Italia S.r.l. in relation to the PV Plant named "Morgani" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (kk) O&M Contract entered into on 10 August 2016 between Sonnedix San Benedetto and Belectric Italia S.r.l. in relation to the PV Plant named "Raglione" (effective from the date of delivery to the O&M contractor of a written notice to proceed);
- (ll) O&M Contract entered into on 10 August 2016 between Sonnedix Ottobiano and Belectric Italia S.r.l. in relation to the PV Plant named "Ottobiano" (effective from the date of delivery to the O&M contractor of a written notice to proceed).