

1. TERMS AND CONDITIONS

TERNIENERGIA S.P.A.

(a joint stock company incorporated under the laws of the Republic of Italy)

Euro 25,000,000.00 Notes due 2027

Issue Price 100% (one hundred per cent.)

ISIN CODE IT0004991573

TerniEnergia S.p.A.

Registered office: Strada dello Stabilimento n.1, 05035, fraz. Nera Montoro, Narni (TR)

VAT no.: 01339010553

Share capital: Euro 12,281,320.00

The following is the text of the terms and conditions (the "**Terms and Conditions**") of the Notes issued by TerniEnergia S.p.A., on the 6th of February 2014 (the "**Issue Date**"), pursuant to articles 2410 and followings of the Italian Civil Code, as amended and restated, following, and on the basis of, the recovery plan (*piano di risanamento*) implemented by the Issuer (as defined below) pursuant to article 67, paragraph 3, letter d), of the Bankruptcy Law (as defined below), which has been approved by the board of directors of the Issuer on 27 June 2019 (the "**Plan**").

In these Terms and Conditions:

1. DEFINITIONS

"**Additional Spread**" has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

"**Assets**" means, in relation to a company, the tangible and intangible assets and/or shares and financial instruments held by the company itself.

"**Assets under Disposal**" means, the Assets indicated under Annex B (*Asset under Disposal*), the disposal of which is provided pursuant to the Plan in order to, *inter alia*, achieve the recovery of the Issuer's financial indebtedness and the rebalancing of its financial position.

"**Bankruptcy Law**" means Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented.

"**Business Day**" means a day (other than Saturday or Sunday) on which banks are generally open for business in London and Milan and the Trans-European Automated Real Time Gross - Settlement Express Transfer System (or any successor thereto) is open.

"**Calculation Agent**" means the calculation agent that will be appointed by the Issuer within 30 September 2019.

"**Condition**" means each clause of the present Terms and Conditions.

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa*.

“Day Count Fraction” means the actual number of days in the Interest Calculation Period divided by 365.

“Distribution” means any distribution of dividends pursuant to art. 2433 ff. of the Italian Civil Code (whether in cash or in kind) made by the Issuer to its shareholders.

“Default Interest” has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

“Early Redemption Date” has the meaning ascribed to it in Condition 7 (*Events of Default*).

“EBITDA” means, in relation to the Issuer, and based on the results of the Issuer’s annual financial statements, the algebraic sum of the following items of the *“Profit and Loss Account”* (*Conto Economico*):

1. (+) A) revenues; other operating income; change in inventories of semi-finished and finished products; and
2. (-) B) Costs of raw materials, consumables, and goods for resale; costs for services; personnel costs; other operating costs.

“Event of Default” has the meaning ascribed to it in Condition 7 (*Events of Default*).

“Excess Cash” indicates, in relation to 31 December of each calendar year and with reference to the Issuer’s financial statements approved by it and related to the period ended on the aforementioned date, starting from (and including) 31 December 2020, 100% of the liquidity of TerniEnergia referred to in Article 2424, item C) IV of the Italian Civil Code, net of (i) any payment obligations (including those relating to the payment of taxes and other duties) which are due and payable on the date on which the Excess Cash is from time to time calculated and those that will become due and payable within the following 6 (six) months; and (ii) an amount equal to Euro 3,000,000.00 (three million / 00), to be considered as a non-distributable reserve (*riserva non distribuibile*). It is understood that the amounts deriving from the Net Disposal Proceeds will not be taken into consideration for the purposes of the calculation of the Excess Cash.

“ExtraMOT” means the multilateral trading facility of financial instruments organized and managed by the Italian Stock Exchange.

“ExtraMOT PRO” means the professional segment of the ExtraMOT.

“Final Maturity Date” has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

“Financial Covenant” has the meaning ascribed to it in Condition 8 (vi).

“Group” means the Issuer and any other entity included, from time to time, in the consolidated financial statement of the Group published according to the regulations of the Italy Star.

“Insolvency Proceedings” means any bankruptcy or similar proceeding applicable to any company or other organization or enterprise under the relevant laws of incorporation or operation, and in particular, as for Italian law, including but not limited to the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, and amministrazione straordinaria delle grandi imprese in stato di insolvenza.*

“Interest Calculation Period” means each period starting from an Interest Payment Date (included) and ending on the following Interest Payment Date (excluded); it being understood that

the first Interest Calculation Period has started on 6 February 2018 (excluded) and will end on 31 December 2019 (included).

"Interest Determination Date" means with respect to each subsequent Interest Calculation Period, the date falling on the second Business Day immediately preceding such Interest Calculation Period.

"Interest Payment Date" means, in relation to the interest to be paid on the Principal Amount Outstanding of the Notes, the date falling on 30 June (included) and 31 December (excluded) of each year, provided that the first Interest Payment Date will fall on 31 December 2019 (without prejudice to Condition 6.2).

"Interest Rate" means the Original Interest Rate or the New Interest Rate, as applicable.

"Issuer" means TerniEnergia S.p.A. a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office in Strada dello Stabilimento n.1, 05035, fraz. Nera Montoro, Narni (TR), fiscal code, VAT number and registration number with the Company Register of Terni 01339010553, R.E.A. No. TR-89319.

"Issue Date" has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

"Issue Price" has the meaning ascribed to it in Condition 2.1 (*Denomination and Price*).

"Italian Stock Exchange" means *Borsa Italiana S.p.A.*, with registered office in Milan, Piazza degli Affari, 6.

"Italy Star" means the multilateral system of trading organized and managed by Italian Stock Exchange for medium enterprises having a capitalization included between Euro 40,000,000.00 and Euro 1,000,000,000.00.

"Liens" means any guarantee, mortgage, pledge, charge or lien or privilege on Assets as security for the obligations of the Issuer and / or any third party (including any form of destination and segregation of Assets).

"Monte Titoli" means Monte Titoli S.p.A., with registered office in Milano, Piazza degli Affari n.6.

"Net Disposal Proceeds" means the proceeds deriving from the sale of each of the Assets under Disposal, net of: (i) the costs and expenses incurred by the company belonging to the Group that executed the relevant sale of the Asset under Disposal; (ii) the indirect taxes to be paid by the company belonging to the Group that executed the relevant sale of the Asset under Disposal according to the tax system applicable to such company; (iii) any other taxes due by company belonging to the Group that executed the sale of the Asset under Disposal, including those related to the taxable capital gain deriving from the relevant sale, minus the effect of any compensation of tax losses that can be carried forward for any reason whatsoever; (iv) any privileges (*privilegi*) of third parties over the relevant Asset under Disposal; and (v) the amounts linked to the price adjustment and deposit guarantee mechanisms to be maintained in favor of the buyer for the related Asset under Disposal for the period indicated in each sale and purchase agreement in relation to the relevant Asset under Disposal, it being understood that (x) in the event that the price adjustment does not lead to deductions with respect to the "base" price, or (y) after the release of the amounts deposited in escrow, even such amounts will be considered Net Disposal Proceeds starting from (a) the expiry of the period necessary for the application of price adjustment in the

case under (x) above (if applicable); and (b) the date of release of the amounts deposited in escrow in the case above (y) above.

"**Net Financial Debt**" or "**NFD**" means, in relation to the Issuer, and based on the results of its annual financial statements, the net financial debt calculated according to *Comunicazione CONSOB* n. DEM/6064293 dated 28 July 2006, as subsequently amended and supplemented.

"**New Interest Rate**" means the floating rate determined on the grounds of the 6 month EURIBOR Rate + 1.50 % (one point fifty per cent.) *per annum*.

"**Nominal Value**" has the meaning ascribed to it in Condition 2.1 (*Denomination and Price*).

"**Noteholders**" means the beneficial owners of the Notes.

"**Noteholders' Representative**" has the meaning ascribed to it in Condition 13 (*Meetings of the Noteholders*).

"**Notes**" means Euro 25,000,000.00 (twenty-five million/00) notes due 2027 issued by the Issuer.

"**Payment Date**" means, without prejudice to Conditions 6.2 to 6.4, in relation to the Principal Amount Outstanding of the Notes to be paid, the following payment dates: (i) 31 December 2019 (being the first Payment Date); (ii) 31 December 2020; and (iii) starting from 31 December 2020 (excluded) until the Final Maturity Date (included), the date falling on 30 June and 31 December of each year.

"**Original Interest Rate**" means the fixed rate determined on the basis of the Actual/Actual (ICMA) (Following Business Day Convention – unadjusted) equal to 6.875% (six point eight seventy five per cent.) *per annum*.

"**Principal Amount Outstanding**" means without prejudice to Conditions 6.2 to 6.4, (i) until 31 December 2019 (excluded) Euro 25,000,000.00 (twenty-five million/00), and (ii) after 31 December 2019 (included), at any Payment Date, (a) the aggregate of the Nominal Value of the Notes; *minus* (b) the aggregate of all repayments of principal made in respect of the Notes.

"**Qualified Investors**" means those investors that meet the criteria provided under Annex II of the Directive 2014/65/EU (*MiFID II*) and Annex 3 of the rules of intermediaries approved by CONSOB with the resolution no. 16190 of 29 October 2007.

"**Reference Date**" means 31 December of each year starting from 31 December 2014, with respect to any annual financial statement of the Issuer.

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

"**TUF**" means the Italian Legislative Decree no. 58 dated February 24th, 1998, as subsequently amended and supplemented.

"**Usury Law**" means Italian Law No. 108 of 7 March 1996, as subsequently amended and supplemented.

"**Valuation Date**" means the first Business Day falling after 30 calendar days following approval of the Issuer's annual financial statements and in any case 210 calendar days following the Reference Date referring to any annual financial statement of the Issuer.

2. NOTES

2.1 Denomination and Price

The total amount of the Notes issued is equal to Euro 25,000,000.00 (twenty-five million/00, issued in a minimum denomination of Euro 100,000.00 (one hundred thousand/00) and additional increments of Euro 100,000.00 (one hundred thousand/00) thereafter (the "**Nominal Value**")).

The Notes have been issued for a price equal to 100% (one hundred per cent.) of their Nominal Value, *i.e.* for a price equal to Euro 100,000.00 (one hundred thousand/00) for each Note (the "**Issue Price**").

2.2 Form and Title

The Notes have been issued in bearer and dematerialised form and are wholly and exclusively deposited with *Monte Titoli*. The Notes are and will at all times be evidenced by book - entries in accordance with the provisions of Articles 83-*bis* et seq. of the TUF and Regulation 22 February 2008 jointly issued by CONSOB and Bank of Italy, both as amended from time to time.

Any transaction regarding the Notes (including transfers and the establishment of Liens), as well as the exercise of proprietary rights, may only be made in accordance with the provisions of Articles 83-*bis* et seq. of the TUF. The Noteholders will not be able to request delivery of the documents representative of the Notes, save for the right to request the certification referred to in Articles 83-*quinquies* and 83-*sexies* of the TUF.

2.3 Status and guarantees

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other legal entity or natural person. In respect of the obligation of the Issuer to repay principal and pay interest on the Notes, the Notes will rank *pari passu* and without any preference or priority among themselves except for the obligations of the Issuer which are preferred according to the general provisions required by law.

The Notes have not been and will not be convertible into shares or participation rights in the share capital of the Issuer nor any other company. Therefore, the Noteholders will not have any right to direct and/or indirect control the management of the Issuer or any other company.

3. SUBSCRIPTION AND TRANSFER OF THE NOTES

The Notes have been and shall be exclusively placed to, and successively held by and retransferred to, Qualified Investors.

The Notes have been issued with exemption from the obligation to publish a prospectus for the purposes of Article 100 of the TUF and Article 34-*ter* of Regulation adopted by Consob Resolution no. 11971/1999, as subsequently amended and supplemented.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as subsequently amended or supplemented, or any other applicable securities law in force in Canada, Australia, Japan or any other country in which the transfer and/or the subscription of the Notes is not permitted by the relevant authorities.

Notwithstanding the foregoing, any transfer of the Notes to any of abovementioned Countries, or in Countries other than Italy and to non-residents or entities not incorporated in Italy, will be allowed only in the following circumstances: (i) to the extent which is expressly permitted by the laws and regulations applicable in the Country in which it is intended to transfer the Notes, or (ii) if applicable laws and regulations in force in these Countries provide for the specific exemptions

that allow the transfer of the Notes.

The transfer of the Notes will be made in compliance with all applicable regulations, including the provisions relating to anti-money laundering referred to in Italian Legislative Decree no. 231/2007, as subsequently amended and supplemented.

4. ISSUE DATE AND FINAL MATURITY DATE

The Notes have been issued on the 6th of February 2014 (the "**Issue Date**").

The final maturity date will fall on 31 December 2027 (the "**Final Maturity Date**") (without prejudice to Condition 7 (*Events of Default*)).

5. INTEREST

- 5.1** Starting from 6 February 2018 (included) to 1 July 2018 (excluded), interest accrued (expressly excluding the Default Interest) on the Principal Amount Outstanding of the Notes, at the Original Interest Rate, and will be paid in Euro, in arrear, on the first Interest Payment Date, without prejudice to Condition 6.2.

Starting from 1 July 2018 (included) to the earlier of (a) the Early Redemption Date (excluded); and (b) the Final Maturity Date (excluded), interest accrued (expressly excluding the Default Interest) and will accrue on the Principal Amount Outstanding of the Notes, at the New Interest Rate, and will be paid in Euro, in arrear, on each Interest Payment Date, starting from the first Interest Payment Date, without prejudice to Condition 6.2.

Interest accrued on the Principal Amount Outstanding of the Notes will be calculated by the Calculation Agent on each Interest Determination Date.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes from the due date for redemption of such part (included), unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well after as before any judgment) at the rate from time to time applicable to the Notes.

5.2 Interest Rate

Starting from 1 July 2018 (included) to the Final Maturity Date (excluded), the amount of the semi-annual coupons shall be calculated on the basis of the following formula:

$$C = NV (6 \text{ month EURIBOR Rate} + 1.50 \%) \times \text{Day Count Fraction}$$

"NV" means the Nominal Value

On any Valuation Date (starting from the Valuation Date falling in 2021 (included)), should the value related to the EBITDA of the Issuer result to be higher than the one envisaged by the Plan by 10% or more, as from the first day of the Interest Calculation Period following the relevant Valuation Date, the New Interest Rate will be increased by an additional spread of 50 *basis points* (the "**Additional Spread**"). As a consequence of the application of the Additional Spread, the amount of the semi-annual coupon shall be calculated on the basis of the following formula:

$$C = NV (6 \text{ month EURIBOR Rate} + 1.50 \% + \text{Additional Spread}) \times \text{Day Count Fraction}$$

“NV” means the Nominal Value

"Euribor" means the 6 months rate at which wholesale funds in euro could be obtained by credit institutions in the EU and EFTA countries in the unsecured money market. It is administered by the European Money Markets Institute (EMMI). For the relevant 6 months period, EURIBOR is published daily on every TARGET day, at or shortly after 11 a.m. CET for each of the defined tenors and the rate will be displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If the relevant screen page is not available, the Calculation Agent shall request each of the three leading banking operators in the European Union, to provide the Calculation Agent with its bid rate or offered quotations for the EURIBOR at or shortly after 11 a.m. CET. The Calculation Agent with such bid rate or offered quotations, will determine the arithmetic mean (rounded if necessary to the fifth decimal place) of the bid rates or offered quotations. If on any Interest Determination Date less than three or none of the leading banking operators in the European Union provides the Calculation Agent with such bid rates or offered quotations, the interest Rate for the relevant Interest Calculation Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place) of the rates, as communicated to (and at the request of) the Calculation Agent by the leading banking operators in the European Union or any two or more of them at which such banks were offered, at approximately 11 a.m. CET., deposits in Euro for a period equal to that which would have been used for the EURIBOR by leading banks in the Euro-zone inter-bank market. Should the Euribor rate be negative, the parties conventionally agree that it shall be considered at a value equal to zero.

The EURIBOR has been qualified as a critical benchmark and may be subject, in the future, to cessations or changes in the calculation method in relation to one or more tenors, as already occurred on 14 June 2018 when EMMI approved the cessation of the 2 week, 2 month and 9 month tenors. Therefore, if EURIBOR cannot be determined in accordance with the foregoing provisions, EMMI will identify an acceptable substitute benchmark, in compliance with article 28(1) of the European Regulation 2016/1011. Until such substitute benchmark has not been identified, the Calculation Agent will use the last recorded value of the EURIBOR.

Should the Issuer fail to pay any amount payable by it in relation to the Notes, it shall pay the Interest Rate on the overdue amount plus a margin of 2% (two per cent) *per annum*, in accordance with the applicable regulation (the "**Default Interest**"), to be calculated by the Calculation Agent from the date on which this payment should have been made (included) until the date of actual payment (excluded).

If the relevant Interest Rate and / or the relevant Default Interest exceed the limits provided by the Usury Law, they shall be deemed automatically reduced (for the period strictly necessary) to the maximum interest rate allowed by such law to be calculated by the Calculation Agent.

6. REDEMPTION, PURCHASE AND CANCELLATION

- 6.1 Without prejudice to Conditions 6.2 to 6.4, unless previously redeemed in full and cancelled in accordance with these Terms and Conditions, the Notes will be redeemed according to the following amortization plan:

Payment Date	Principal Outstanding Amount
31/12/2019	2,470,888
31/12/2020	5,797,332
30/06/2021	872,593
31/12/2021	872,593
30/06/2022	1,752,925
31/12/2022	1,752,925
30/06/2023	1,113,694
31/12/2023	1,113,694
30/06/2024	940,729
31/12/2024	940,729
30/06/2025	1,551,006
31/12/2025	1,551,006
30/06/2026	1,590,335
31/12/2026	1,590,335
30/06/2027	544,608
31/12/2027	544,608
Total	25,000,000

Payment Date	Amortisation plan for Nominal Value
31/12/2019	9,885
31/12/2020	23,189
30/06/2021	3,490
31/12/2021	3,490
30/06/2022	7,012
31/12/2022	7,012
30/06/2023	4,455
31/12/2023	4,455
30/06/2024	3,763
31/12/2024	3,763
30/06/2025	6,204
31/12/2025	6,204
30/06/2026	6,361
31/12/2026	6,361
30/06/2027	2,178
31/12/2027	2,178
Total	100,000

- 6.2 Without prejudice to the above, the Issuer and the Noteholders hereby expressly agree and acknowledge that, should the Issuer for any reason whatsoever fail to comply (in whole or in part) with its payment obligations towards the Noteholders falling on 31 December 2019 pursuant to the amortization plan under Condition 6.1 above, then the maturity of such payment obligations, being equal to the difference between (i) the amount due on 31 December 2019 in relation to the Notes; and (ii) the amount effectively paid on 31 December 2019 in relation to the Notes, should automatically be postponed to 31 December 2020. As a consequence, the amount due by the Issuer to the Noteholders on 31 December 2020, will be equal to the sum of (i) the amount due on 31 December 2020 pursuant to the amortization plan under Condition 6.1; *plus* (ii) the positive difference between (a) the amount (including principal and interest) which should have been paid by the Issuer on 31 December 2019 in the absence of the automatic postponement of the relevant payment obligation; and (b) the amount effectively paid by the Issuer on such Payment Date. The Issuer and the Noteholders hereby expressly agree and acknowledge that the failure by the Issuer to comply with its payment obligations falling on 31 December 2019 does not constitute an event of default under Condition 7(a).
- 6.3 The Issuer, undertakes to utilize any Excess Cash resulting from the report delivered to the Noteholders (also through the Noteholders' Representative, if any) according to Condition 8 (xii), within 30 (thirty) Business Days from the date of approval of the Issuer's annual financial statements, starting from the Issuer's annual financial statements which will be approved on 31 December 2020, towards the repayment of the Principal Amount Outstanding of the Notes in accordance with the priority of payments provided under the Plan.
- 6.4 The Issuer undertakes to utilize the 100% of Net Disposal Proceeds within 20 (twenty) Business Days from the availability of such amounts, towards the repayment of Principal Amount Outstanding of the Notes in accordance with the priority of payments provided under the Plan.
- 6.3 If the Final Maturity Date should fall on a day other than a Business Day, it will be postponed to the next following Business Day without any additional amount in favor of the Noteholders.
- 6.4 For the purposes of Condition 6.2 above, the Issuer undertakes to inform in writing, within December 15, 2019, the Italian Stock Exchange of its incapability to comply (in whole or in part) with its payment obligations towards the Noteholders falling on 31 December 2019 pursuant to the amortization plan under Condition 6.1 above. Should the Issuer be able to comply only partially with its payment obligations towards the Noteholders falling on 31 December 2019, the aforementioned information shall also include the amount of the Principal Amount Outstanding of the Notes which will be paid to the Noteholders on 31 December 2019.

7. EVENTS OF DEFAULT

The absolute majority of the Noteholder or the Noteholders' Representative, as the case may be, shall have the right to request the early redemption of the Notes upon the occurrence of any of the following conditions (each event below shall be treated as "**Event of Default**"):

- (a) **Payment Default:** without prejudice to Condition 6.2, any failure of the Issuer to pay any principal or interest amounts payable on the Notes (including the payments to be made under Conditions 6.3 and 6.4 above) unless such failure is due to an administrative or technical error which is not due to willful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer and the relevant payment is performed within 5 (five) Business Days from the relevant discovery of the administrative or technical error.

- (b) Insolvency Proceedings of the Issuer:** (i) judicial steps have been taken against the Issuer aimed at commencing any Insolvency Proceedings, and/or (ii) the Issuer is subject to any Insolvency Proceedings; provided that the above subparagraphs (i) and (ii) shall not apply to any proceeding which is discharged, stayed or dismissed within 120 (one hundred twenty) days from its commencement, and/or (iii) the Issuer is subject to any of the situation described in article 2447 of the Italian Civil Code, save for what provided under Condition 8(v).
- (c) Transfer of Assets to creditors:** the transfer of Assets to creditors by the Issuer pursuant to Article 1977 of the Italian Civil Code.
- (d) Liquidation:** the adoption of a resolution of the competent body of the Issuer whereby it is resolved the winding up of the Issuer.
- (e) Litigation:** the filing against the Issuer of any litigation, arbitration or administrative proceedings (including any dispute with any statutory or governmental authority) for amounts exceeding Euro 5,000,000.00 (five million/00); provided that this subparagraph shall not apply to any litigation, arbitration or administrative proceedings which is discharged, stayed or dismissed within 120 (one hundred twenty) days of its commencement.
- (f) Covenants:** any of the covenants under Condition 8 (*Covenants by the Issuer*) is not complied with by the Issuer; provided that if the circumstances that gave rise to that event may be remedied, are not remedied within 180 (one hundred eighty) days since the date on which the Issuer is aware of such circumstance.
- (g) Cross default of the Issuer:** the failure by the Issuer to fulfill any payment obligation (other than those payment obligations arising from the Notes) in compliance with the deadlines provided under the Plan, for amounts exceeding, in aggregate, Euro 3,000,000.00 (three million/00) unless such payment/s is/are made within 60 (sixty) days starting from the relevant failure;
- (h) Force Majeure Events:** the occurrence of force majeure events, such as wars, revolutions, embargos, actions by civil and/or military authorities, earthquakes, floods, droughts, water pollution, power lines breaks that persist for a period exceeding 60 (sixty) non-consecutive calendar days in the same solar year and from which on the expiry of the 60 (sixty) days derives an Event of Default.
- (i) Compulsory nationalization of the Issuer's assets:** nationalization, expropriation or dispossession by a government, public or regulatory body of the Assets of the Issuer.
- (j) Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under, or in respect of, the Notes or the present Terms and Conditions, or an event occurs, as a consequence of which one or more obligations of the Issuer under the present Terms and Conditions become invalid, illegal, or cease to be effective or enforceable.
- (k) Delisting:** the adoption of an act or measure whose consequence is the delisting of the Notes or the delisting of shares of the Issuer.
- (l) Others:** any laws, decrees and resolutions enacted by the Italian Government or any political sub-division thereof, including any Region, are revoked or amended or new laws, decrees and resolutions are enacted so that interests of the Noteholders are negatively affected in a material manner.

On the first Business Day following a 90 (ninety) days prior request of early redemption (the "**Early Redemption Date**") to be sent by registered letter addressed to the Issuer's registered office,

or according to other modalities as required by the Italian Stock Exchange (for example, through publication on the website of the Issuer), the amounts payable by the Issuer to the Noteholders shall become immediately due and payable with respect to the principal and all interest accrued on the Notes.

8. COVENANTS BY THE ISSUER

For so long as any Note remains outstanding, the Issuer shall, unless a written waiver is provided by the absolute majority of the Noteholders or the Noteholders' Representative, as the case may be:

- (i) maintain its properties, machinery and, equipment in good condition, as well as to take out and maintain adequate insurance coverage in place with leading insurance companies in relation to them, in accordance with good commercial practice;
- (ii) not approve or carry out extraordinary transactions of any kind, other than those provided by the Plan, including without limitation special transactions on its own share capital, corporate transformations (*trasformazioni*), merger (*fusioni*) or spin-off (*scissioni*);
- (iii) without prejudice to Condition 8 (ii) above, not change its by-laws (*atto costitutivo* and *statuto*) in any material respect and shall not change the date of its financial year's end;
- (iv) ensure that all of its corporate books are correct, complete, accurate and not misleading in all material respects, and are regularly kept in accordance with the laws and accounting standards;
- (v) not reduce its own share capital, except for the mandatory cases provided for by law; and, in the event that the Issuer's share capital is reduced due to losses pursuant to applicable laws, ensure that, no later than 60 (sixty) Business Days from the resolution approving such reduction, the Issuer's share capital required by applicable laws is restored;
- (vi) ensure that the financial covenant related to ratio between Net Financial Debt/EBITDA (the "**Financial Covenant**") complies on each Valuation Date, starting from the Valuation Date falling on 2021, with the following values:

Issuer's Financial Covenant									
€	2019	2020	2021	2022	2023	2024	2025	2026	2027
PFN/ Ebitda	n.s.	4,8x	2,9x	2,0x	1,7x	1,4x	0,8x	0,3x	n.s.

- (vii) publish on its own website the annual and semi-annual consolidated financial statements for each financial year following the Issue Date, until the full redemption of the Notes and ensure that any such annual consolidated financial statements are audited by an external auditor in accordance with the abovementioned Legislative Decree no. 39 dated 27 January 2010; publish on its own website the Admission Document, the present Terms and Conditions and, on each Valuation Date, the result of the calculation performed by the Issuer of the Financial Covenant; promptly notify to the Noteholders the occurrence of any failure by the Issuer to fulfill its obligations under the present Terms and Conditions or any event which may cause an Event of Default;

- (viii) promptly notify to the Noteholders the occurrence of legal proceedings of any kind and/or proceedings commenced by the Italian Tax Agency (*Agenzia delle Entrate*) against the Issuer for amounts exceeding Euro 1,000,000.00 (one million/00);
- (ix) comply with all applicable provisions of the Rules of ExtraMOT in order to avoid any kind of sanction, as well as the revocation or exclusion of the Notes by decision of the Italian Stock Exchange;
- (x) diligently fulfill all the obligations undertaken by the Issuer towards Monte Titoli, in relation to the centralized management of the Notes;
- (xi) promptly notify to the Noteholders any suspension and/or revocation and/or exclusion of the Notes or the shares of the Issuer from trading under the ExtraMOT PRO or the Italy Star, as the case may be;
- (xii) deliver to the Noteholders (also through the Noteholders' Representative, if any) within 30 (thirty) Business Days from the approval of the relevant annual financial statement of the Issuer, a report indicating from time to time the existence of any Excess Cash specifying the relevant amount (if any);
- (xiii) not make any Distribution until the full and unconditional redemption of the Notes;
- (xiv) ensure that the shareholder loans are subordinated to the full and unconditional redemption of the Notes;
- (xv) not take any step or institute any proceeding for the purpose of obtaining a reduction in the rate of interest applicable to the Notes or total cancellation of all payable interest; and
- (xvi) promptly notify the Noteholders the rating assigned to the Issuer and/or the Notes (if such rating is available) and any variation thereto.

9. PAYMENTS

Payments of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by authorized intermediaries.

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws and regulations applicable in the place of payment.

Should any Payment Date and / or any Interest Payment Date fall on a day that is not a Business Day, then any such payment due on the relevant Payment Date and / or in the relevant Interest Payment Date will be postponed to the next day that is a Business Day; provided that interests shall not accrue from the relevant Interest Payment Date (included) to the relevant date of payment (excluded).

10. ADMISSION TO TRADING

The Issuer has filed with the Italian Stock Exchange for admission to trading of the Notes on the ExtraMOT PRO.

The decision of the Italian Stock Exchange and the date of commencement of trading of the Notes on the ExtraMOT PRO, together with the functional information to trading shall be communicated by the Italian Stock Exchange with a notice, pursuant to Sec. 11.6 of the Guidelines contained in the regulation for the management and operation of the ExtraMOT

issued by the Italian Stock Exchange, and effective from June 8, 2009 (as amended and supplemented from time to time).

The Notes are not traded in a regulated market “*mercato regolamentato*” therefore are not subject to the Commission Regulation (EC) No 809/2004.

11. RESOLUTIONS AND AUTHORIZATIONS RELATING TO THE NOTES

The issuance of the Notes was approved by the board of directors of the Issuer on 27 January 2014. In particular, the Issuer has approved to proceed with the issuance of the Notes for a maximum aggregate nominal value equal to Euro 25.000.000,00 (twenty-five million/00).

12. RESOLUTION AND AUTHORIZATIONS RELATING TO THE AMENDMENTS OF THESE TERMS AND CONDITIONS

The amendments to the Terms and Conditions of the Notes were approved by the board of directors of the Issuer, in the same context of the approval of the Plan, on 27 June 2019.

13. MEETINGS OF THE NOTEHOLDERS

The Noteholders may convene a meeting in order to protect common interests related to the Notes. All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time. In accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a Noteholders' representative (the "**Noteholders' Representative**"), (ii) any amendment to these Terms and Conditions, (iii) motions by the Issuer for the composition with creditors (*amministrazione controllata* and *concordato preventivo*); (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) any other matter of common interest to the Noteholders.

Such a meeting may be convened by the board of directors of the Issuer or the Noteholders' Representative at their discretion and, in any event, in accordance with the provisions of Article 2415 of the Italian Civil Code. If the meeting has not been convened following such request of the Noteholders, the same may be convened by a decision of the competent court in accordance with the provisions of Article 2367 of the Italian Civil Code. Every such meeting shall be held at a place as provided pursuant to Article 2363 of the Italian Civil Code.

Notwithstanding the provisions of article 2415, third paragraph, of the Italian Civil Code, any meeting of the Noteholders will be validly held if there are one or more persons present being or representing Noteholders holding at least the absolute majority of the Principal Amount Outstanding of the Notes at that time.

Notwithstanding the provisions of article 2415, third paragraph, of the Italian Civil Code, the majority required to pass a resolution at any meeting (including any adjourned meeting) convened to vote on any resolution will be one or more persons holding or representing at least the absolute majority of the Principal Amount Outstanding of the Notes at that time.

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

The Noteholders' Representative, subject to applicable provisions of Italian law, shall be appointed and remain appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Terms and Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the board of directors of the Issuer.

13. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes will be barred and become void (*prescritti*) unless made within ten years in the case of principal or five years in the case of interest from the date the relevant payment are due.

14. TAXATION

Any tax and fee, present and future, applicable to the Notes shall be borne by the Noteholders; no other costs will be borne by the Issuer.

15. NOTICES

So long as the Notes are held on behalf of the beneficial owners thereof by Monte Titoli, notices to the Noteholders may be given through the systems of Monte Titoli.

16. GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, Italian law.

The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.

Annex B - Assets under Disposal

Asset under disposal	
Impianto	Società
Lequile	Terni Solar Energy
Veglie	Terni Solar Energy
S.Faustino	Terni Solar Energy
Thyssen	Terni Solar Energy
Dolci	Terni Solar Energy
Vascigliano - Paci	Terni Solar Energy
Bosco	Terni Solar Energy
Marsciano	Energiaalternativa
Serra De' Conti 2	Energiaalternativa
LEQUILE 5	Energiaalternativa
LEQUILE 6	Energiaalternativa
LEPORANO	Solter
S.GIORGIO JONICO	Solter
LEPORANO PALMISANO	Soltarenti
TARANTO PAPALE	Soltarenti
GUGLIONESI 1	Guglionesi
GUGLIONESI 2	Guglionesi
FRATTA 4	Ternienergia
APOLLOSA	Ternienergia
CHIEUTI	Ternienergia
CHEREMULE	Cheremule
Oristano	Fotosolara Oristano
Bonannaro	Fotosolara Bonannaro
Faggiano 2	Next Power II Prima
Faggiano 3	Next Power II Prima
Taranto Mosca	Soltarenti
Leporano Mosca	Soltarenti
Impianto PFU	Ternienergia
Impianto PFU	Val Di Taro
Biodigestore	Green ASM
Castellaneta Radicci	Girasole
Ramazzano	Alchimia Energy 3
Impianto depurazione Acqua Reflue	Purify
Pirogassificatore Borgo Sesia	Ternienergia