

PRELIMINARY TERM SHEET
PROJECT FINANCE LOAN

This Preliminary Term Sheet has been prepared by the bank (the “**Bank**”) for discussion purposes and does not constitute an offer, agreement, agreement in principle, preliminary agreement or binding agreement by any party.

This Preliminary Term Sheet is for facilities to refinance the existing indebtedness of a wind plant in Southern Italy (the “**Target**”).

This summary of preliminary terms is for purposes of discussion and negotiation only and is not intended to constitute an offer or acceptance of any provision hereof, nor to give rise to any binding obligations between or among any parties. [...]

THE FACILITIES

• **SENIOR DEBT FACILITY**

Borrower/Target:	SPV xxx
Shareholder	Investor xxx
Facility	Senior loan
Amount	Up to Euro 50 mln
Purpose	Repayment of Target’s existing financial indebtedness, and part of the related transaction costs
Final maturity date	31 December 2033
Repayments	Annual instalments starting from 31 December 2018 fixed debt service profile in any case, with at least a 36 months tail from the expiry of the incentives period, as confirmed by the selected Technical Advisor.
Availability period	From the date of the Agreement (the “ Signing Date ”) to the date falling 2 (two) months after the Signing Date

• **VAT FACILITY**

Borrower/Target:	SPV
Facility	Term loan facility
Amount	Up to Euro 5 mln
Purpose	To refinance VAT credits arised during construction and not yet cashed-in
Final maturity date	31 December 2020
Repayments	From the proceeds of VAT reimbursement received time to time from Italian Tax Agency and in any event, not later than the Final Maturity Date
Availability period	From the Signing Date until the date falling one (1) month

• **PRICING**

Interest Rate	Margin (spread) + Euribor
Margin	Senior Debt Facility: 250 bppa (2.15%) VAT Facility: 200 bppa (2.00%)

Interest Period	1 year or any other period authorised from time to time by the Bank
Arrangement Fee	180 bps (1.80%) flat on the amount of the Facilities due at Signing and payable at the Signing Date
Commitment Fee	40% of the applicable Margin, applied on the unused and uncanceled amount of the Facilities

- **OTHER TERMS**

Prepayment	<p>Partial mandatory prepayment (50% of the extra cash flow) in case of the following events:</p> <ul style="list-style-type: none"> • DSCR and/or LLCR and/or D/E below the Financial Ratios Cash Sweep. <p>Mandatory prepayments shall be applied pro rata against repayment instalments</p>
Cancellation	Full mandatory repayment in case of Default
Debt Service Reserve Account (DSRA)	The Borrower shall ensure that either a cash balance is maintained in a Debt Service Reserve Account, as agreed with the Bank, equal to the 50% of the next 12 months' scheduled debt service payments on the Senior Debt Facility
Initial Base Case Ratios	<ul style="list-style-type: none"> • Min and average. DSCR: 1.30x; • Min and average. LLCR: 1.35x; • Debt to Equity: up to 75:25 (the "D/E"). <p>The Base Case shall be updated once per year, within 60 days from the related Repayment Date, by the Borrower on the basis of a list of inputs to be defined during the due diligence phase</p>
Security Documents	<ul style="list-style-type: none"> • Pledge over the share capital of the SPV; • Pledge over the SPV's accounts; • First ranking assignment of the Borrower's rights under the Hedging Agreements; • [...]
Financial Covenants	<p>Financial Ratios Cash Sweep</p> <ul style="list-style-type: none"> • DSCR < 1.15x; • LLCR < 1.20x; • Debt/Equity ratio higher than [75/25] <p>Default</p> <ul style="list-style-type: none"> • DSCR < 1.05x; • LLCR < 1.05x • Illegality • Change of Control, without Bank prior permission
Distribution Conditions	<ul style="list-style-type: none"> • after the First Repayment Date; • without any a Potential Event of Default; • LLCR > 1.25x • ADSCR > 1.25x • D/E < 75/25
Hedging	At least 70% of the interest rate risk to be covered by an appropriate hedging strategy, to be executed with the Hedging Banks.
Conditions Precedent to the Signing	<ul style="list-style-type: none"> • Satisfactory due diligences (legal, technical, insurance and market) • Positive audit on the Base Case • Financial Documentation
Miscellaneous	[...]