

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**SAXA GRES S.P.A.**

**Registered office: Anagni (FR), Via Osteria Della Fontana No. 69 A-B-C**

**Number of registration with the Register of Companies of Frosinone, fiscal code and VAT code:  
02806440604;**

**Number of registration with the Register of Enterprises: REA FR 179187**

**Approved and fully paid-in share capital: € 3,100,000.00**

\*\*\*\*\*

**TERMS AND CONDITIONS OF THE FIXED-RATE BONDS**

*«Prestito Obbligazionario Grestone Bond a Tasso Fisso - Scadenza 2026»*

**AGGREGATE NOMINAL AMOUNT UP TO EURO 150,000,000.00 SECURED, INTER ALIA,  
BY MORTGAGES, SPECIAL PRIVILEGES (*PRIVILEGI SPECIALI*), PLEDGES OVER  
PATENT APPLICATIONS AND PLEDGES OVER SHARES**

**ISIN CODE: IT0005418436**

**Corporate purpose: the company's corporate purpose is the production and/or sale of ceramic floor tiles and coverings, ceramic commodes and bidets, construction materials and in general all that is comprised in the construction industry. Subject to having all authorisations required under the law, the company can open and operate any number of quarries and mires of any surface area and of any depth, to extract clay and/or any other inert materials.**

**The company's corporate purpose also includes the transformation of manufacturing by-products and urban and industrial waste, and the use of primary and secondary materials.**

**The company can perform all industrial, commercial, financial, real estate and personal property transactions that the managing body deems necessary or useful to pursue the above corporate purpose; it may directly or indirectly acquire holdings or ownership in other companies, whether existing or to be created, entities and businesses that have a corporate purpose that is similar, related or connected to its corporate purposes, within the limits, and on the terms and conditions, under the law.**

**In its pursuit of the corporate purpose, the company can grant endorsements, guarantees, surety, security interests, and other security to anyone, and can perform transactions for no consideration for the public welfare or the public good, it may also promote cultural and artistic initiatives for the benefit of third parties to the extent allowed by its financial capacity and condition.**

**Financial activities cannot be carried out vis-a-vis the public and must comply with all applicable laws, expressly excluded are also the performance of any collection of public savings and lending pursuant to Legislative Decree no. 358/1993 as amended, as well as the provision of any professional investment services vis-a-vis the public pursuant to Legislative Decree no. 58/1998 as amended, finally performance of any activity that under the law requires specific authorisation or license to practice is expressly excluded as well.**

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**These bonds are governed by the following terms and conditions and, for all matters not provided for in the terms and conditions, by Articles 2410 et seq. of the Italian Civil Code governing bonds issued by joint stock companies.**

**Art. 1 – Status of the Bonds**

**1.1** The Bonds are direct, unconditional and secured obligations, and are not subordinated to any other of the Issuer's indebtedness; the Bonds rank *pari passu* among them and rank at least equally with the other present and future, non-privileged and non-subordinated obligations of the Issuer, except for those obligations of the Issuer that are privileged in accordance with mandatory provisions of law.

**Art. 2 – Nominal value, denomination, currency and form**

**2.1** The present terms and conditions of the bonds (the "**Terms and Conditions**") regulate the terms and conditions of the bonds named "*Prestito Obbligazionario Grestone Bond a Tasso Fisso - Scadenza 2026*" (the "**Bonds**") for an aggregate nominal value up to Euro 150,000,000.00 (the "**Maximum Amount**"), issued pursuant to the minutes of the resolution of the Board of Directors of the company Saxa Gres S.p.A. (the "**Issuer**") held before Public Notary Pietro Gilardoni of Albano Laziale dated 23 July 2020, rep. No. 2405, racc. No. 1629, registered at Albano Laziale, on 24 July 2020 2020, at the No. 9866, Series 1T and recorded on 3 August 2020 at the Register of Companies of Frosinone, pursuant to Article 2410 the Italian Civil Code.

**2.2** The Bonds are divided among 150,000 notes each with a nominal value of Euro 1,000.00, indivisible.

**2.3** The Bonds issued are Euro denominated.

**2.4** The Bonds are bearer bonds issued in dematerialised form (*forma dematerializzata*) in accordance with the law and are held in such form on behalf of any holder of the bonds (the "**Bondholders**", each the "**Bondholder**"), until their redemption, through the facilities of Monte Titoli S.p.A. (the "**Monte Titoli**") in dematerialised form pursuant to Chapter IV, Title II-*bis*, Part III, of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (the "**Consolidated Financial Act**") and the joint regulation on post-trading issued by the Bank of Italy and Consob on 13 August 2018 regarding the "*Rules governing central counterparties, central securities depositories and central depository services*", as subsequently amended (the "**Joint Regulation on Post-Trading**"). Therefore, according to such regime, each transaction that involves the Bonds (including, but not limited to, the transfer of Bonds and the establishment of any type of restriction on them), as well as the exercise of the relevant economic rights, will be performed, exclusively through the authorised intermediaries participating in the centralized administration system managed by Monte Titoli ("**Participating Intermediaries**") and through the relevant registration on the account opened by such Participating Intermediaries with Monte Titoli, according to Article 83-*bis* and following of the Consolidated Financial Act.

**2.5** The ownership of the Bonds will be evidenced at all times in the accounting register pursuant to Article 83-*quater* of the Consolidated Financial Act and the Joint Regulation on Post-Trading. The Bondholder cannot request the physical delivery of the certificates representing the Bonds, without prejudice to the right to obtain certifications (*certificazioni*) pursuant to Article 83-*quinquies* and Article 83-*novies*, par. 1(b) of the Consolidated Financial Act and the relevant implementing legislation.

**Art. 3 – Issue price**

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**3.1** The Bonds are issued at par and the price of each Bond is equal to Euro 1,000.00 (the "**Issue Price**").

**3.2** After the First Issue Date, as defined below, the price of each Bond, in the following issues, will be equal to the Issue Price plus any potential gross Interest accrued, as defined in the following article 6 (*Interest*), in relation to the maturing coupon.

**3.3** Subscription of the Bonds by each subscriber must exclusively be for a minimum amount of Euro 125,000 (corresponding to 125 Bonds), or for any greater amount in multiples of Euro 1,000.00.

**Art. 4 – First issue date, effective date, maturity date and subsequent subscriptions**

**4.1** The Bonds' issue will be carried out in a divisible manner: a part, equal to Euro 6,408,000, is issued on 4 August 2020 (the "**First Issue Date**") and the relevant Bonds start accruing benefits and rights as from the same date (the "**Effective Date**"). After the First Issue Date, without the consent of the holders of the Bonds from time to time subscribed and up to the day preceding the Maturity Date, as defined below (*i.e.* 3 August 2026), the Issuer may issue additional private offers up to a maximum amount equal to the difference between the Maximum Amount (after the deduction of the Bonds issued and subscribed from time to time) and the amount of any loan (in any form provided), other than the Bonds, made available to the Issuer and/or to its subsidiaries and secured by the Security Interests (as defined below) – jointly and *pari passu* – pursuant to and within the limits under Article 9.5(a) below.

**4.2** The Bonds subject to private offers following the First Issue Date may be issued every time the Issuer has received from the investor the appropriate subscription form and the relevant payment, with value on the respective issue dates, of the Issue Price plus any potential gross Interest accrued in relation to the maturing coupon. It is agreed that the Issuer reserves the right to decline, at its complete discretion and without the need to provide any reason in this regard, new subscriptions that it can receive and, therefore, reserves the right not to proceed with one or more issues.

**4.3** It is agreed that the part of the Bonds to be issued after the First Issue Date, even several times, will have, for all purposes, the same terms and conditions and the same ISIN code of the Bonds issued on the First Issue Date, in order to constitute a single series with the Bonds themselves.

**4.4** Without prejudice to Article 4.2 above, the Issuer may also, at any time during the period related to the private offer set out in Article 4.1 and at its complete discretion and without the need to provide any reason in this regard, proceed to the early closure of the subscriptions, definitively suspending the acceptance of any further subscription requests, giving a simple information through publication on the website [www.saxagres.it](http://www.saxagres.it).

**4.5** The Bonds have a term of 6 years – except for the cases of early redemption at the request of the Bondholders in accordance with Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") and at the request of the Issuer in accordance with Article 12 ("*Early Redemption at the request of the Issuer*") – starting from the First Issue Date until 4 August 2026 (the "**Maturity Date**").

**4.6** The Bonds will be delivered to the Bondholders, from time to time, through Monte Titoli simultaneously to their issue.

**Article 5 – Restriction on the free transferability and circulation of the Bonds**

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**5.1** The subscription of the Bonds is reserved solely to Qualified Investors, as defined under Article 5.2 below. In the case of their subsequent resale, the Bonds shall be only distributed to Qualified Investors.

**5.2** The term "**Qualified Investors**" means the subjects described under article 100 of the Consolidated Financial Act. Such term, pursuant to the double cross-reference to article 34-*ter* of the Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented, and to article 35 of the Consob Regulation No. 20307 of 15 February 2018, as subsequently amended and supplemented, is equivalent to the term "professional clients" as defined under Directive 2014/65/EU (MiFID II).

**5.3** The Bonds are issued in exemption from the requirement to publish a prospectus pursuant to article 100 of the Consolidated Financial Act and article 34-*ter* of the Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented.

**5.4** The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as subsequently amended and supplemented, or under any other law applicable or any state securities laws or the securities laws of any other jurisdiction where the selling or underwriting of the Bonds is prohibited. Without prejudice to the above, the subsequent resale or distribution of the Bonds will take place only (i) to the extent that it is expressly permitted by the laws and regulations applicable in the countries where it is intended to conduct the subsequent distribution of the Bonds or (ii) if the laws and regulations applicable in such countries provide for specific exemptions that permit the distribution of the Bonds.

**5.5** The circulation of the Bonds will take place in compliance with all current regulations applicable from time to time to the Bonds.

**Art. 6 – Interest**

**6.1** The Bonds bear interest at the fixed rate sets out in Article 6.4 (the "**Interest**") as from, in relation to the Bonds issued on the First Issue Date, the Effective Date (included) until the earlier between: (i) the Maturity Date (excluded); and (ii) the early redemption date (excluded) under Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") or Article 12 ("*Early Redemption at the request of the Issuer*"); and, in relation to the Bonds issued after the First Issue Date, as from the Interest Payment Date (as defined below) immediately preceding (included) the relevant issue date until the earlier between: (i) the Maturity Date (excluded); and (ii) the early redemption date (excluded) under Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") or Article 12 ("*Early Redemption at the request of the Issuer*").

**6.2** Interests will be paid half-yearly in arrears, on 30 June and 31 December of each year until the Maturity Date (the "**Interest Payment Dates**" and each, an "**Interest Payment Date**"). The first Interest Payment Date falls on 31 December 2020 while the last Interest payment will be made on the Maturity Date or, where the Bonds are early redeemed, the date where the Bonds will be repaid according to the Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") and Article 12 ("*Early Redemption at the request of the Issuer*").

**6.3** Interest is calculated on the actual number of days on the basis of the actual number of days (*Act/Act unadjusted*). If the Interest Payment Date falls on a day that is not a business day according to the Target calendar, then such interest payment date will be the next following Business Day according to the

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

Target calendar, and such postponement will not create any additional rights for the Bondholders nor cause postponement of any of the subsequent Interest Payment Dates.

**6.4** The coupons will be calculated at the annual gross rate of 7%, by multiplying such annual gross rate by the nominal value of the Bonds, and by the number of actual days in the interest period, then dividing the product so calculated by the number of actual days in the year, rounding to the Euro cent (0.005 Euro rounded up to the Euro centre).

**6.5** The term "interest period" means the period from an Interest Payment Date (included) to the following Interest Payment Date (excluded).

**6.6** The term "business day" means any day (excluding Saturdays and Sundays) in which the banks that operate on the Milan business square are open for the exercise of their ordinary business activity and the Trans-European Automated Real-Time System Gross Settlement Express Transfer (TARGET 2) is active.

**6.7** The amount paid as interest does not bear interest.

**Art. 7 – Redemption**

**7.1** Without prejudice to the following Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") and Article 12 ("*Early Redemption at the request of the Issuer*"), the Bonds, including the Interests accrued pursuant to Article 6 ("*Interests*") above, will be redeemed at par, in one single payment, on the Maturity Date. If the Maturity Date falls on a day that is not a business day according to the Target calendar, then the Maturity Date will be the next following business day according to the Target calendar, and such postponement will not imply any payment of additional amounts to the Bondholders.

**Art. 8 – Use of the proceeds from the issue of the Bonds**

**8.1** The Issuer will use the proceeds arising from the issue of the Bonds to (i) pursue its corporate purposes, and (ii) finance new acquisitions and conversions of assets, and to meet its cash flows needs including, among other things, the settlement of the bonds currently in place named "*Prestito Obbligazionario Grestone Bond a Tasso Fisso - Scadenza 2023*".

**Art. 9 – Covenants**

**9.1** To secure the Bonds, the following deeds creating security interests in favour of the Bondholders have been drafted and are filed with the records of an appointed Notary (the "**Appointed Notary**"):

- a) by the Issuer, deeds creating:
  - (i) a mortgage on the quarry located in Sigillo, in the Municipality of Ferentino, to be registered with a ranking immediately following the first-ranking mortgage for an amount of Euro 112,500,000.00 (*one hundred twelve million five hundred thousand/00*), registered at the Real Estate Register of Frosinone on 13 July 2018 with no. 1771 in favour of the bondholders (the "**Existing Bondholders**") of the bond issued by the Issuer and named "*Prestito Obbligazionario Grestone Bond a Tasso Fisso – Scadenza 2023*" (the "**Existing Bond**");

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

- (ii) a mortgage over real assets located in Selciatella, in the Municipality of Anagni, to be registered with a ranking immediately following:
  - (1) the first-ranking mortgage for an amount of Euro 3,000,000.00 (*three million/00*), registered in favour of Banco BPM S.p.A. with the Real Estate Register of Frosinone on 15 April 2010 under No. 7663/1611, in favour of the obligations arising under the credit line facility agreement authenticated by Notary Claudio Togna of Rome on 12 April 2010 rep. No. 16081/8263 and registered at Roma 3 on 13 April 2010 under No. 4905 Serie 1/T;
  - (2) the second-ranking mortgage for an amount of Euro 750,000.00 (*seventy five hundred thousand/00*), registered in favour of Banco BPM S.p.A. with the Real Estate Register of Frosinone on 9 May 2011 with No. 1393, in favour of the obligations arising under the credit line facility agreement authenticated by Notary Claudio Togna of Rome on 4 May 2011 rep No. 16622/8628, registered at Roma 3 on the same date under No. 16581 Serie 1/T;
  - (3) the third-ranking mortgage for an amount of Euro 112,500,000.00 (*one hundred twelve million five hundred thousand/00*), registered with the Real Estate Register of Frosinone on 13 July 2018 under No. 1771 in favour of the Existing Bondholders, to secure the obligations arising under the Existing Bond;
- (iii) pledge over No. 1 application related to the patent for an industrial invention "*Trattamento Ceneri*", filed with the Italian Patents and Trademarks Office (*Ufficio Italiano Brevetti e Marchi - UIBM*) on 23 April 2018 and under the following identification number: 102018000004790, to be registered with a ranking immediately following the first-ranking pledge registered at the *Ufficio Italiano Brevetti e Marchi (UIBM)*, under No. 602018000041386 and accepted on 12 September 2018, in favour of the Existing Bondholders to secure the Existing Bond;
- (iv) pledge over 100% of the shares of Saxa Grestone S.p.A. (the "**Guarantor**"), to be annotated with a ranking immediately following the first-ranking pledge granted in favour of the Existing Bondholders to secure the Existing Bond;
- b) by the shareholders of the Issuer, a deed creating a first-ranking pledge over 100% of the shares of the Issuer, to be annotated with a ranking immediately following the first-ranking pledge granted in favour the Existing Bondholders to secure the Existing Bond;
- c) by the Guarantor and in accordance with Article 9.4 below:
  - (i) a mortgage over the real assets located in the Municipality of Roccasecca (the "**Guarantor's Mortgage**"), to be registered with a ranking immediately following:
    - (1) the first-ranking mortgage of Euro 17,700,000.00 (*seventeen million seven hundred thousand/00*), registered in favour of Invitalia S.p.A. with the Real Estate Register of Frosinone on 29 November 2018 under No. 2698;
    - (2) the second-ranking mortgage of Euro 112,500,000.00 (*one hundred twelve million five hundred thousand/00*), registered with the Real Estate Register of

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

Frosinone on 13 July 2018 with no. 13773 in favour of the Existing Bondholders  
to secure the Existing Bond,

it being clarified that the mortgage under point (2) above, originally granted as a first-ranking mortgage, has been subordinated to the mortgage under point (1) above and obtained second ranking with the consent of all the Existing Bondholders, as pursuant to the annotation no. 66 made on 15 January 2019;

- (ii) pledge over no. 2 applications related to the patents for the industrial inventions "*Sampietrino*" and "*Processo Produttivo*", filed with the Italian Patents and Trademarks Office (*Ufficio Italiano Brevetti e Marchi - UIBM*) on 23 April 2018 and with the following identification number: 102018000004787 and 102018000004789, to be registered with a ranking immediately following the first-ranking pledge registered in favour of the Existing Bondholders to secure the Existing Bond with the Italian Patents and Trademarks Office, under No. 602018000041392 and 602018000041392 and accepted on 24 October 2018;

(all the security interests under this Article 9.1, together, the "**Security Interests of the First Issue**").

**9.2** In addition, in order to secure the Bond, the Guarantor will issue in favour of the Bondholders, in accordance with Article 9.4 below, a surety (the "**Surety**").

**9.3** The Bonds must also be assisted with the following additional security interests to be granted in favour of the Bondholders, pursuant to the deeds creating guarantees received by the Appointed Notary:

a) by the Issuer:

- (i) special privilege (*privilegio speciale*) pursuant to Articles 46 and following of the Legislative Decree of 1 September 1993, No. 385 over the plants and machineries from time to time located in the Anagni production plant and not leased under leasing agreements,, within 30 days from the date of cancellation of the special privilege (*privilegio speciale*) granted over such assets and registered in favor of the Existing Bondholders to secure the Existing Bond;
- (ii) special privilege (*privilegio speciale*) in accordance with Articles 46 and following of the Legislative Decree of 1 September 1993, No. 385 over the plants and machineries acquired, in whole or in part, with proceeds arising from the Bonds, within 30 days from the date of acquisition;
- (iii) mortgage over real assets acquired, in whole or in part, with proceeds arising from the Bonds, by no later than 30 days from the relevant acquisition date;
- (iv) pledge, as the case may be, over the applications related to trademarks or patents (or over the relevant obtained trademarks or patents) registered with the Italian Patents and Trademarks Office or the World Intellectual Property Organization (*WIPO*) or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights,

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

acquired, in whole or in part, with proceeds arising from the Bonds, by no later than 30 days from the relevant acquisition date;

- (v) in case of the constitution of a pledge in favour of the Existing Bondholders to secure the Existing Bond, and at the same time of such constitution so that the relevant registration bears an immediately following ranking, pledge, as the case may be, over applications related to trademarks or patents (or over the relevant obtained trademarks or patents) other than those acquired, in whole or in part, with proceeds arising from the Bonds and of which the Issuer has requested the registration from time to time (or of which it became the owner) with the Italian Patents and Trademarks Office or the World Intellectual Property Organization or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights;
  - (vi) pledges over shares or quotas of the companies acquired, in whole or in part, with the proceeds arising from the Bonds, of which the Issuer holds directly at least 51% of the voting shares, within 30 days from the acquisition date;
  - (vii) security interest over any further asset (material or immaterial) of the Issuer other than the assets indicated under points (i) through (vi) above, to the extent that a security interest over such asset is constituted in favor of the Existing Bondholders to secure the Existing Bond, it being understood that (a) such security interests shall be constituted at the same time, and (ii) the security interests securing the Bonds shall be, to the extent permitted by law, of a ranking immediately following the one that secures the Existing Bond; and
  - (viii) security interest over any further asset (material or immaterial) of the Issuer other than the assets indicated under points (i) through (vii) above, to the extent that such further asset is acquired with the proceeds of potential future fundings described under Article 9.5 below (*i.e.*, for the avoidance of doubt, any funding that shares *pari passu* the Security Interests (as defined below) with the Bonds), and provided that (a) such security interest shall be constituted at the same time of the constitution of the security interests that secure the aforementioned future funding, and (ii) the security interests securing such future funding and those that secure the Bonds pursuant to this point shall be granted *pari passu*.
- b) by the Guarantor, within the limits set forth by Article 9.4 below and article 2358 (*Altre Operazioni sulle proprie azioni*) of the Italian Civil Code:
- (i) mortgage over real assets acquired, in whole or in part, with financial means made available to the Guarantor through proceeds arising from the Bonds, within 30 days from the relevant acquisition date;
  - (ii) special privilege (*privilegio speciale*) pursuant to Articles 46 and following of the Legislative Decree of 1 September 1993, No. 385 over the plants and machineries acquired, in whole or in part, with financial means made available to the Guarantor



**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

through proceeds arising from the Bonds, within 30 days from the relevant acquisition date;

- (iii) pledge, as the case may be, over the applications related to trademarks or patents (or over the relevant obtained trademarks or patents) registered with the Italian Patents and Trademarks Office or the World Intellectual Property Organization (*WIPO*) or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights, acquired, in whole or in part, with financial means made available to the Guarantor through proceeds arising from the Bonds, within 30 days from the relevant acquisition date;
  - (iv) in case of constitution of a pledge in favour of the Existing Bondholders to secure the Existing Bond, and at the same time of such constitution so that the relevant registration bears an immediately following ranking, pledge, as the case may be, over applications related to trademarks or patents (or over the relevant obtained trademarks or patents) other than those acquired, in whole or in part, with financial means made available to the Guarantor through proceeds arising from the Bonds and of which the Guarantor has requested the registration from time to time (or of which it became the owner) with the Italian Patents and Trademarks Office or the World Intellectual Property Organization or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights;
  - (v) security interest over any further asset (material or immaterial) of the Guarantor other than the assets indicated under points (i) through (iv) above, to the extent that a security interest over such asset is constituted in favour of the Existing Bondholders to secure the Existing Bond, it being understood that (a) such security interests shall be constituted at the same time, and (ii) the security interests securing the Bonds shall be, to the extent permitted by law, of a ranking immediately following the one that secures the Existing Bond; and
  - (vi) security interest over any further asset (material or immaterial) of the Guarantor other than the assets indicated under points (i) through (v) above, to the extent that such further asset is acquired with the proceeds of possible future fundings described under Article 9.5 below (*i.e.*, for the avoidance of doubt, any funding that shares *pari passu* the Security Interests (as defined below) with the Bonds), and provided that (a) such security interest shall be constituted at the same time of the constitution of the security interests that secure the aforementioned future funding, and (ii) the security interests securing such future funding and those that secure the Bonds pursuant to this point shall be granted *pari passu*;
- c) by any further company of which the Issuer holds, directly or indirectly, at least the 51% of the voting shares, within the limits set forth by Article 9.4 below and article 2358 (*Altre Operazioni sulle proprie azioni*) of the Italian Civil Code:

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

- (i) special privilege (*privilegio speciale*) in accordance with Articles 46 and following of the Legislative Decree of 1 September 1993, No. 385 over the plants and machineries acquired, in whole or in part, with financial means made available to such further company through proceeds arising from the Bonds, within 30 days from the date of acquisition;
- (ii) mortgage over real assets acquired, in whole or in part, with proceeds arising from the Bonds, save for – in the case where one or more primary companies operating in the utilities market acquired, even after the date of constitution of such mortgage, a percentage of participation in the corporate capital of the Issuer equal at least to, altogether, 20% of such participation – the areas and the buildings destined to the realization of plants for the production of methane gas through anaerobic digestion (in such case, if a security interest has been already granted in favour of the Bondholders, such security interest shall be cancelled or reduced), within than 30 days the relevant acquisition date;
- (iii) pledge, as the case may be, over the applications related to trademarks or patents (or over the relevant obtained trademarks or patents) registered with the Italian Patents and Trademarks Office or the World Intellectual Property Organization (*WIPO*) or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights, acquired, in whole or in part, with financial means made available to such further company through proceeds arising from the Bonds, by no later than 30 days from the relevant acquisition date;
- (iv) in case of constitution of a pledge in favour of the Existing Bondholders to secure the Existing Bond, and at the same time of such constitution so that the relevant registration bears an immediately following ranking, pledge, as the case may be, over applications related to trademarks or patents (or over the relevant obtained trademarks or patents) other than those acquired, in whole or in part, with financial means made available to such further company through proceeds arising from the Bonds and of which such further company has requested the registration from time to time (or of which it became the owner) with the Italian Patents and Trademarks Office or the World Intellectual Property Organization or any other office or authority at national or international level that is competent to receive and scrutinize trademark registration applications as well as controls, concessions and all other activities related to the protection and regulation of industrial property rights;
- (v) security interest over any further asset (material or immaterial) of such further company other than the assets indicated under points (i) through (iv) above, to the extent that a security interest over such asset is constituted in favour of the Existing Bondholders to secure the Existing Bond, it being understood that (a) such security interests shall be constituted at the same time, and (ii) the security interests securing the Bonds shall be, to the extent permitted by law, of a ranking immediately following the one that secures the Existing Bond; and

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

- (vi) security interest over any further asset (material or immaterial) of such further company other than the assets indicated under points (i) through (v) above, to the extent that such further asset is acquired with the proceeds of possible future funding described under Article 9.5 below (*i.e.*, for the avoidance of doubt, any funding that shares *pari passu* the Security Interests (as defined below) with the Bonds), and provided that (a) such security interest shall be constituted at the same time of the constitution of the security interests that secure the aforementioned future funding, and (ii) the security interests securing such future financing and those that secure the Bonds pursuant to this point shall be granted *pari passu*.

however, it is agreed that potential future subsidized funding given by Invitalia S.p.A. or other lenders for the purposes of acquiring (with reference to the part that is not funded through proceeds of the Bonds) or refinancing the relevant real assets (or the companies holding such assets) above – other than any subsidized funding secured by guarantees granted by SACE S.p.A., or made available in the context of the "*Fondo Centrale di Garanzia*" pursuant to Italian *Decreto Legge* No. 23 dated 8 April 2020, as converted with amendments by Italian Law No 40 dated 5 June 2020 – whose total financial cost (*i.e.* interest rate, commissions, charges and other related costs) (the "**Total Financial Cost**") is lower than the Total Financial Cost of the Bonds shall benefit of a security interest with a prioritized ranking in respect of the ones above; for the purpose above, they will be preferred – to the extent permitted by law – modalities through which the ranking of the new security interests can be prioritized and that do not consist in the release and new granting of the Security Interests, as defined below (*e.g.* the execution by the Bondholders of deeds for the subordination of the ranking of their security interests), provided that, however, such release and new granting shall be allowed in the case where there is no other way to achieve the aforementioned prioritized ranking.

(all the security interests under this Article 9.3, together, the "**Future Security Interests**", and jointly with the Security Interests of the First Issue, the "**Security Interests**").

**9.4** With reference to the Surety, Guarantor's Mortgage and any potential Future Security Interests given by parties other than the Issuer and/or its shareholders, the maximum secured amount cannot exceed the amount of the financial resources payments (*e.g.* in the form of shareholder loans or other loans or unique payments, to cover losses or as non-repayable funds, but with express exclusion of payments (even after the conversion of shareholders loans) in the form of share capital, future capital increase, or, in any case, for the purposes of underwriting or purchasing shareholdings in the relevant person creating the guarantee) carried out by the Issuer in favor of the Guarantor or the relevant person creating the guarantee against the Bonds' issue.

**9.5** The Issuer and all the other relevant grantors that have granted or will grant the Security Interests, with reference to all or even only some of the assets subject to the Security Interests, is entitled to:

- a) constitute, or allow the constitution of, security interests, encumbrances or privileges (*privilegi*) – jointly and *pari passu* to the Security Interests (other than those under Article 9.3, letter a) No (viii), letter b) No. (vi) and letter c) No. (vi)), through any modality that, to the extent permitted by law, does not imply the release and new granting of the Security Interests (*e.g.* deeds of extension, constitution of new subordinated security interests complemented by deeds of equalization of their ranking), provided that, however, such release and new granting shall be allowed in the case where there is no other way permitted by law to achieve the aforementioned

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

*pari passu*, for a total maximum guaranteed amount not higher than the 150% of the Maximum Amount – to secure further loans of any kind that the Issuer and/or its subsidiaries should receive, including further issued bonds and/or loans such as credit facilities or overdraft facilities made available by banks and/or other subjects entitled to such activity. Without prejudice to the limit set out above in relation to the maximum guaranteed amount, it remains understood that the aggregate amount of the Bonds subscribed from time to time and of the further financings described under this point (*i.e.*, those secured by Security Interests shared *pari passu* among the relevant financial creditors), shall never exceed the Maximum Amount; and

- b) create or allow the creation, in favor of third parties, of further guarantees, charges or restrictions of a real nature or privileges.

**Art. 10 – Issuer's Undertakings**

**10.1** For the entire term of the Bonds, the Issuer undertakes vis-à-vis the Bondholders:

- a) not to create one or more segregated assets (*i.e.*, *patrimoni destinati*) reserved exclusively to a specific business purpose pursuant to Article 2447-*bis* of the Italian Civil Code;
- b) not to decrease the share capital, except in the circumstances where such decrease is required in accordance with the law.

**10.2** The Issuer also undertakes vis-à-vis the Bondholders that all security interests created by the Issuer, or by any person in the interest of the Issuer, vis-à-vis any other person on the assets subject to the Security Interests and having a ranking in priority in respect of the Security Interests, will be definitively and unconditionally cancelled, within 20 business days from the date on which the indebtedness granted by the relevant security interests has been fully paid.

**10.3** The Issuer also undertakes vis-à-vis the Bondholders that, not later than 40 business days from the date on which the indebtedness granted by the relevant security interests is fully paid, the cancellation of all of such security interests referred to in Article 10.2 above, will be enforceable against third parties.

**Art. 11 – Default and circumstances for early redemption at the request of the Bondholders**

**11.1** In the circumstances listed below, (each an "**Event of Default**"), the Bondholders will be entitled to request the early redemption of the principal and of the accrued interest, provided that the Meeting of the Bondholders has approved accordingly, pursuant to Article 17.3 below (the "**Early Redemption Resolution**"), by sending a request via registered mail with notice of receipt to the Issuer's registered office (the "**Early Redemption Request**"):

- a) breach by the Issuer of any payment obligation under these Terms and Conditions that continues for more than 10 business days;
- b) breach by the Issuer of any of its obligations or undertakings under these Terms and Conditions, different from the breach described in lett. a) above, or breach by the Issuer and/or Issuer's shareholders and/or Guarantor and/or any person creating Future Security Interests of any of its obligations or undertakings under the deeds creating the Security Interests or Sureties, or the untruthfulness of the representations given by the Issuer and/or by the Issuer's shareholders and/or the Guarantor and/or any person creating Future Security Interests under these Terms and

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

Conditions or the deeds creating the Security Interests or Sureties. In such circumstances, the Issuer will not be required to early redeem the Bonds if the breach is remedied within 30 business days after the receiving by the Issuer of the relevant notice of breach.

- c) the Issuer's failure to comply with the law or regulations, provided that the breach can adversely affect the Issuer's financial condition, assets or business in such a way as to prejudice, in a reasonably material and incurable manner, the Issuer's ability to perform its obligations under the Bonds;
- d) (i) the Issuer's filing of an application for insolvency pursuant to Article 5 of the Royal Decree No. 267 of 16 March 1942, as amended, supplemented and replaced from time to time also pursuant to the Legislative Decree No. 14 of 12 January 2019, implementing Law No. 155 of 19 October 2017 (the "**Insolvency Law**"), or pursuant to any other law applicable to the Issuer, and/or the commencement of an insolvency or other composition procedure involving the Issuer under the Insolvency Law or other applicable law; or (ii) the occurrence of any circumstance that will give rise to winding-up of the Issuer pursuant to Article 2484 of the Italian Civil Code that is not remedied (where remedy is possible) within the terms allowed under the law; or (iii) the Issuer's filing, with the appropriate court, of an application for composition (*concordato preventivo*) pursuant to Article 161, (including if pursuant to paragraph 6), of the Insolvency Law or an application for validation (*omologa*) of a debt restructuring agreement pursuant to Article 182-*bis* of the Insolvency Law; or (iv) the formalisation of a recovery plan pursuant to Article 67, paragraph 3(d) of the Insolvency Law; or (v) the Issuer's commencement of negotiations with its creditors to obtain a moratorium and/or debt restructuring and/or debt payment rescheduling agreements (including any agreements that require perfection in accordance with Article 182-*bis* of the Insolvency Law or Article 67, paragraph 3(d), of the Insolvency Law) and/or out-of court composition agreements and/or compositions to transfer the Issuer's assets to the creditors;
- e) approval, by the appropriate corporate body of the Issuer, of:
  - the Issuer's liquidation; or
  - cessation of all of the Issuer's operations; or
  - without the favourable opinion of the Meeting of the Bondholders, an amendment of the Issuer's corporate purpose that is likely to imply a material change in the Issuer's business operations;
- f) the filing of notices of non-payment or non-payment of cheques in relation to the Issuer (*protesti cambiari* and/or *protesti di assegni*) for amounts in excess of Euro 1,000,000.00;
- g) the registration of judicial mortgages or prejudicial recordings provided that the amount of such registrations or recordings exceeds Euro 1,000,000.00, unless the Issuer (i) has promptly challenged, objected to or denied, as applicable, the judicial documents (*titolo esecutivo*) that are grounds for such judicial mortgage or prejudicial recording, and (ii) has promptly set aside an amount equivalent to the value of the registered judicial mortgage or prejudicial recording;
- h) the transfer by the Issuer of assets to creditors pursuant to Article 1977 of the Italian Civil Code;
- i) the failure to register the Security Interests under this Terms and Conditions at the appropriate land registry offices (where necessary), with reference to the Security Interests of the First Issue within the period sets out in the relevant security document and, with reference to the Future Real Guarantee, within the period provided for each of them under Article 9.3 above;

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

- j) the occurrence of any event as a consequence of which (i) one or more of the Issuer's material obligations under these Terms and Conditions and/or one or more of the Issuer's and/or Issuer's shareholders and/or Guarantor and/or any person creating Future Security Interests obligations under the deeds creating the Real Guarantee becomes unlawful, or ceases to be valid, effective or enforceable, and/or (ii) the Security Interests (once created) cease to be valid, effective or enforceable and/or (iii) one or more obligations of the Guarantor under the Financial Guarantee becomes unlawful, or ceases to be valid, effective or enforceable;
- k) the authorisations, permits and/or licenses of the Issuer are revoked, expired or ceased to exist in any way and this jeopardize, in a material and incurable manner, using a reasonable criteria, the Issuer's ability to perform its obligations under the Bonds;
- l) any action, order or decree as a result of which the Bonds are no longer listed on any regulated market or multi-lateral trading facility, *i.e.*, delisting;
- m) any financial indebtedness of the Issuer or of the Guarantor that is not paid upon the relevant maturity date nor within the originally applicable grace period; any financial indebtedness of the Issuer or of the Guarantor that is declared or becomes due and payable before its original specified maturity date after an event of default; any creditor of the Issuer or of the Guarantor becomes authorized to declare any financial indebtedness of the Issuer or of the Guarantor due and payable before the relevant original maturity date, after an event of default; any security interest related to the assets or shares of the Issuer or of the Guarantor in relation to any financial indebtedness becomes enforceable, it being understood that none of the events described under this paragraph m) shall constitute an Event of Default where the amount of the payment obligations for which the remedies provided herein is lower than Euro 2,500,000.00 (*cross-default*).

**11.2** The Early Redemption Request shall include the specific indication of the relevant Event of Default as well as the date (which shall be a Business Day) in which, at the choice of the Bondholders, the Bond shall be early redeemed (the "**Early Redemption Date**"). It is agreed that the Early Redemption Date will not fall before the 10th Business Day following the sending of the Early Redemption Request.

Following the Early Redemption Request, all the amounts owed by the Issuer in relation to the Bonds, with regard to both the principal and the accrued interest, will be immediately due and payable on the Early Redemption Date, without additional costs for the Bondholders.

**11.3** It is agreed that, if within 90 days from the date where the Bondholders are entitled to send an Early Redemption Request, such Early Redemption Request will not be sent to the Issuer through the Bondholder's common representative, such right is intended to be waived.

**11.4** The Bondholder is not entitled to claim the early redemption of the Bonds except for the cases set out in Article 11.1 above.

**Art. 12 - Early Redemption at the request of the Issuer**

**12.1** The Issuer is entitled to early redeem, even only in part, the Bonds, at first time on the date that falls 6 months after the First Issue Date and thereafter every 3 months, and such right must be preceded by the early redemption notice at the request of the Issuer to be sent to the Bondholders at least 15 days before the occurrence of the relevant early redemption date.

**12.2** In addition, the Issuer is entitled to amend, on its own discretion but only one time during the life of the Bond, the terms for the redemption of the Bonds under Article 7 ("*Redemption*"), opting for an

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

amortizing form of redemption and drawing up an amortization plan for the capital of the Bonds which shall not provide, in any case, extensions of the final maturity. This option once exercised and communicated to the common representative of the Bondholders, will be bound for the latter without the need of their prior consent.

**12.3** Finally, in the case that the Issuer is required to make payments to any Bondholder under the gross-up clause set out in Article 16 ("*Tax regime and gross-up*"), the latter will be entitled to early redeem, even only in part, the Bonds subject to gross-up at any time.

**12.4** The early redemption set out in this Article will be at par, in accordance with Article 7 ("*Redemption*"), without any additional fees or commissions for the Bondholders. In the case that the Issuer intends to early redeem part of the Bonds, the minimum amount to be repaid must be equal to Euro 500,000.00 and subsequent multiples of Euro 500,000.00 (or the other amount set out in the amortization plan potentially drawn up under Article 12.2 above), and the Issuer will repay an amount (under the terms of Article 13.1 below) increased by the interest accrued and not yet paid calculated on a *pro rata* basis of such amount redeemed.

**12.5** Following any partial early redemption under this Article 12, the Bonds repaid will cease to bear interests.

**Art. 13 - Servicing of the loan**

**13.1** Interest payments for the Bonds and repayment of the principal of the Bonds will be effected exclusively through the Italian or foreign authorised intermediaries participating to the Monte Titoli S.p.A. system and will take place *pari passu* and *pro rata* among all the Bondholders and with reference to all the Bonds.

**Art. 14 – Admission to trading**

**14.1** The Issuer will submit to Wiener Börse AG an application for the Bonds to be admitted to trading on the Vienna MTF.

**14.2** The Issuer reserves the right to submit to Borsa Italiana an application for the Bonds to be admitted to trading on the Mercato ExtraMOT PRO.

**Art. 15 – Prescription and forfeiture**

**15.1** The rights of the Bondholders relating to the interest prescribe in favour of the Issuer and are forfeited five year after the date on which the interest becomes payable and the rights of the Bondholders relating to the principles prescribe in favour of the Issuer and are forfeited ten years after the date when the Bonds become redeemable.

**Art. 16 – Tax regime and gross-up**

**16.1** The present Terms and Conditions and the Bonds benefit from the substitute tax regime pursuant to Article 20-*bis* of the Decree of the President of the Republic of 29 September, 1973, No. 601, by option expressly exercised in the resolution concerning the issue of the Bonds set out in Article 2.1 above. This substitute tax will be charged to the Issuer.

**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**16.2** The Bondholders are responsible and bear the costs for existing and future taxes that are or will be due under the law in connection with the Bonds and/or the related Interest, *premia* and other profits. Consequently, any payment made by the Issuer in relation to the Bonds and/or the related Interest, *premia* and other profits will be net of the taxes and duties due under the applicable law from time to time.

**16.3** The Bondholders are especially responsible and bear the costs for all taxes due in relation to all Interest, *premia* and other profits due by the Issuer or any other person involved in the payment of such Interest, *premia* and other profits, for example, without limitation, the substitute tax pursuant to Legislative Decree No. 239 of 1 April 1996.

**16.4** As a sole and single exception to the foregoing paragraphs, in the case where the substitute tax pursuant to Legislative Decree No. 239 of 1 April 1996 is not applicable pursuant to Article 6, paragraph 1, Legislative Decree No. 239 of 1 April 1996 governing the tax regime for non-residents having the non-resident Bondholder complied with the procedures set forth in Article 7 of Legislative Decree no. 239 of 1 April 1996, and after the date when the Bondholder subscribed for or purchased the Bonds such substitute tax becomes applicable as a consequence of an amendment of the relevant framework, the Issuer shall increase the payments due as Interest, *premia* and other profits under these Terms and Conditions up to an amount such that the Bondholder will receive, net of the substitute tax pursuant to Legislative Decree No. 239 of 1 April 1996, the same amount it would have received if the substitute tax had not been due (i.e., gross-up clause).

**16.5** Investors should consult their own advisors in relation to the tax regime that will apply to them in the context of their purchase, ownership and transfer of the Bonds.

**Art. 17 – Meeting of the Bondholders**

**17.1** The common interests of the Bondholders are safeguarded pursuant to the provisions of Article 2415 et seq. of the Italian Civil Code.

**17.2** By virtue of Article 2415 of the Italian Civil Code, the meeting of the Bondholders resolves on:

- a) The appointment and revocation of the common representative;
- b) The amendment of the terms and conditions of the bonds;
- c) The judicial settlement and arrangement proposal;
- d) The creation of an expense fund for the expenses necessary to safeguard the common interest and reporting thereof;
- e) The other subject matters of common interest to the Bondholders.

**17.3** The Bondholders' Meeting is exclusively responsible for any decision concerning any default notice to the Issuer and/or the exercise of the Bondholder's rights pursuant to Article 11 ("*Default and circumstances for early redemption at the request of the Bondholders*") and/or the enforcement of the Security Interests and Surety; it is agreed that for the approval of each of these decisions a constituent and voting quorum will be required, equal to, at least, two-thirds of the total nominal value of the Bonds.

**17.4** The common representative of the Bondholders will be appointed on the First Issue Date.



**COURTESY TRANSLATION FOR PURPOSES OF INFORMATION ONLY – THE ITALIAN  
VERSION SHALL ALWAYS PREVAIL**

**Art. 18– Applicable law and jurisdiction**

**18.1** The Bonds are governed by Italian law.

**18.2** Save for any different applicable provision, the Court of Milan will have exclusive jurisdiction over any dispute relating to the Bonds or to these Terms and Conditions that may arise between the Issuer and the Bondholders.

**Art. 19 – Miscellaneous**

**19.1** Without prejudice to any other instruction, all notices to be sent from the Issuer to the Bondholders will be deemed valid if made through Monte Titoli.

**19.2** Subscription for or purchase of the Bonds implies full acceptance of all provisions of these Terms and Conditions.

**19.3** The Terms and Conditions are supplemented, although otherwise agreed above, with the regulations in force on such matter.