NOT FOR DISTRIBUTION IN THE UNITED STATES

Quadrifoglio S.p.A.

(*incorporated as a joint stock company (società per azioni) under the laws of the Republic of Italy*)

€50,000,000 2.70% Senior Unsecured Amortising Fixed Rate Notes due 9 March 2024

The issue price of the €50,000,000 2.70% Senior Unsecured Amortising Fixed Rate Notes due 9 March 2024 (the "**Notes**") of Quadrifoglio S.p.A. (the "**Issuer**" or the "**Company**") is 100 per cent. of their principal amount. The Notes constitute *obbligazioni* pursuant to Articles 2410 *et seq*. of the Italian Civil Code. The Notes will bear interest from and including the Issue Date (as defined below) at the rate of 2.70 per cent. *per annum*, payable in arrear on 9 March in each year, commencing on 9 March 2018, all as fully described in "*Terms and Conditions of the Notes—Interest*". Interest payments to certain Noteholders may be subject to Italian substitute tax (*imposta sostitutiva*) as fully described in "*Terms and Conditions of the Notes—Taxation*" and "*Taxation—Italian Taxation*".

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed in instalments on each Amortisation Date in the relevant Amortisation Amount (each term as defined in the Terms and Conditions of the Notes (the "**Conditions**")) with the final Amortisation Date on 9 March 2024 (the "**Maturity Date**"). The Notes may be redeemed, in whole but not in part, at 100 per cent. of their principal amount outstanding plus interest, if any, to the date fixed for redemption at the option of the Issuer in the event of certain changes affecting taxation in the Republic of Italy. See Condition 8 (*Redemption and Purchase*). Noteholders will be entitled, following the occurrence of a Put Event (as defined in the Conditions) to request the Issuer to redeem or repurchase such Notes at 100 per cent. of their principal amount outstanding together with any accrued and unpaid interest (if any), all as fully described in Condition 8.3 (*Redemption and Purchase— Redemption at the Option of the Noteholders*). Upon the occurrence of a Termination Payment Event, the Issuer will redeem or repurchase all, but not part only, of the Notes at 100 per cent. of their principal amount outstanding plus interest, if any, to the date fixed for redemption no later than 10 Business Days after receipt by the Issuer of any Termination Value Payment, all as more fully described in Condition 8.4 (*Redemption and Purchase— Redemption upon Termination Value Payment*).

The Issuer will undertake a corporate reorganisation which will take effect under, and subject to the requirements of, Italian law and will be implemented through mergers by way of incorporation of ASM S.p.A., CIS S.r.l. and Publiambiente S.p.A. into the Issuer (the "**Merger**"). As a result of the Merger, the Issuer will change its corporate name to Alia Servizi Ambientali S.p.A. See "*Description of the Issuer – Description of the Merger*" and "*Description of the Issuer – History and Development of Quadrifoglio*" herein.

The terms and conditions of the Notes provide that the Merger will not constitute an Event of Default (as defined herein), and that the surviving entity of the Merger, namely the Issuer, will be the principal debtor under the Notes, the Receipts and the Coupons and will assume all of the obligations under the Notes, the Receipts and the Coupons in accordance with the Conditions, all as fully described in Condition 15 (*Merger*).

This prospectus (the "**Prospectus**") constitutes a prospectus for the purpose of Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to its official list (the "**Official List**") and trading on its regulated market. This Prospectus is available for viewing on the website of the Irish Stock Exchange.

Investing in the Notes involves risks. For a discussion of these risks, see "Risk Factors" beginning on page 4.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. State securities laws and are subject to United States tax law requirements. The Notes are being offered only outside the United States by the Lead Manager (as defined herein) in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of further restrictions on offers and sales of the Securities, see "*Subscription and Sale*".

The Notes will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 and will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without instalment receipts and interest coupons, which will be deposited on or around 9 March 2017 (the "**Issue Date**") with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**Clearing Systems**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**"), without instalment receipts and interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Temporary Global Note and the Permanent Global Note (each a "**Global Note**") will be issued in new global note ("**NGN**") form. Ownership of the beneficial interests in the Notes will be shown on, and transfers thereof will be effected through, records maintained in book-entry form by the Clearing Systems and their respective participants. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 with instalment receipts interest coupons attached. See "*Summary of Provisions Relating to the Notes in Global Form*". Subject to the provisions contained in this Prospectus, the Notes are freely transferable.

Lead Manager

Banca IMI

The date of this Prospectus is 7 March 2017

NOTICE TO INVESTORS

The Issuer has confirmed that this Prospectus contains all information regarding the Issuer and its subsidiaries (together with the Issuer, the "**Group**"), the Merger and the Notes which is (in the context of the issue and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make any information contained herein not misleading in any material respect. The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or Banca IMI S.p.A. (the "**Lead Manager**").

None of the Issuer and the Lead Manager have authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Lead Manager which constitute the final placement of the Notes contemplated in this Prospectus.

This Prospectus has not been submitted to the clearance procedure of CONSOB and may not be used in connection with the offering of the Notes in the Republic of Italy, its territories and possessions and any areas subject to its jurisdictions other than in accordance with applicable Italian securities laws and regulations, as fully set out under "*Subscription and Sale*".

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. This Prospectus may only be used for the purposes for which it has been published. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered in the United States or to U.S. persons. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to, or for the account or benefit of, U.S. persons except as permitted under applicable U.S. federal and state securities laws pursuant to a registration statement or an exemption from registration.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of this Prospectus.

This Prospectus is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference. This Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. See "*Information Incorporated by Reference*".

The Lead Manager does not make any representation or warranty, expressed or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Prospectus should purchase the Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuer's business and the terms of the offering. Prospective investors should not consider any information contained in this Prospectus to be investment, legal, business or tax advice. Each prospective investor should consult its own counsel, business adviser, accountant, tax adviser and other advisers for legal, financial, business, tax and related advice regarding an investment in the Notes.

The information set out in the sections of this Prospectus describing clearing arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg, in each case as currently in effect. If prospective investors wish to use the facilities of any of the Clearing Systems, they should confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such book-entry interests.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

STABILISATION

In connection with the issue of the Notes, Banca IMI S.p.A. (the "Stabilisation Manager") (or any person acting for the Stabilisation Manager) may over-allot Notes or effect transactions with a view to support the market price of the Notes at a level higher than that which might otherwise prevail in the open market. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 after the issue of the Notes or 60 days after the date of allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting for the Stabilisation Manager) in compliance with all applicable laws, regulations and rules.

MARKET SHARE INFORMATION AND STATISTICS

This Prospectus contains statements regarding the Issuer's industry and its relative competitive position in the industry that are not based on published statistical data or information obtained from independent third parties, but are based on the Issuer's experience and its own investigation of market conditions, including its own elaborations of such published statistical or third-party data. Although the Issuer's estimates are based on information obtained from its customers, sales force, trade and business organisations, market survey agencies and consultants, government authorities and associations in our industry which we believe to be reliable, there is no assurance that any of these assumptions are accurate or correctly reflect the Issuer's position in the industry. None of the Issuer's internal surveys or information have been verified by independent sources.

While the Issuer has compiled, extracted and, to the best of its knowledge, correctly reproduced market or other industry data from external sources, including third parties or industry or general publications, the Issuer has not independently verified such data. The Issuer cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. The Issuer confirms that this information has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such external sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Financial information included in the Prospectus

This Prospectus includes the audited financial statements of the Issuer as of 31 December 2015 and 2014, and for the years then ended.

The financial statements of the Issuer as of and for the years ended 31 December 2014 and 2015 have been prepared by management in accordance with Italian GAAP and have been audited by the Issuer's statutory auditors in accordance with applicable Italian laws and, on a voluntary basis, by Ria Grant Thornton S.p.A. The voluntary audit carried out by Ria Grant Thornton S.p.A. has been carried out in accordance with auditing standards in accordance with Italian laws and regulations.

The English translation of the audit reports of the Issuer's statutory auditors and Ria Grant Thornton S.p.A. are incorporated by reference in this Prospectus. See "*Information Incorporated by Reference*".

The Issuer has appointed PricewaterhouseCoopers S.p.A. as auditors of the Issuer with effect from the Issue Date. As a result, starting from the current financial year up to the financial year ending on 31 December 2025, the financial statements of the Issuer will be audited by PricewaterhouseCoopers S.p.A.

The financial statements of the Issuer as of and for the year ending 31 December 2016 will be prepared in accordance with Italian GAAP, pursuant to applicable laws and regulations. The Issuer expects that the annual financial statements as of and for the year ending on 31 December 2017 and thereafter will be prepared in accordance with IFRS, pursuant to applicable laws and regulations.

Non-GAAP financial measures and alternative performance measures

This Prospectus contains certain non-GAAP financial measures, including, EBITDA, EBIT, EBT and Cash Flow Statement, which constitute alternative performance measures (APMs) for the purposes of the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) concerning the presentation of APMs disclosed in regulated information and prospectuses (the "**Guidelines**"). In line with the Guidelines, the criteria used to construct the APMs are as follows:

EBITDA is defined as profit before taxation, before deducting any net interest expense and extraordinary income/loss, and adding back depreciation and amortization and provisions and write-downs.

The composition of EBITDA is the difference between total revenues and operating expenses and employee compensation. The operating expenses are (in Euro million):

	2014	**2015**
Costs for services	58,3	61,2
Purchase cost of raw material	7,1	6,4
Other operating expenses	4,2	2,3
Total operating expenses	**69,6**	**69,9**

The EBITDA for the year ended 31 December 2015 was Euro 23 million, compared to Euro 26 million for the year ended 31 December 2014.

EBIT is defined as profit before taxation and before deducting any net interest expenses and extraordinary income/loss.

The EBIT for the year ended 31 December 2015 was Euro 11.2 million, compared to Euro 9.1 million for the year ended 31 December 2014.

EBT is defined as profit before taxation.

The EBT for the year ended 31 December 2015 was Euro 11.5 million, compared to Euro 8.9 million for the year ended 31 December 2014.

Cash Flow Statement is defined as a financial statement which summarises cash transactions of a business during a given accounting period and classifies them under three heads, namely, cash flows from operating, investing and financing activities. It shows how cash moved during the period by indicating whether a particular line item is a cash in-flow or a cash out-flow. The term cash as used in the statement of cash flows refers to both cash and cash equivalents.

The Cash for the year ended 31 December 2015 was Euro 27.0 million, compared to Euro 26.3 million for the year ended 31 December 2014.

The Issuer believes these non-GAAP measures are useful and a commonly used measures of financial performance in addition to profit for the period and other profitability measures, cash flow provided by operating activities and other cash flow measures under applicable GAAP because they facilitate operating performance and cash flow comparisons from period to period, time to time and company to company. By eliminating potential differences between periods or companies caused by factors such as depreciation and amortization methods, financing and capital structures, taxation positions or regimes, the Issuer believes these non-GAAP measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Issuer believes these non-GAAP measures and similar measures are regularly used by the investment community as a means of comparison of companies in our industry.

It should be noted that these non-GAAP financial measures are not recognised as a measure of performance under GAAP and should not be recognised as an alternative to operating income or net income or any other performance measures recognised as being in accordance with GAAP or any other generally accepted accounting principles. These non-GAAP financial measures are used by management to monitor the underlying performance of the business and operations. These measures are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results. Since all companies do not calculate these measures in an identical manner, the Issuer's presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on such data.

FORWARD LOOKING STATEMENTS

This Prospectus may contain certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer's and the Group's business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate", "aim", "intend", "plan", "continue" or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

Any forward-looking statements are only made as of the date of this Prospectus, and the Issuer does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Prospectus. Many factors may cause the Issuer's or the Group's results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

The risks described under "*Risk Factors*" in this Prospectus are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect the Issuer's and the Group's results of operations, financial condition, liquidity and the development of the industries in which they operate. New risks can emerge from time to time, and it is not possible for the Issuer to predict all such risks, nor can the Issuer assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results.

CERTAIN DEFINED TERMS

References to the "**Issuer**", the "**Company**" or "**Quadrifoglio**" are to Quadrifoglio S.p.A., also as the entity resulting from the Merger; references to the "**Group**" are to the Issuer and its consolidated subsidiaries.

References to the "**Lead Manager**" are to Banca IMI S.p.A.

References to the "**Merger**" are to the merger by incorporation of ASM S.p.A., CIS S.r.l. and Publiambiente S.p.A. into the Issuer, which upon the effectiveness of the Merger will change its corporate name to Alia Servizi Ambientali S.p.A.

References to "**€**" or "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended.

References to "**billions**" are to thousands of millions.

References to the "**Conditions**" are to the terms and conditions relating to the Notes set out in this Prospectus in the section "*Terms and Conditions of the Notes*" and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions.

References to "**IFRS**" in this Prospectus are to International Financial Reporting Standards as adopted by the European Commission, which are those required to be used by companies listed on regulated markets in the European Union.

References to "**Italian GAAP**" in this Prospectus are to the Italian laws and regulations governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the *Organismo Italiano di Contabilità* (the Italian accounting profession organisation).

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OVERVIEW

The overview below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Terms and Conditions of the Notes" section of this Prospectus contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Prospectus have the same meaning in this section, unless otherwise noted.

Issuer.....	Quadrifoglio S.p.A., a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy (the "**Issuer**").
Notes Offered.....	€50,000,000 aggregate principal amount of 2.70 per cent. Senior Unsecured Amortising Fixed Rate Notes due 9 March 2024.
Maturity Date	The Notes will mature on 9 March 2024 (the "**Maturity Date**"). Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes on each amortisation date indicated in Condition 8.1 (each an "**Amortisation Date**" with the final Amortisation Date being the Maturity Date) in an aggregate amount equal to the principal payment set out in Condition 8.1 (each, an "**Amortisation Amount**"). The principal aggregate amount outstanding of the Notes shall be reduced, *pro rata* with respect to each outstanding Note, by the Amortisation Amount for all purposes with effect from the relevant Amortisation Date such that the aggregate principal amount outstanding of the Notes following such reduction shall be the amount set out in Condition 8.1 (*Redemption by Amortisation and Final Redemption*).
Interest.....	The Notes will bear fixed rate interest at a rate of 2.70 per cent. *per annum*.
Issue Price	100 per cent. of the principal amount of the Notes
Interest Payment Date.....	Interest on the Notes will be payable annually in arrear on 9 March in each year, beginning on 9 March 2018.
Ranking	The Notes, the Receipts and the Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves. The payment obligations of the Issuer under the Notes, the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 3 (*Negative Pledge*), at all times rank at least equally with its other from time to time outstanding unsecured and unsubordinated obligations. See "*Terms and Conditions of the Notes*".
Tax Redemption.....	The Issuer may redeem the Notes, in whole but not in part, at a redemption price of 100 per cent. of the principal amount outstanding, plus accrued and unpaid interest to but excluding the relevant date of redemption, if the Issuer would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. See "*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons*".

Redemption at the Option of the Noteholders	Upon the occurrence of a Put Event (as defined in the Conditions) at any time, the Issuer will have to offer to Noteholders to redeem all the Notes at a price equal to 100 per cent. of the principal amount outstanding thereof plus accrued and unpaid interest, to but excluding the relevant date of redemption. See "*Terms and Conditions of the Notes— Redemption and Purchase—Redemption at the Option of the Noteholders*".
Redemption upon Termination Value Payment	Upon the occurrence of a Termination Payment Event (as defined in the Conditions), the Issuer will redeem all, but not part only, of the Notes at their principal amount outstanding together with any accrued and unpaid interest until the date of the redemption no later than 10 Business Days after receipt by the Issuer (or by any person on its behalf) of any Termination Value Payment. See "*Terms and Conditions of the Notes—Redemption and Purchase —Redemption upon Termination Value Payment*".
Covenants	The Terms and Conditions provide for certain covenants for the Issuer concerning: • Information to be provided; • Compliance with specified (i) Net Financial Debt-Shareholders' Equity Ratio and (ii) Net Financial Debt-Consolidated EBITDA Ratio; • Listing; • Accounting policies; • Treatment of the Termination Value Payment; and • Use of Proceeds. See "*Terms and Conditions of the Notes—Covenants*".
Merger	The Issuer will undertake a corporate reorganisation which will take effect under, and subject to the requirements of, Italian law and will be implemented through mergers by way of incorporation of ASM S.p.A., CIS S.r.l. and Publiambiente S.p.A. into the Issuer (the "Merger"). As a result of the Merger, the Issuer will change its corporate name into Alia Servizi Ambientali S.p.A. See "*Description of the Issuer – Description of the Merger*" and "*Description of the Issuer – History and Development of Quadrifoglio*" herein. The terms and conditions of the Notes provide that the Merger will not constitute an Event of Default (as defined herein), and that the surviving entity of the Merger, namely the Issuer, will be the principal debtor under the Notes, the Receipts and the Coupons and will assume all of the obligations under the Notes, the Receipts and the Coupons in accordance with the Conditions, all as fully described in "*Terms and Conditions of the Notes—Merger*".
Use of Proceeds	The Issuer will use the net proceeds from the issue of the Notes to refinance the indebtedness of the Issuer, fund the investments under the Current Service Contracts and the Concession.

Forms and Denomination	The Issuer will issue the Notes on the Issue Date in global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 maintained in book-entry form. Notes in denominations of less than €100,000 will not be available.
Transfer Restrictions; Absence of a Public Market for the Notes.....	The Notes have not been registered under the U.S. Securities Act and thus are subject to restrictions on transferability and resale. The Issuer cannot assure investors that a market for the Notes will develop or that, if a market develops, the market will be a liquid market. The Lead Manager has advised the Issuer that it currently intends to make a market in the Notes. However, the Lead Manager is not obligated to do so and any market making with respect to the Notes may be discontinued without notice. See "*Subscription and Sale*".
Listing.....	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.
Fiscal Agent and Paying Agent	BNP Paribas Securities Services, Luxembourg Branch
Listing Agent.....	Walkers Listing Services Limited
Governing Law of the Notes.....	English law

Risk Factors

Investing in the Notes involves substantial risks. Please see the "*Risk Factors*" section for a description of certain of the risks you should carefully consider before investing in the Notes.

Additional Information

The Issuer's registered offices are located at Via Baccio da Montelupo, 52, 50142 Florence, Italy. Its telephone number is +39 055 73391 and fax number is +39 055 7322106.

RISK FACTORS

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

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

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and consider carefully whether an investment in the Notes is suitable for them in light of the information contained in this Prospectus and their personal circumstances, based upon their own judgment and upon the advice from such financial, legal and tax advisers as they may deem necessary.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Prospectus have the same meaning in this section, unless otherwise noted. References to a "Condition" is to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the whole of this Prospectus, including the information incorporated by reference.

Factors affecting the Issuer's ability to fulfil its obligations under the Notes

Quadrifoglio is dependent on concessions from local authorities for its regulated activities

For the financial year ended 31 December 2015, the regulated activities of Quadrifoglio, i.e. the waste collection services, accounted for approximately 91% of the Quadrifoglio's EBITDA. These regulated activities are dependent on concessions from local authorities. For further information on the concession granted to Quadrifoglio, see "*Description of the Issuer – Key Concessions*" below. In addition, legislation in Italy could affect the expiry date of certain concessions, including those of the Current Service Contracts and of the Service Contract, as defined below. In the case of expiry of a concession at its stated maturity date as well as in the case of early termination for any reason (including failure by a concession holder to fulfil its material obligations under its concession), each concession holder must continue to operate the concession until it is replaced by the new incoming concession holder.

Each concession is governed by agreements with the relevant grantor requiring the relevant concession holder to comply with certain obligations (including performing regular maintenance). In particular, the waste services performed by Quadrifoglio are governed by service contracts (the "**Current Service Contracts**" and each a "**Current Service Contract**") between the Company and Bagno a Ripoli, Calenzano, Campi Bisenzio, Fiesole, Florence, Greve in Chianti, Impruneta, San Casciano V.P., Scandicci, Sesto Fiorentino, Signa, Tavarnelle V.P. (the "**Municipalities**"). The expiry date of said Current Service Contracts has been deferred over time by means of extension agreements with the Municipalities until a provision was included in the Current Service Contracts to the effect that they would remain in force until the appointment to a new single entity appointed by the Authority for the Integrated Management Service of Municipal Waste ATO Toscana Centro (the "**ATO**" or the "**Grantor**"). Accordingly, Quadrifoglio will act as assignee of the waste management service until the ATO appoints a new single entity to carry out said service. This will occur once, following the merger between Quadrifoglio and the companies of the RTI (the "**Merger**"), the resulting entity, i.e. Alia, will enter into a new service contract with the ATO (the "**Service Contract**"). For further information, see "*Risks associated with the Merger that Quadrifoglio is in the process of completing and possible future acquisitions by Quadrifoglio, including potential increases in leverage resulting from the financing of the transactions and the integration of the new companies into Quadrifoglio*" and the section "*Description of the Issuer*" of this Prospectus.

In light of the dependence of Quadrifoglio's business on the concessions mentioned above, the following provisions of the Current Service Contracts and of the Service Contract must be considered.

Penalties

According to the Current Service Contracts and the Service Contract the concession holder is subject to penalties for certain non-performance or default under the concession. In particular, in the event of a breach of the provider's obligations or undertakings under both the relevant Current Service Contract and the Service Contract, the concession granting entity could require that the provider of services pay a penalty, without prejudice to the sanctions provided by applicable laws and regulations. In particular, the Service Contract provides for penalties in relation to: (a) failures in the performance of waste collection and road sweeping services (the highest single penalty applicable in this respect is equal to €20 thousand); (b) failures in the performance of waste treatment, recovery and disposal services (the highest single penalty applicable in this respect is equal to €10 thousand); (c) further failures in the performance of regulated base services (the highest single penalty applicable in this respect is equal to €20 thousand); (iii) failures in the transmission to the ATO of data concerning the costs of the services (the highest single penalty applicable in this respect is equal to €40 thousand); (iv) failures in the fulfilment of obligations under Article 32 (*Accounting obligations of the provider*) and Article 33 (*Quality system and environmental certification*) of the Service Contract (the highest single penalty applicable in this respect is equal to €10 thousand); and (v) failures in the transmission to the ATO of further information (the highest single penalty applicable in this respect is equal to €7 thousand).

Moreover, under the Service Contract, if Alia fails to achieve the overall differentiated waste collection objectives - that have been determined in percentage points - for reasons attributable to it, its consideration may be decreased for an amount equal to 0.5‰ per each missed percentage point. Finally, if Alia fails to achieve the differentiated waste collection objectives in a single Municipality to an extent higher than 5% for reasons attributable to it, the ATO is entitled to evaluate such failure and may reduce the consideration.

For further information on penalties under the Current Service Contracts and the Service Contract, see the section "*Description of the Issuer*" below.

Withdrawal and early termination

Failure by the concession holder to fulfil its material obligations under a concession might, if such failure is left unremedied, lead to early termination by the grantor of the concession. In addition, in accordance with general principles of Italian laws and regulations, a concession might be terminated early for reasons of public interest.

In particular, pursuant to the Current Service Contracts, Quadrifoglio and the relevant Municipality have the faculty to withdraw the relevant Current Service Contract by giving a one year advance notice to the other party and, in the case of termination of a concession, the concessionaire could be entitled to receive any compensation amount.

Pursuant to the Service Contract, in case Alia breaches those contractual obligations expressly indicated as early termination events, the Service Contract shall be terminated by operation of law. Termination events include, *inter alia*: (a) the failure by Alia to achieve the differentiated waste collection objectives in relation to the ATO or in relation to a single municipality, as described above; (b) the failure by Alia to complete the timely realisation of plants for the recovery and disposal of waste provided under the Concession due to reasons attributable to Alia; (c) the expiry of a fifteen days period (or a shorter one in case of risks for public health and environment) indicated in the notice to perform pursuant to article 1454 of the Italian Civil Code without Alia having performed the relevant obligation; and (d) unjustified interruption of the services for a period longer than three days due to reasons attributable to Alia. Furthermore, in order to achieve the objectives mentioned in the Service Contract (as described in the section "*Description of the Issuer – The Service Contract*"), the RTI has planned certain investments to be realised in the first four years of the concession period in relation to the following items: (i) the purchase of motorised vehicles; (ii) the purchase of containers and equipment; and (iii) the construction and revamping of treatment plants. Failure of Alia to realise such investments might jeopardise Alia's capacity to achieve the abovementioned objectives and, as a consequence, to meet its obligations under the Service Contract. Finally the ATO has the right to withdraw from the Service Contract, giving a one year advance notice to Alia, in case of (x) new applicable laws and regulations requiring new management models; (y) significant changes in provincial or regional planning acts, technological innovations or other extraordinary or unexpected events that make the Service Contract not advantageous for the ATO; and (z) serious reasons of public interest.

For further information on withdrawal and early termination provisions of the Current Service Contracts and the Service Contract, see the section "*Description of the Issuer*" below.

Annual update of the Current Service Contracts

As at the date of this Prospectus, each Current Service Contract is annually updated on the basis of the relevant financial plan" (each, a "**Financial Plan**") and technical-economical planning act (each, a "**Technical-Economical Planning Act**"), which are approved on an annual basis by the Municipalities according to the provisions of the same Service Contracts. For further information, see the section "*Description of the Issuer*" of this Prospectus.

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Despite the above, no assurances can be given that Quadrifoglio will enter into new concessions, will obtain the required licences, permits, approval or consents, will enter into the Service Contract, will renew or maintain existing concessions, licences, permits, approvals or consents, or will continue to be a party to the Current Service Contracts or to the Service Contract, once entered into force, in a manner that it will be able to continue to engage in the businesses described above and in this Prospectus once its existing concessions, licences, permits, approval, consents or Current Service Contracts expire, or that any new concessions, licences, permits, approval, consents or service contracts entered into or obtained or renewals of the existing concessions, licences, permits, approval or consents will be on terms similar to those of its current ones. Any failure by Quadrifoglio to enter into new concessions, obtain the required licences, permits, approvals or consents, enter into the Service Contract, maintain existing concessions, licences, permits, approval or consents, continue to be a party to the Current Service Contracts or to the Service Contract, once entered into force, or renew the existing concessions, licences, permits, approval or consents, in each case on similar or otherwise favourable terms, could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes. For further information, see "*Risks associated with the Merger that Quadrifoglio is in the process of completing and possible future acquisitions by Quadrifoglio, including potential increases in leverage resulting from the financing of the transactions and the integration of the new companies into Quadrifoglio*", "*Quadrifoglio is defendant in a number of legal proceedings and may from time to time be subject to inspections by tax and other authorities*" and the section "*Description of the Issuer*" of this Prospectus.

In addition, in order to carry out and expand its business, Quadrifoglio needs to maintain or obtain a variety of permits and approvals from regulatory, legal, administrative, tax and other authorities and agencies. The processes for obtaining these permits and approvals are often lengthy, complex, unpredictable and costly.

In light of the above, if Quadrifoglio is unable to maintain or obtain the relevant permits and approvals, its ability to achieve its strategic objectives could be impaired, with a consequent adverse impact on its business, results of operations and financial condition, and, in turn, an adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks associated with the Merger that Quadrifoglio is in the process of completing and possible future acquisitions by Quadrifoglio, including potential increases in leverage resulting from the financing of the transactions and the integration of the new companies into Quadrifoglio

As further described in this Prospectus, for some time the Company, together with the other companies operating in the waste management sector, i.e. Publiambiente S.p.A., ASM S.p.A. and CIS S.r.l., has been conducting negotiations to combine the companies at an operational level, to create a single entity capable of managing the integrated waste cycle of the whole of the ATO of central Tuscany.

On 29 November 2012, the ATO launched an invitation to tender in a public tender process for the selection of a new single entity for the carrying out of the integrated waste management service in its area of competence (the "**Tender**"). In light of the above, on 26 February 2013 the aforementioned companies, together with Quadrifoglio, entered into an agreement to establish a temporary group of companies (the "**RTI**") for the purpose of taking part in the Tender. On 8 July 2016, the RTI was awarded the Tender. In a subsequent communication dated 22 August 2016, the ATO clarified that the successful bidder in the Tender should have been incorporated as one single entity within 60 days (in the absence of which the award would

be impaired), deeming the merger by incorporation pursuant to Article 2501 of the Italian Civil Code between Quadrifoglio and the other companies participating in the RTI compatible with the provisions of Article 26 of Tuscan Regional Law no. 61/2007 and of Article 9.1.1 of the Invitation Letter. The ATO also deferred the expiry of the mandatory deadline to proceed with the incorporation of the single entity to 27 February 2017.

Accordingly, the finalisation of the Merger by incorporation between Quadrifoglio and the other companies of the RTI to create the new single entity, which will be named Alia Servizi Ambientali S.p.A. ("**Alia**"), represents the final act required in order to complete the Tender, as well as a process aimed at enhancing the managerial and operational efficiency of the urban waste management service.

Further to the finalisation of the Merger by incorporation, Alia will be required to enter into the Service Contract for the management of the integrated service of urban and similar waste.

As at the date of this Prospectus, the Board of Directors of Quadrifoglio and of the companies to be merged in Alia approved the merger plan and the extraordinary shareholders' meetings of each company has approved the Merger pursuant to Article 2502 of the Italian Civil Code. Following the expiration of the 60-day creditors' opposition period starting from the last registration with the relevant companies' registers of extraordinary shareholders' meetings resolutions (such expiration occurred on 22 February 2017), on 24 February 2017 Quadrifoglio, Publiambiente, ASM and CSI have entered into a deed of merger registered with the relevant companies' registers in accordance with Italian law. As specified in the deed of merger, the Merger will be effective on 13 March 2017. For additional information, see "*Description of the Issuer – Description of the Merger*" of this Prospectus.

The deed of merger has been executed on 24 February 2017 and the Merger will be effective on 13 March 2017; however, for tax and accounting purposes only, the effects of the Merger will be backdated to 1 January 2017. As a result of the Merger, all the assets and liabilities (including any indebtedness) of ASM, CIS and Publiambiente will be assumed by the Issuer.

Following the Merger, Alia will enter into the Service Contract for the management of the integrated service of urban and similar waste. The execution or the future validity of the Service Contract shall be subject to the positive outcome of the legal proceedings described in the section "*Description of the Issuer – Legal Proceedings*" below.

However, as at the date of this Prospectus, there can be no assurance that the Merger will be finalised nor that a failed merger would not have a negative impact on the award to the Company of the integrated waste management service by the ATO. Such circumstances could have a strongly adverse impact on the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Furthermore, even the successful outcome of the Merger or any possible future acquisitions, joint ventures or partnerships may result in a significant expansion and increased complexity of Quadrifoglio's operations. Certain adverse consequences could result from these mergers and acquisitions. Mergers and acquisitions require the integration and combination of different management, strategies, procedures, products and services, client bases and distribution networks, with the aim of streamlining the business structure and operations of the newly enlarged group. Although Quadrifoglio assesses each investment based on financial and market analysis, which includes certain assumptions, the foregoing as well as any other acquisitions expose Quadrifoglio to risks connected to the integration of new companies into Quadrifoglio. These risks may relate to: (i) difficulties related to the management of a significantly broader and more complex organisation; (ii) problems related to the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting); and (iii) the failure to achieve expected synergies. Furthermore, this process of integration may require additional investment and expense. There can be no assurance that Quadrifoglio will be able to integrate its newly-acquired companies, or any companies that it may acquire in the future, into Quadrifoglio successfully. Failure to successfully manage one or more of the foregoing circumstances, or the need for significant further investments in order to do so, could have a material adverse effect on Quadrifoglio's business, financial condition and results of operations, which, in turn, could have an adverse impact on the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Furthermore, although the Issuer may aim to participate only in ventures in which its interests are aligned with those of its partners, it cannot guarantee that its interests will remain so aligned. Although strategic joint ventures are intended to be stable operational structures, contracts governing such projects typically include provisions for terminating the venture or resolving deadlock. The dissolution of business ventures can be both lengthy and costly and the Issuer cannot give any assurance that any strategic alliances will endure for a period of time compatible with its strategy. This could have an adverse impact on the Issuer's business, financial position and results of operations, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Force majeure as well as other unforeseeable events may affect the economic and financial balance of the Issuer

The determination of the tariff and the reference tariff for the subsequent financial period (the "**Reference Tariff**") are governed by the Current Service Contracts on the basis of the Financial Plan, to be proposed annually by Quadrifoglio for the approval of the relevant Municipality. If extraordinary and unforeseeable circumstances occur which determine an alteration of the economic and financial balance of Quadrifoglio, the Issuer may ask for a rebalancing of the original economic and financial conditions, identifying expressly the measures required to ensure the restoration of the balance and describing the circumstances that have led to the imbalance. Such measures must then be approved by the relevant Municipality to be validly implemented. As far as the Service Contract is concerned, the Reference Tariff for the first four years of the concession period has been pre-determined in the offer made by the RTI in the context of the Tender and, as such, it will not be subject to the "*metodo normalizzato*" (as described in the sections "*Description of the Issuer*" and *"Regulatory Framework on the Integrated Waste Management Service – Tariff – the TARI"* of this Prospectus). Furthermore, a rebalancing mechanism will be provided as well, once the Service Contract is entered into force, but it will be limited to certain events, included in an exhaustive list, the occurrence of which may trigger such rebalancing mechanism. Therefore, there could be certain imbalances that do not allow Alia to recover higher costs borne through such rebalancing mechanism. For further information on the Current Service Contracts and the Service Contract, see the section "*Description of the Issuer*" below.

Delay in the rebalancing process or the occurrence of events not triggering the rebalancing mechanism under the Service Contract could have a material adverse effect on the Issuer's business, financial condition and results of operations as well as the Issuer's ability to meet its payment obligations under the Notes. For further information, see "*Risk of deviation from estimates in the determination of tariffs*".

The evolution in the legislative and regulatory framework for the waste sector poses a risk to Quadrifoglio

Changes to applicable legislation and regulations, whether at a national or European level, and the manner in which they are interpreted, could impact Quadrifoglio's earnings and operations either positively or negatively, both through the effect on current operations and through the impact on the cost and revenue-earning capabilities of current and future planned developments in sectors in which Quadrifoglio conducts its business. Such changes could include changes in tax rates, legislation and policies, also involving the early termination of certain contracts assigned to and operated by Quadrifoglio, changes in environmental, safety or other workplace laws. Public policies related to waste may impact the overall business environment in which Quadrifoglio operates and particularly the public sector. Quadrifoglio operates its business in a political, legal and social environment which is expected to continue to have a material impact on the performance of Quadrifoglio. Regulation of a particular sector may affect many aspects of Quadrifoglio's business and, in many respects, determines the manner in which Quadrifoglio conducts its business and the fees it charges or obtains for its products and services. Any new or substantially altered rules and standards may adversely affect Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio is exposed to revision of tariffs in the waste sector

Quadrifoglio operates in the waste sector and is exposed to a risk of variation of the tariffs applied to end users. In the waste sector the tariffs payable by final customers are determined and adjusted by the relevant local authority.

Specifically, Italian Law no. 147/2013, on the subject of environmental hygiene, established the waste tax ("**TARI**"), a tax intended to fund the cost of waste collection and disposal services.

The TARI is determined annually by each municipality, in accordance with the provisions of Presidential Decree 158/1999 and the price cap principle. Quadrifoglio, as provider of services, proposes the annual reference tariff to be approved by the municipality for the relevant year (n) on the basis of the overall costs for the service in the previous year (n-1) by adding to such costs the target inflation rate, the depreciation, the provisions and the return on capital. The tariff is then calculated net of the productivity gain for the year (n) established by the municipality.

Please note that the service carried out by Quadrifoglio in relation to the tariff is a mere collection service, as Quadrifoglio applies and collects the TARI from the end-users in the name and on behalf of the relevant Municipality, whilst the actual debtor remains the Municipality. However, according to internal mechanisms with the Municipalities, Quadrifoglio can partially compensate the sum collected from the users with the sum to be received by the Municipality. Notwithstanding such compensation mechanism, any delay by a Municipality in the payments of the not compensated amounts to be paid to Alia could affect the Issuer's liquidity and ability to fulfil its obligations.

In light of the above, the risk for Quadrifoglio with respect to payment of any of the above compensation by the municipalities is related to the timetable within which such payment is made (in some cases payment takes place a considerable amount of time after the supply of the service) and the consequent financial charges due to lack of liquidity which is, therefore, insufficient to cover commitments. The occurrence of such risk may result in the Issuer's business, results of operations, financial condition and prospects in future years being adversely affected, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risk of deviation from estimates in the determination of tariffs

In principle, according to the applicable regulation, the tariff is approved by the relevant municipal council on the basis of the costs identified by the relevant operator within its economic and financial plan. In particular, the tariff must ensure coverage of all the costs incurred in relation to the provision of the service (investment costs and operating costs). The tariff must in fact ensure provisional revenues equal to the costs incurred in the previous year, to be updated on the basis of the price cap method (in case of application of the so called *"metodo normalizzato"*). For further information, see the section *"Regulatory Framework on the Integrated Waste Management Service – Tariff – the TARI"* of this Prospectus.

However, there may be discrepancies in terms of timing between the date when the costs are born and the date when the relating amounts are recovered through tariffs (i.e. risks relating to cash flows and results in a given year).

Furthermore, once the Service Contract enters into force, a new regime shall apply. In particular for the first four years of the concession period, the Reference Tariff has already been determined in the offer made by the RTI in the context of the Tender. As a consequence, any additional cost not covered by the Reference Tariff may not be recovered through application of the above-mentioned "*metodo normalizzato*" (for further information, see the sections "*Description of the Issuer*" and "*Regulatory Framework on the Integrated Waste Management Service – Tariff – the TARI"* of this Prospectus). Furthermore, while the Current Service Contracts provide for a full cost recovery system, pursuant to the Service Contract certain costs may not be recovered through tariff (e.g. (i) costs not listed among those that can be included in the tariff, (ii) any costs due to Alia's management inefficiency or (iii) discrepancies of less than 3% between the quality and quantity of collected and treated waste against what estimated in the "*modello gestionale ATO*").

In light of the above it might be concluded that the determination of tariffs is based on projections and estimates made by Quadrifoglio based on the actual costs borne for the provision of services (and other relevant items, as described in "*Quadrifoglio is exposed to revision of tariffs in the waste sector*" above) pertaining to year n-1 and pursuant to applicable regulations. Any differences between the costs estimated by Quadrifoglio and costs actually incurred could adversely affect cash flows and results of operations in a given year. In addition, once the Service Contract enters into force, should these differences not be recoverable by an increase in tariffs in subsequent years due to (i) the pre-determined Reference Tariff for the first four years, and/or (ii) the limitations on recovery set out in the balance mechanism for the entire duration of the contract, the Issuer's business, results of operations, financial condition and prospects in future years would be adversely affected, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio's operations are subject to extensive rules and regulations, which regulate the management of hazardous and solid waste and in particular environmental laws and Italian and European public procurement rules

Quadrifoglio is subject to extensive rules and regulations regarding, *inter alia*, the environment and public procurement.

Costs of compliance with existing environmental laws

Quadrifoglio's compliance with environmental laws and regulations involves the incurrence of significant costs relating to environmental monitoring, installation of pollution control equipment, emission fees, maintenance and upgrading of facilities, remediation and permitting. The costs of compliance with existing environmental legal requirements or those not yet adopted may increase in the future. An increase in such costs, unless promptly recovered, could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to health, safety and environmental liabilities

Risks of health, safety and environmental liabilities are inherent to the activity of Quadrifoglio (for further information, see the section "*Regulatory Framework on the Integrated Waste Management*" below).

Notwithstanding the Issuer's belief that the operational policies and standards adopted and implemented to ensure the safety of its operations are of a high standard, it is always possible that incidents such as blowouts, spillovers, pollution or similar events will occur, resulting in damage to the environment, the Issuer's employees and/or local communities.

Quadrifoglio has accrued certain risk provisions in the financial statements in relation to the post-operating management of landfill sites (so-called "*Fondo risanamento discariche*") and has issued certain guarantees in favour of the Province of Florence (now the Metropolitan City of Florence), the relevant competencies of which are now exercised by Region Tuscany, in relation to potential environmental liabilities arising from certain plants and landfill sites. Such provisions and guarantees are intended to cope with certain existing environmental liabilities whereby an obligation to perform a clean-up or other remedial action is in place and the associated costs can be reliably estimated. In particular, as at 31 December 2015, the "*Fondo risanamento discariche*" amounted to €23,313 thousand and the guarantees relating to potential environmental liabilities amount to €20,285 thousand. The accrued amount represents Quadrifoglio's best estimates of the future environmental expenses to be incurred. Notwithstanding this, it is possible that in the future Quadrifoglio may incur significant environmental expenses and liabilities in addition to the amounts already accrued owing to: (i) unknown contamination; (ii) the results of ongoing surveys or surveys that will be carried out in future on the environmental status of certain of Quadrifoglio's industrial sites, as required by the applicable regulations on contaminated sites; (iii) the possibility that disputes might be brought against Quadrifoglio in relation to such matters; and (iv) increases in the Issuer's estimates as to future environmental expenses.

Such liabilities and those relating to health and safety could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks related to the application of Italian and European public procurement rules

Quadrifoglio is also subject to Italian and European regulations regarding public procurement.

Quadrifoglio is subject to certain obligations, e.g. the obligation to carry out public tenders, because of its nature as a public undertaking and public law body (*organismo di diritto pubblico*) pursuant to Italian Legislative Decree no. 163 of 12 April 2006 as well as article 3 of Attachment IV to Italian Legislative Decree n. 50 of 18 April 2016 (the "**New Italian Code of Public Contracts**"). The New Italian Code of Public Contracts provides that the award of contracts for works, services and supplies by an awarding authority, as a general rule, must be preceded by a tender for the selection of the contracting party. The calls for tender, the results and the measures connected with such tenders may be challenged before Regional Administrative Tribunals (*TAR*). Specifically, the measures adopted by Quadrifoglio concerning the exclusion from a tender or award of contracts, as the case may be, or the measures that may follow the exclusion (such as the

enforcement of a temporary deposit and/or the report to ANAC for the imposition of sanctions) may be challenged in court.

Furthermore, public procurement rules are strongly affected by any changes in the relevant European legislation, by developments in administrative case law, and by the Italian National Anti-Corruption Authority's ("**ANAC**") guidelines.

The complexity of the procedures arising from such rules involves higher costs for Quadrifoglio, in terms of business resources and time, than those incurred by entities not having such obligations. This could adversely affect the efficiency and the timeframe in which Quadrifoglio is able to obtain supplies, services and facilities necessary for the performance of its activities, and could have a material adverse effect on Quadrifoglio's business, results of operations, and financial condition. In addition, the applicability of the relevant Italian and European public procurement rules could be expanded in the future, causing Quadrifoglio to incur additional costs in the performance of its activity.

Following the entry into force of the New Italian Code of Public Contracts (as defined above), Quadrifoglio may need to further adjust its existing structures and operating mechanisms, resulting in further costs in terms of time and resources.

Furthermore, Quadrifoglio is subject to the risk of litigation arising from the public tenders that it is obliged to carry out. For further information, see "*Quadrifoglio is defendant in a number of legal proceedings and may from time to time be subject to inspections by tax and other authorities*".

Such provisions could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Other law provisions affecting Quadrifoglio's organisation and activities

Quadrifoglio is subject to the legal framework applicable to the state-controlled companies that manage "in house providing" contracts which legal framework was recently merged into Legislative Decree 175 of 19 August 2016 relating to state-controlled companies. Such legislation imposes restrictions on the number and compensation of members of the corporate bodies, recruitment procedures and personnel spending. These companies are subject to rigid oversight and controls by competent authorities and to special rules governing the liability of their directors (for further information, see the section "*Regulatory Framework on the Integrated Waste Management*" below).

As a consequence, the application of such provisions could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio is exposed to operational risks through its ownership and handling of waste management and distribution networks and plants

The main operational risks to which Quadrifoglio is exposed are linked to its ownership and handling of its waste management assets and its distribution networks and plants. In particular, Quadrifoglio carries out its waste management activities through the following plants: (i) the landfill facility of Case Passerini which is nearly decommissioned; (ii) the technological hub of Case Passerini with a plant for TMB (Treatment Mechanical Biological producing Fuel From Waste (*Combustibile da rifiuti*) and Solid Fuel Secondary (*Combustibile Solido Secondario*) and dry waste) and a plant for composting (70,000 tonnes per year of organic waste); (iii) the plant of San Donnino which serves as a transference area for undifferentiated waste collecting and storage and an enhancement area of different fractions; furthermore, the San Donnino plant is equipped with a platform for the collection of paper.

Quadrifoglio also runs 5 - unit and regional operations (**UOT**), 2 landfill post-management sites, one featuring biogas recovery and an electricity plant (1.2 MW), 3 ecological stations and 5 collection centres

In addition to these plants, the construction of a waste-to-energy plant is in progress at the site of Case Passerini. These assets are exposed to risks that can cause significant damage to the assets themselves and, in more serious cases, production capacity may be compromised. These risks include extreme weather

phenomena, adverse meteorological conditions, natural disasters, fire, terrorist attacks, sabotage, mechanical breakdown of or damage to equipment or processes, accidents and labour disputes.

Quadrifoglio believes that its systems of prevention and protection within each operating area, which vary according to the frequency and gravity of the particular events, its ongoing maintenance plans, the availability of strategic spare parts and its use of tools for transferring risk to the insurance market enable Quadrifoglio to mitigate the economic consequences of potentially adverse events that might be suffered by any of its owned or managed plants or networks. There can, however, be no guarantee that the cost of maintenance and spare parts will not rise, that insurance products will continue to be available on reasonable terms or that any one event or series of events affecting any one or more plants or networks could not adversely affect the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

As regards the waste-to-energy plant in construction at the site of Case Passerini, the construction process has witnessed various delays.

In particular, the authorization procedure began on 12 April 2013 with a request for the Environmental Impact Assessment (the "**EIA**") which was issued through resolution no. 62 dated 17 April 2014 by the Province of Florence. Subsequently, after over one more year of additional review, the Single Authorization for the construction and management of the plant was obtained on 30 November 2015 through Determination No. 4688/2016 issued by the Metropolitan City of Florence n. 4688/2016.

Residents and local communities have opposed the realisation of such plant and the expropriation of the land needed for such developments (the so-called "**not-in-my-backyard**" or "**NIMBY**" protests), on the grounds that this might generate pollution or otherwise cause adverse effects on health and the environment. The occurrence of such NIMBY protests during the approval process of new constructions has lead to significant delays, as well as increases in investment costs and legal proceedings. For further information, see "*Description of the Issuer*" – "*Structure and principal shareholders – Q.Thermo S.r.l.*" of this Prospectus. A further delay in the construction of the waste-to-energy plant could give rise to a shortage of capacity to treat waste due to the lack of final treatment plants owned by Quadrifoglio and this could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio has exposure to credit risk arising from its activity

The TARI covers all investment and exercise costs of urban waste management. In accordance with the provisions of Italian Law no. 134/2013 and the Current Service Contracts, the Company undertakes to ascertain and collect the tariff for waste collection and management services carried out in the Municipalities served. On the basis of the same Current Service Contracts, Quadrifoglio ascertains and collects TARI in the cases provided for by law.

Accordingly, the redesign of the funding mechanism of the waste collection service which took place with the introduction of the TARI led Quadrifoglio to become an active party with regard to the billing of remuneration directly to the Municipalities.

As detailed above (please see *"Risk of deviation from estimates in the determination of tariffs"*), the tariff may not ensure full coverage of all incurred costs due to the fact that certain costs could not be recoverable by an increase of the tariff, according to the balance mechanism. in light of the above, the failed or delayed payment of remuneration by the Municipalities, also due to the liquidity crisis that local entities have been experiencing in recent years, or by the end users may prejudice the financial balance of the Company, as well as the standard of services delivered. As a consequence, a single default by a major financial counterparty, or an increase in current default rates by counterparties generally, could adversely affect the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio is exposed to market risk and interest rate risk arising on its financial indebtedness

The Company's financial flows are exposed to movements in interest rates that may impact cash flows, on the market value of the Company's financial assets and liabilities and on the levels of net financial expenses.

In particular, Quadrifoglio is subject to interest rate risk arising from its financial indebtedness, which varies depending on whether such indebtedness is at a fixed or floating rate. A portion of the loans granted to Quadrifoglio provide for interest rates linked to reference rates, particularly EURIBOR (EURO InterBank Offered Rate) and IRS (*Interest Rate Swap*). For further information, see "*Quadrifoglio is exposed to funding risks*". Furthermore, as at the date of this Prospectus, the Company has no interest rate hedging policy in place. Accordingly, significant fluctuations in interest rates may have an impact on the cost of floating rate funding and this could adversely affect the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risk relating to any breaches of the organisation and management model

Legislative Decree 231/2001 ("**Decree 231/2001**") imposes direct liability on a company for certain unlawful actions taken by its executives, directors, agents and/or employees. The list of offences under Decree 231/2001 currently covers, among other things, bribery, theft of public funds, unlawful influence of public officials, corporate crimes (such as false accounting), fraudulent acts and market abuse, as well as health and safety and environmental hazards. In order to reduce the risk of liability arising under Decree 231/2001, the Issuer has adopted an organisation, management and supervision model (the "**Model**") to ensure the fairness and transparency of its business operations and corporate activities and provide guidelines to its management and employees to prevent them from committing offences. The Issuer has also appointed a supervisory body to oversee the functioning and updating of, and compliance with, the Model. The supervisory body has not pointed out any issue in the course of the 2015 financial period or in the annual report.

Notwithstanding the adoption of these measures, the Issuer could still be found liable for the unlawful actions of its officers or employees if, in the relevant authority's opinion, Decree 231/2001 has not been complied with. This could lead to a suspension or revocation of concessions currently held by the issuer, a ban from participating in future tenders and/or an imposition of fines and other penalties, all of which could adversely affect the business, results of operations and financial condition of the Issuer and, as a result, the Issuer's ability to repay the Notes.

Quadrifoglio is exposed to funding risks

As at the date of this Prospectus, Quadrifoglio funds its activities through bank loans. In particular, as at 31 December 2015, Quadrifoglio has in place:

(i) a loan entered into with Banca Nazionale del Lavoro for an outstanding amount equal to €620 thousand destined to cover for plant design expenses to be repaid in semi-annual instalments starting from 31 December 2007 until 31 December 2021;

(ii) a loan entered into with Banca Monte dei Paschi di Siena with a 180-month duration for an outstanding amount equal to €776 thousand to be repaid in semi-annual instalments starting from 1 July 2011 until 1 January 2026;

(iii) a mortgage loan entered into with Credito Emiliano (CREDEM) for an outstanding amount equal to €1,600 thousand to fund the purchase of the property in Piazza della Libertà to be applied towards a new operational centre serving Florence's historic centre. The loan has a 5-year term. The annual interest rate applied is the result of 3 month Euribor/365 plus a 2.95bp spread. The repayment of the loan is scheduled in 5 annual instalments, the final one of which is due on 27 March 2017;

(iv) a loan entered into with Cassa di Risparmio di Firenze with a 5-year term for an outstanding amount equal to €4,515 thousand to be repaid in semi-annual instalments starting from 31 December 2015 until 30 June 2020; and

(v) a loan entered into with Cassa di Risparmio di Firenze with a 5-year term for an outstanding amount equal to €10,000 thousand to be repaid in semi-annual instalments starting from 30 June 2016 until 31 December 2020.

Quadrifoglio's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions. If sufficient sources of financing are not available in the future for

these or other reasons, Quadrifoglio may be unable to meet its funding requirements, which could materially and adversely affect its results of operations and financial condition.

Quadrifoglio's approach to managing funding risk is aimed at securing competitive financing and ensuring a balance between average maturity of funding, flexibility and diversification of sources; however, these measures may not be sufficient to fully protect Quadrifoglio from such risk and this could adversely affect the business, results of operations and financial condition of Quadrifoglio, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

The Issuer's historical financial and operating results are not indicative of future performance and will not be comparable with its future financial and operating results

The Issuer's historical financial and operating results are not indicative of its future performance. There can be no assurance of the Issuer's continued profitability in future periods.

In addition, the Issuer is undertaking an aggregation process involving other three companies, i.e. Publiambiente S.p.A., ASM S.p.A. and CIS S.r.l., which are expected to be merged by incorporation into the Issuer. As a result of the Merger, the financial and operating results of the Issuer (as the resulting entity of the Merger) following the Merger will reflect the businesses of the combined entities and therefore will not be comparable with the Issuer's previous financial statements. For additional information, see also "*Risks associated with the Merger that Quadrifoglio is in the process of completing and possible future acquisitions by Quadrifoglio, including potential increases in leverage resulting from the financing of the transactions and the integration of the new companies into Quadrifoglio*" and the section "*Description of the Issuer*" of this Prospectus.

Quadrifoglio is defendant in a number of legal proceedings and may from time to time be subject to inspections by tax and other authorities

Quadrifoglio is defendant in a small number of civil and administrative proceedings, which are incidental to its business activities and which Quadrifoglio does not consider to be material. Quadrifoglio has made provision in its balance sheet for such proceedings which amounted to €0.835 million as at 31 December 2015. Quadrifoglio may, from time to time, be subject to further litigation and to investigations by taxation and other authorities.

Furthermore, there are two different litigation proceedings both pending before the regional court (*TAR*) of Tuscany that might have an impact on the award of the Service Contract to Quadrifoglio. These proceedings include two different claims: (i) the first one filed by a temporary group of companies formed by Cooperativa Lavoratori Ausiliari del Traffico L.A.T. Soc. Coop., Servizi ecologici integrati Toscana S.r.l., Siena Ambiente S.p.A. and CFT Società Cooperativa (the "**Claimant**"); and (ii) the second one filed by the companies participating in the RTI. The claim brought by the Claimant is against the ATO's decision to exclude the Claimant from the Tender due to the inadmissibility of the technical offer. Furthermore, the Claimant also challenged, filing additional grounds, the final award in favour of RTI which occurred in the meantime. The claim brought by the RTI is against the decision of the ATO to exclude the RTI from the award of the Tender based on an alleged tax irregularity of one of the companies participating in the RTI (i.e. CIS). Such exclusion was subsequently annulled by the ATO by using its self-redress powers, as it was deemed groundless. As a consequence of such annulment, the Tender was definitively awarded to the RTI. On this ground, the RTI notified a claim waiver.

The final judgment in relation to the claims above may lead to the following negative scenarios:

(i) both the RTI and the Claimant are excluded from the Tender. In such case, the Tender would not have participants and, thus, the ATO should issue a call for a new tender;

(ii) the RTI is not excluded from the Tender and the Claimant is re-admitted. In such case, the ATO should reopen the Tender which could then be awarded to the Claimant if its offer is preferred by the ATO to that of the RTI; and

(iii) the RTI is excluded from the Tender and the Claimant is re-admitted. In such case, the ATO should reopen the Tender and which could then be awarded to the Claimant.

As a consequence, the negative outcome of such litigation proceedings may have adverse effects on Quadrifoglio's financial position and results of operations and on its business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes. For further information, see the section "*Description of the Issuer - Legal Proceedings*" of this Prospectus.

In relation to the litigation described above, Quadrifoglio has made no provision in its balance sheet.
Furthermore there are several other disputes for which there are no provisions in terms of liabilities. For additional information, see the section "*Description of the Issuer - Legal Proceedings*" of this Prospectus.

Quadrifoglio is not able to predict the ultimate outcome of any of the claims currently pending against it or future claims or investigations that may be brought against it, which may be in excess of its existing provisions. In addition, it cannot be ruled out that Quadrifoglio may incur significant losses in addition to the amounts already accrued in connection with pending legal claims and proceedings or future claims or investigations which may be brought owing to: (i) uncertainty regarding the final outcome of such proceedings, claims or investigations; (ii) the occurrence of new developments that management could not take into consideration when evaluating the likely outcome of such proceedings, claims or investigations in order to accrue the risk provisions as at the date of the latest financial statements; (iii) the emergence of new evidence and information; and (iv) the underestimation of probable future losses. Adverse outcomes in existing or future proceedings, claims or investigations could have adverse effects on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Quadrifoglio is exposed to a number of different tax uncertainties, which could have an impact on its tax results

Quadrifoglio determines the taxation that it is required to pay based on its interpretation of applicable tax laws and regulations. As a result, it may face unfavourable changes in those tax laws and regulations to which it is subject. Therefore, Quadrifoglio's financial position and its ability to perform its obligations under the Notes may be adversely affected by new laws or changes in the interpretation of existing laws.

Risks relating to the implementation of the Issuer's strategic objectives

The Issuer intends to pursue a strategic plan of growth and development. The strategic plan contains, and was prepared on the basis of, a number of critical assumptions and estimates relating to future trends and events that may affect the sectors in which the Issuer operates, such as estimates of customers' demand and changes to the applicable regulatory framework. There can be no assurance that the Issuer will achieve the objectives under its strategic plan. For example, if any of the events and circumstances taken into account in preparing the strategic plan do not occur, the future business, financial condition, cash flow and/or results of operations of the Issuer could be different from those envisaged and the Issuer might not achieve its strategic plan, or do so within the expected timeframe, which could adversely affect the Issuer's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks related to information technology

The Issuer's operations are supported by complex information systems, specifically with regard to its technical, commercial and administrative divisions. Information technology risk arises in particular from issues concerning the adequacy of these systems and the integrity and confidentiality of data and information. The major operating risks connected with the IT system involve the availability of "core" systems. The continuous development of IT solutions to support business activities, the adoption of strict security standards and of authentication and profiling systems help to mitigate these risks. In addition, in order to limit the risk of activity interruption caused by a system failure, the Issuer has adopted hardware and software configuration for those applications that support critical activities, which are periodically subjected to efficiency testing. Specifically, the services provided by the Issuer's outsourcer include a disaster recovery service that is intended to guarantee system recovery within timeframes that are consistent with the critical relevance of the affected applications. Nevertheless, there can be no assurance that serious system failures, network disruptions or breaches in security will not occur, and any such failure, disruption or breach may have a material adverse

effect on the Issuer's business, financial condition or results of operations, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks related to insurance coverage

The Issuer maintains insurance coverage in an amount that it believes to be adequate to protect itself against a variety of risks, such as property damage and liability claims. However, there can be no assurance that: (i) the Issuer will be able to maintain the same insurance coverage in the future (on terms considered acceptable by Quadrifoglio or at all); (ii) claims will neither exceed the amount of coverage nor fall outside the scope of the risks insured under the relevant policy; (iii) insurers will at all times be able to meet their obligations; or (iv) the Issuer's provisions for uninsured or uncovered losses will be sufficient to cover the full amount of liabilities eventually incurred. Any of these scenarios could have a material adverse effect on the Issuer's business, financial condition and results of operations, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to skills and expertise of the Issuer's employees

The Issuer's ability to operate its business effectively depends on the skills and expertise of its employees. If the Issuer loses any of its key personnel or is unable to recruit, retain and/or replace sufficiently qualified and skilled personnel, it may be unable to implement its business strategy (for further information, see the section "*Description of the Issuer*" below). This could have a material adverse effect on the Issuer's business, financial condition and results of operations, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to potential disputes with employees

Disputes with the Issuer's employees may arise either in the ordinary course of the Issuer's business or as a result of one-off events, such as mergers and acquisitions, or as a result of employees moving to an incoming concession holder upon the expiry or termination of a concession held by the Issuer. Any material dispute could give rise to difficulties in supplying customers and maintaining its business, which could, in turn, lead to a loss of revenues and prevent the Issuer from implementing its business strategy. For further information, see "*Risks associated with the Merger that Quadrifoglio is in the process of completing and possible future acquisitions by Quadrifoglio, including potential increases in leverage resulting from the financing of the transactions and the integration of the new companies into Quadrifoglio*" above. This could have a material adverse effect on Issuer's business, financial condition and results of operations, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to interruption of the Issuer's business activities

The Issuer is continuously exposed to the risk of interruption of its business activities due to the malfunctioning of its infrastructure and plants resulting from events outside of the Issuer's control, such as extreme weather phenomena, natural disasters, fire, malicious damage, accidents, labour disputes and mechanical breakdown as well as any unavailability of equipment or IT systems of critical importance for the Issuer's business activities caused by material damage to equipment, components or data. Any such events could compromise the Issuer's operations and result in loss of income and/or cost increases and could adversely affect the Issuer's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risks connected to the effects of the international financial crisis on the Issuer's business, results of operations and financial condition

In the course of recent years, a severe liquidity crisis arose in the global credit markets. These conditions have resulted in decreased liquidity and historic volatility in global financial markets, and continue to affect the functioning of financial markets and impact the global economy. The Italian Government and Central Bank and the European Union have implemented, and continue to implement a number of measures to address the financial crisis, although the situation in the banking system is still not completely secure in some of the 'peripheral' Eurozone countries such as Greece, Ireland, Spain, Portugal, Cyprus and Italy itself. At the moment it is still difficult to predict the effect of these measures on the economy and on the financial system, how long the crisis will exist and whether or to what extent the Issuer's business, results of operations and

financial condition may be adversely affected. For further information, see "*Quadrifoglio has exposure to credit risk arising from its activity*" above.

As a result, the Issuer's ability to access the capital and financial markets and to refinance debt to meet the financial requirements of the Issuer may be adversely impacted and costs of financing may significantly increase. Such circumstance could have an adverse impact on Quadrifoglio's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Market and political uncertainty regarding UK's exit from the European Union

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union ("**Brexit**"). Negotiations are expected to commence to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, as well as others that cannot currently be anticipated, could adversely affect the Issuer's business, results of operations and financial condition, with a consequent adverse impact on the market value of the Notes and the Issuer's ability to fulfil its obligations under the Notes.

Risk Factors Relating to the Notes

The Notes are fixed-rate securities and are vulnerable to fluctuations in market interest rates

The Notes will bear interest at a fixed rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets ("**Market Interest Rate**"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor must consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes, unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes are unsecured

The Notes constitute unsecured obligations of the Issuer and, save as provided in Condition 3 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer and the Issuer's other Subsidiaries over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will, in respect of such assets, rank in priority over the Notes and the other unsecured indebtedness of the Issuer.

Following the Issuance of the Notes, the Issuer may incur significantly more debt

The Issuer may be able to incur significant additional indebtedness in the future, including to finance investments under the Concession. If the Issuer incurs additional indebtedness, until the investments carried out under the Concession are recovered through the tariff mechanism or any other projects financed through such additional indebtedness become capable of generating additional cash flow, the risks related to the business of the Issuer associated with its increased level of debt could intensify.

The Issuer may be subject to restrictive covenants under any Additional Indebtedness which could impair its ability to run its business

Any additional indebtedness which may be incurred by the Issuer (together, any "**Additional Indebtedness**"), may contain negative covenants (subject to exceptions to be agreed between the Issuer and the providers of such Additional Indebtedness), restricting, among other things, the Issuer's ability to:

- make certain capital expenditures;
- make certain investments;
- incur additional indebtedness or issue guarantees, including for the purpose of refinancing of existing indebtedness;
- create or incur security;
- sell, lease, transfer or dispose of assets;
- merge or consolidate with other companies;
- make a substantial change to the general nature of the Issuer's business;
- pay dividends and make other distributions or restricted payments; and
- enter into transactions with affiliates.

The documentation for such Additional Indebtedness provides or may provide for certain restrictive financial covenants, the breach of which would lead to an event of default thereunder, as well as other terms (including representations, covenants, mandatory prepayments, trigger events and events of default) which are more restrictive than the Conditions.

The restrictions and limitations contained in the documentation for such Additional Indebtedness, as well as the restrictions contained in the Conditions, could affect the Issuer's ability to operate its business. For example, such restrictions could adversely affect the Issuer's ability to finance its operations, fund capital expenditure required for the timely compliance with the Service Contract and the implementation of its investment plans or finance its capital needs. Additionally, its ability to comply with these covenants and

restrictions may be affected by events beyond its control, including, among other things, prevailing economic, financial and industry conditions. If the Issuer breaches any of these covenants or restrictions, it could result in a default under the relevant documentation for such Additional Indebtedness.

If there was an event of default under any relevant documentation for existing indebtedness or Additional Indebtedness that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under other indebtedness, including the Notes. Any such actions could force the Issuer into bankruptcy or liquidation, and they may not be able to repay its obligations under the Notes in such an event.

Redemption prior to maturity for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any change in or amendment to the laws or regulations of the Republic of Italy or any political subdivision thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof, the Issuer may redeem all outstanding Notes in accordance with the Conditions of the Notes. If this occurs, there can be no assurance that it will be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes.

The Issuer may not have sufficient funds at the time of occurrence of a Put Event to redeem outstanding Notes

Upon the occurrence of certain events relating to the Issuer as set out in "*Terms and Conditions of the Notes— Redemption and Purchase— Redemption at the Option of the Noteholders*", the Noteholders will have the right to require the Issuer to redeem their outstanding Notes at their principal amount outstanding plus accrued and unpaid interest, if any, to the date of redemption. However, it is possible that the Issuer will not have sufficient funds at the time of occurrence of such events to make the required redemption or repurchase of Notes. In addition, except as specifically set out in "*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Noteholders*", the Notes do not contain provisions that provide a right to Noteholders to require the Issuer to purchase or redeem the Notes in any other circumstances.

The Termination Value may be significantly reduced and the Issuer may not be able to redeem the Notes

If the Service Contract (as defined in the Conditions) is terminated by the Grantor (as defined in the Conditions), including as a result of the Issuer failing to comply with the terms thereof, the Issuer has the right to receive an amount equal to the Termination Value (as defined in the Conditions). Upon the occurrence of a Termination Payment Event, the Issuer will redeem the outstanding Notes at their principal amount outstanding plus accrued and unpaid interest, if any, by using the Termination Value, as described in Condition 8.4 (*Redemption and Purchase – Redemption upon Termination Value Payment*). However, the Termination Value due to the Issuer may be set off against, amongst other things (a) any amounts owed by the Issuer to the Grantor at the time the Termination Value is paid and (b) the amount of any sanctions or penalties applied against the Issuer in connection with its failure to comply with the terms of the Service Contract. As a result, in these circumstances, the amount available to the Issuer as Termination Value could be materially reduced and, as a result, it is possible that the Issuer will not have sufficient funds at the time of occurrence of such events to make the required redemption or repurchase of Notes.

Decisions at Noteholders' meetings bind all Noteholders

Provisions relating to the meetings of Noteholders are contained in Schedule 5 to the Fiscal Agency Agreement and are summarised in Condition 14.1 (*Meeting of Noteholders, Noteholders' Representative, Modification – Meetings of Noteholders*). Noteholders' meetings may be called to consider matters affecting Noteholders' interests generally, including modifications to the terms and conditions relating to the Notes. These provisions permit defined majorities to bind all Noteholders, including those who did not attend and vote at the relevant meeting or who voted against the majority. Any such modifications to the Notes (which may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes and changing the amendment provisions) may have an adverse impact on Noteholders' rights and the market value of the Notes.

Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances

As mentioned in "*– Change of law or administrative practice*" below, the provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders' meetings where the issuer is an Italian unlisted company. As at the date of this Prospectus, the Issuer is an unlisted company but, if its shares were listed on a securities market while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders' meetings would be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings contained in the Fiscal Agency Agreement and summarised in the Conditions will correctly reflect mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of the Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including withholding or deduction of Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239/1996**"). See "*Terms and Conditions of the Notes—Taxation*".

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including, in particular, the effect of any state, regional or local tax laws of any country or territory. See also "*Taxation*".

Risks relating to change of law or administrative practices

The conditions of the Notes are based on English law in effect as at the date of this Prospectus, although certain provisions relating to the Notes are subject to compliance with certain mandatory provisions of Italian law, such as those applicable to Noteholders' meetings and to the appointment and role of the Noteholders' representative (*rappresentante comune*). No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Prospectus. See also "*– Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" above.

Investors must rely on the procedures of the clearing systems

The Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (together, the "**ICSDs**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. While the Notes are represented by one or more Global Notes, the ICSDs will maintain records of the beneficial interests in the Global Notes and investors will be able to trade their beneficial interests only through the ICSDs. Similarly, the Issuer will discharge its payment obligations under the Notes by making payments to the ICSDs for distribution to their accountholders and has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. A holder of a beneficial interest in a Global Note must therefore rely on the procedures of the ICSDs to receive payments under the relevant Notes.

In addition, holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the ICSDs to appoint appropriate proxies.

Minimum Denomination

The Notes are issued in denominations of €100,000 or higher amounts which are integral multiples of €1,000, up to a maximum of €199,000. Although Notes may not be traded in amounts of less than €100,000, it is possible that they will be traded in amounts that are not integral multiples of €100,000. In such case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Insolvency laws applicable to the Issuer may not be as favourable to the Noteholders as bankruptcy laws in other jurisdictions

The Issuer is incorporated in the Republic of Italy. The Issuer and its Italian subsidiaries (as well as any of its subsidiaries whose centre of interests is deemed to be the Republic of Italy) will be subject to Italian insolvency laws. The Italian insolvency laws may not be as favourable to Noteholders' interests as creditors as the laws of other jurisdictions with which the Noteholders may be familiar.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Noteholders prior to the commencement of the relevant proceeding may be liable to claw-back by the relevant trustee. In particular, in a bankruptcy proceeding (*fallimento*), Italian law provides for a standard claw-back period of up to one year (six (6) months in some circumstances), although in certain circumstances such term can be up to two (2) years. In this regard, Article 65 of the Italian Royal Decree No. 267 of 16 March 1942, as subsequently amended, may be interpreted as to provide for a claw back period for two years applicable to any payment by the Issuer pursuant to an early redemption at the option of the Issuer if the stated maturity of the Notes falls on or after the date of declaration of bankruptcy of the Issuer.

Furthermore, under Italian law, holders of the Notes do not have any right to vote at any shareholders' meetings of the Issuer. Consequently, Noteholders cannot influence any decisions by the Board of Directors of the Issuer or any decisions by shareholders concerning the Issuer's capital structure, including the declaration of dividends in respect of the Issuer's ordinary shares.

Risk Factors Relating to Markets Generally

Set out below is a brief description of the principal market risks that may be relevant in connection with an investment in the Notes.

There is no active trading market for the Notes and one cannot be assured

Application has been made for the Notes to be listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange. However, there can be no assurance that the Notes will be accepted for listing or, if listed, will remain listed. The Notes are new securities for which there is currently no market. There can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell such Notes or the price at which the Notes may be sold. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions, and the Issuer's financial condition, performance and prospects. In an illiquid market, the Noteholders might not be able to sell their Notes at any time at fair market prices.

There can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices for the Notes.

Prospective investors should understand that they may have to bear the financial risks of their investment for an indefinite period of time.

Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes

Subject to applicable Italian laws and regulations, the ability to transfer the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. See "*Subscription and Sale*".

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

The Notes are not rated and credit ratings may not reflect all risks

Neither the Notes nor the long-term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes or any other senior unsecured indebtedness of the Issuer at any future date, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating or the absence of a rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

The Notes may be delisted in the future

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and admitted to trading on its regulated market. The Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

Legal investment considerations may restrict certain investments

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

Exchange rate risks and exchange controls

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

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

INFORMATION INCORPORATED BY REFERENCE

The following information is incorporated in, and forms part of, this Prospectus:

i. the audited annual financial statements of the Issuer as at and for the year ended 31 December 2015 prepared in accordance with Italian GAAP, which can be found at http://www.quadrifoglio.org/oggetti/40934.pdf; and

ii. the audited annual financial statements of the Issuer as at and for the year ended 31 December 2014 prepared in accordance with Italian GAAP, which can be found at http://www.quadrifoglio.org/oggetti/40935.pdf;

in each case together with the accompanying notes, the audit report issued by the Issuer's statutory auditors and the external auditors' report.

Cross-reference list

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of, and shall not be incorporated by reference in, this Prospectus. Any such non-incorporated parts of a document referred to herein are either not relevant for an investor or covered elsewhere in this Prospectus.

Audited annual financial statements of the Issuer as at and for the year ended 31 December

	2014	**2015**
Statement of financial position	p. 69 – 70	p. 68 – 69
Income statement	p. 71	p. 70
Notes to the financial statements	p. 72 – 119	p. 71 – 115
Cash flow statement	p. 120	p. 116
Statutory auditors' report	p. 121 – 127	p. 117 – 122
Independent auditors' reports	p. 128	p. 123 – 124

This Prospectus should be read and construed together with the information incorporated by reference herein. Copies of any document incorporated by reference in this Prospectus are available free of charge at the specified office of the Paying Agent, unless such documents have been modified or superseded. Such documents will also be available for viewing on the website of the Issuer.

The audited financial statements of the Issuer as of and for the year ending 31 December 2016 will be prepared in accordance with Italian GAAP, pursuant to applicable laws and regulations. The Issuer expects that the annual financial statements as of and for the year ending on 31 December 2017 and thereafter will be prepared in accordance with IFRS, pursuant to applicable laws and regulations.

USE OF PROCEEDS

The Issuer will use the net proceeds from the issue of the Notes to refinance the indebtedness of the Issuer, fund the investments under the Current Service Contracts and the Concession.

SELECTED FINANCIAL INFORMATION

The following tables contain balance sheet, income statement and cash flow statement information of the Issuer as at and for the years ended 31 December 2015 and 2014, derived from the Issuer's audited annual financial statements as at and for the year ended 31 December 2015 prepared by management in accordance with Italian GAAP. This information should be read in conjunction with, and is qualified in its entirety by reference to the Issuer's audited annual financial statements as at and for the years ended 31 December 2015 and 2014, together with the accompanying notes and statutory auditor's and external auditors' reports, all of which are incorporated by reference in this Prospectus. See "*Information Incorporated by Reference*".

Copies of the above-mentioned annual financial statements of the Issuer are available for inspection by Noteholders, as described in "*Information Incorporated by Reference*".

	Italian GAAP 2014	**Italian GAAP 2015**
	(audited)	*(audited)*
Profit and Loss	*In Euro million, except percentages*	
Revenues	135.9	134.9
Other Revenues	7.4	6.0
Total Revenues	**143.3**	**140.9**
Operating expenses	-69.6	-69.9
Employee compensation	-47.7	-48.0
Total operating expenses	**-117.3**	**-117.9**
% Total Revenues	-81.9%	-83.7%
EBITDA	**26.0**	**23.0**
% Total Revenues	18.1%	16.3%
Depreciation and amortisations	-15.5	-11.8
Provisions	-1.4	-
EBIT	**9.1**	**11.2**
% Total revenues	6.4%	7.9%
Net Interest Expenses	-0.2	0.3
Extraordinary Income /(Loss)	-	-
EBT	**8.9**	**11.5**
% Total revenues	6.2%	8.2%
Taxes	-4.5	-4.9
Net income	**4.4**	**6.6**
%Total revenues	3.1%	4.7%

	Italian GAAP 2014	**Italian GAAP 2015**
	(audited)	*(audited)*
Statements of financial position	*In Euro million*	
Intangible Assets	3.4	2.2
Tangible Assets	75.9	74.1
Financial Assets	5.0	5.1
Total Non Current Assets	**84.3**	**81.4**
Inventory	1.0	0.9
Third Party Account Receivables	19.4	15.5
Related Party Receivables	26.7	45.2
Other Receivables	37.8	43.8
Cash and Cash Equivalents.	32.9	59.9
Total Current Assets	**117.8**	**165.3**
Accruals and Deferrals	0.2	0.2
Total Assets	**202.3**	**246.9**
Share Capital	61.1	61.1
Reserves	29.2	33.6
Retained Earnings	4.4	6.6
Total Equity	**94.7**	**101.3**
Provisions	41.5	40.3
Third Party Account Payables	27.4	28.6
Related Party Payables	2.2	36.8
Financial Debt	16.9	23.6
Other Payables	14.1	11.7
Total Liabilities	**102.1**	**141.0**
Accruals and Deferrals	5.5	4.6
Total Liabilities & Equity	**202.3**	**246.9**

	Italian GAAP 2014	Italian GAAP 2015
	(audited)	*(audited)*
Cash flow statement	*In Euro million*	
Net Income	4,4	6,6
Depreciation and amortisation provisions	9,6	7,8
Other Non-Cash Items	-	-
Funds from Operations	**14,0**	**14,4**
Change in Net Working Capital	24,8	16,3
Change in Other Operating Assets/Liabilities	-0,2	-4,7
Cash Flow from Operations	**38,6**	**26,0**
Capital Expenditure	-7,1	-6,1
Cash Flow from Investment Activities	**-7,1**	**-6,1**
Change in Debt	-5,2	7,1
Change in Equity	-	-
Dividends	-	-
Other cash flow financing	-	-
Cash flow from Financing Activities	**-5,2**	**7,1**
Cash of the Period	**26,3**	**27,0**

DESCRIPTION OF THE ISSUER

Overview

Quadrifoglio S.p.A. ("**Quadrifoglio**", the "**Issuer**" or the "**Company**") has been incorporated on 20 April 2000 as a joint stock company (*società per azioni*) according to the provisions of the Italian Civil Code, having its registered office at Via Baccio da Montelupo 52, 50142 Florence, Italy and registered with the Companies' Register of Florence under no. 04855090488, fiscal code and VAT no. 04855090488. Quadrifoglio may be contacted by telephone on +39 055 73391 and by fax on +39 055 7322106.

In addition to the headquarters in Via Baccio da Montelupo 52, there are 17 secondary local units, used as disposal facilities, waste collecting eco-stations and various storage units for vehicles in the 12 municipalities in which the Company provides its services (as defined below): Bagno a Ripoli, Calenzano, Campi Bisenzio, Fiesole, Florence, Greve in Chianti, Impruneta, San Casciano V.P., Scandicci, Sesto Fiorentino, Signa, and Tavarnelle V.P. (the "**Municipalities**" and each a **"Municipality**").

Pursuant to its by-laws, Quadrifoglio's term of incorporation shall last until 31 December 2025, subject to extension, to be approved by resolution of the shareholders' meeting.

The corporate purpose of Quadrifoglio is the installation and management of municipal waste management and environmental services, although it also provides other miscellaneous public services linked to urban hygiene, including the collection of the tariff applicable to waste collection ("**TARI**"), as described below. Most of these services are carried out through concessions awarded by local authorities (regulated services). Other commercial services are provided by Quadrifoglio on the basis of specific arrangements with counterparties, including local authorities, companies and individuals.

Quadrifoglio can also perform any other activities, transactions and services pertaining to or connected with the management of the above-mentioned services, without exceptions, including the study, designing, implementation and management of specific plants, both directly or indirectly.

For the year ended on 31 December 2015, the Company collected approximately 412,000 tonnes of waste and generated €134.9 million of revenues and €23 million of EBITDA.

Quadrifoglio controls two companies that are not subject to consolidation due to their non-material contribution to the Company's financial statements, in accordance with the exemption set out in Article 28, paragraph 2, letter a) of the Legislative Decree n.127/91, these being Q.Energia S.r.l. and Q.tHermo S.r.l.. Helios S.c.p.a. (in liquidation), Valdisieve S.c.r.l., Tiforma S.c.r.l., Biogenera S.r.l., Le Soluzioni S.c.a.r.l., Valcofert S.r.l. and Revet S.p.A. are Quadrifoglio's affiliates, due to the non-controlling, however significant, shareholdings held by Quadrifoglio.

As at the date of this Prospectus, Quadrifoglio has a fully paid-up share capital of €61,089,246, divided into 61,089,246 shares with a nominal value of €1 each. For further information on Quadrifoglio's share capital see paragraph "*Major Shareholder*s" below.

History and Development of Quadrifoglio

The history of the Company begins on 1 October 1955 with the establishment, by the municipality of Florence, of the municipal company ASNU, initially dedicated to just waste collection services, and afterwards also to road sweeping.

In 1963, Quadrifoglio developed the road night sweeping system revolutionising road sweeping in Florence.

In order to meet increasing demands for waste disposal, in 1973 the incinerator of San Donnino came into operation, operating until 1986.

In 1977, on an experimental basis, street bins were introduced in Florence for the collection of mixed waste which, in few years, became the standard system for waste collection.

In 1988, the municipal company changed its name to Fiorentinambiente, a special company for environmental services in the municipality of Florence. In the same period the range of environmental services provided to the municipality of Florence was expanded and the first forms of separate collection started.

In 1997, the municipalities of Calenzano, Campi Bisenzio, Sesto Fiorentino (and Signa since 1999) joined the municipality of Florence for waste collection services, establishing a consortium which from 1 July 2000, became "*Quadrifoglio Servizi Ambientali Area Fiorentina S.p.a.*".

In 1998, the selection and composting plant of Case Passerini became operational.

In 2011, Quadrifoglio and S.a.Fi. S.p.A., the municipal company which provided environmental services in the municipalities of Bagno a Ripoli, Fiesole, Greve in Chianti, Impruneta, San Casciano V.P., Scandicci, and Tavarnelle V.P., were merged. As a result, the municipalities of Bagno a Ripoli, Fiesole, Greve in Chianti, Impruneta, San Casciano Val di Pesa, Scandicci and Tavarnelle Val di Pesa became part of the municipalities served by Quadrifoglio, as well as of its corporate structure.

Tuscan Regional Law no. 69 dated 28 December 2011 established the Authority for the Integrated Management Service of Municipal Waste ATO Toscana Centro (the "**ATO**" or "**Grantor**") and, as of 1 January 2012, the functions (originally assigned to the Municipalities of the Florence, Prato and Pistoia provinces) relating to the organisation, custody and control of the integrated management service of municipal and other waste, were assigned to the ATO.

With the Determination of the Director General of the ATO no. 7 of 29 November 2012, in compliance with Article 202 of Legislative Decree 152/2006 and 26, subsection 1, of Regional Law 61/2007, the ATO decided to launch a tender aimed at granting to one single entity the concession (the "**Concession**") of the integrated management service of urban waste ("*Restricted procedure for the awarding in concession of the integrated management service of urban waste (CIG 4726694F44)*") (the "**Tender**").

On 26 February 2013, the main municipalities shareholders of Quadrifoglio S.p.A., A.S.M. S.p.A. ("**ASM**"), Publiambiente S.p.A. ("**Publiambiente**") and CIS S.r.l. ("**CIS**") executed the "*Memorandum of agreement for the participation in the tender and the aggregation of the local waste management companies*" concerning the establishment of a temporary group of companies (*raggruppamento temporaneo di imprese* ("**RTI**")), for the purpose of participating in the Tender.

With the Determination of the Director General of the ATO no. 85 of 21 November 2013, the scheme of the letter for the invitation to the Tender (the "**Invitation Letter**") was approved with the title "*Restricted procedure for the awarding in concession of the integrated management service of urban and similar waste, pursuant to art. 26 of Tuscan Regional Law no. 61/2007, art. 2020 of Legislative Decree no. 152/2006 and art. 25, subsection 4, of Law Decree no. 1/2012, including the realisation of instrumental works*".

On 24 April 2014, the Invitation Letter was then transmitted to all participants and the offer by RTI was received by the ATO within the deadline, set for 7 November 2014.

The service was awarded to the RTI, of which Quadrifoglio is the representative on a definitive basis, by virtue of the Determination of the ATO no. 67, adopted on 8 July 2016. As of the date of this Prospectus, certain litigation proceedings are pending before the competent administrative court (*TAR*) in relation to the Tender which may have an impact on the award of the Concession to the RTI. For further information, see paragraph "*Legal proceedings*" below.

Following the award of the Tender, Quadrifoglio, Publiambiente, ASM and CIS formally established the RTI on 28 July 2016.

However, pursuant to Article 26.5 of the above-mentioned Regional Law 61/2007, the tender notice may impose, in the case of an offer submitted by a RTI, an obligation on the relevant members to establish a new company in the form of a consortium limited by shares or quotas, provided that the relevant RTI members remain jointly and severally liable *vis-à-vis* the ATO. Article 9.1.1 of the Invitation Letter confirmed such approach.

In a subsequent communication dated 22 August 2016, the ATO clarified that, in line with the above-mentioned Determination of the Director General of the ATO no. 7 of 29 November 2012, the successful bidder in the Tender should have been incorporated as one single entity within 60 days (in the absence of which the award would be impaired), deeming the merger by incorporation pursuant to Article 2501 of the Italian Civil Code between Quadrifoglio and the other companies participating in the RTI compatible with the above-mentioned provisions of Article 26 of Tuscan Regional Law no. 61/2007 and of Article 9.1.1 of the

Invitation Letter. The ATO also deferred to 27 February 2017 the expiry of the mandatory deadline to proceed with the incorporation of the single entity.

Accordingly, the finalisation of the merger by incorporation between Quadrifoglio and the other companies of the RTI, namely ASM, CIS and Publiambiente (the "**Merger**") to create the new single entity, which will be named Alia Servizi Ambientali S.p.A. ("**Alia**"), represents the final act required in order to complete the Tender as well as a process aimed at enhancing the managerial and operational efficiency of the urban waste management service.

Further to the finalisation of the Merger, Alia will be required to enter into a twenty-year term service agreement with the ATO (the "**Service Contract**") for the management of the integrated service of urban and similar waste. The Service Contract is expected to be entered into by Alia and the Grantor within a non-mandatory term of 30 days from the finalisation of the Merger.

Quadrifoglio manages, as at the date of this Prospectus, the integrated waste service on the basis of 'in-house providing mandates' pursuant to the previous applicable case law, now translated into Article 5 of Legislative Decree 50/2016 (the "**Legislative Decree 50**") by its 12 shareholder Municipalities, according to the exercise modalities defined in the service contracts entered into in the past between the Company and each of the Municipalities (the "**Current Service Contracts**"). Pursuant to such provision, a contracting authority or entity may award a public contract or a concession to a so-called 'in-house' company without obligations to carry out public tender procedures. For more information on the applicable regulatory framework, see the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus.

Pursuant to the resolution of each of the Municipalities and subsequent amendment agreements, and according to Article 204 of Legislative Decree 152/2006 (the "**Legislative Decree 152**") and Article 81.3 of Regional Law 65/2010, the original expiry dates of each Current Service Contract have been extended under a *prorogatio* regime up to the date when the concession of the integrated waste service will be assigned to a single entity according to the above-mentioned Determination of the Director General of the ATO no. 7 of 29 November 2012. For more detailed information on the applicable regulatory framework, see the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus.

As a consequence, Quadrifoglio and the other companies of the RTI will perform its regulated services by virtue of the existing Current Service Contracts which will remain in force until the entry into force of the Service Contract. Although Article 10 of the Invitation Letter provided a 180-days term, following the execution of the Service Contract, for the new concessionaire to start its activity, the decision as to whether, at that time, such activity will be performed by Alia in accordance with the provisions of the Current Service Contracts or the new Service Contract, are mainly subject to the decisions that will be taken by the Grantor.

As at the date of this Prospectus, each Current Service Contract is annually updated on the basis of the relevant financial plan (each, a "**Financial Plan**") and technical-economical planning act" (each, a "**Technical-Economical Planning Act**"), which are approved on an annual basis by each Municipality according to the provisions of the same Current Service Contracts.

The Financial Plans include the economic provisions governing the tariffs and remuneration for the services granted under the relevant Current Service Contracts and the Technical-Economical Planning Acts contain specific provisions on technical aspects and performance standards of the service and provide for a monitoring activity of the service standards performed on a quarterly basis. For more detailed information on the applicable regulatory framework, see the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus.

Following the Merger, as described above, the following companies, currently members of the RTI, will be incorporated into Alia:

- Publiambiente, is the municipal company providing environmental services in 26 municipalities including Pistoia and Empoli serving a total of 412,000 citizens, spread over an area of 1,859 km^2. As of and for the year ended 31 December 2015, Publiambiente collected approximately 205,000 tonnes of waste and managed 476 employees, 3 operating plants and more than 230 vehicles[1].

[1] Source: Phyisis - West Systems S.r.l.

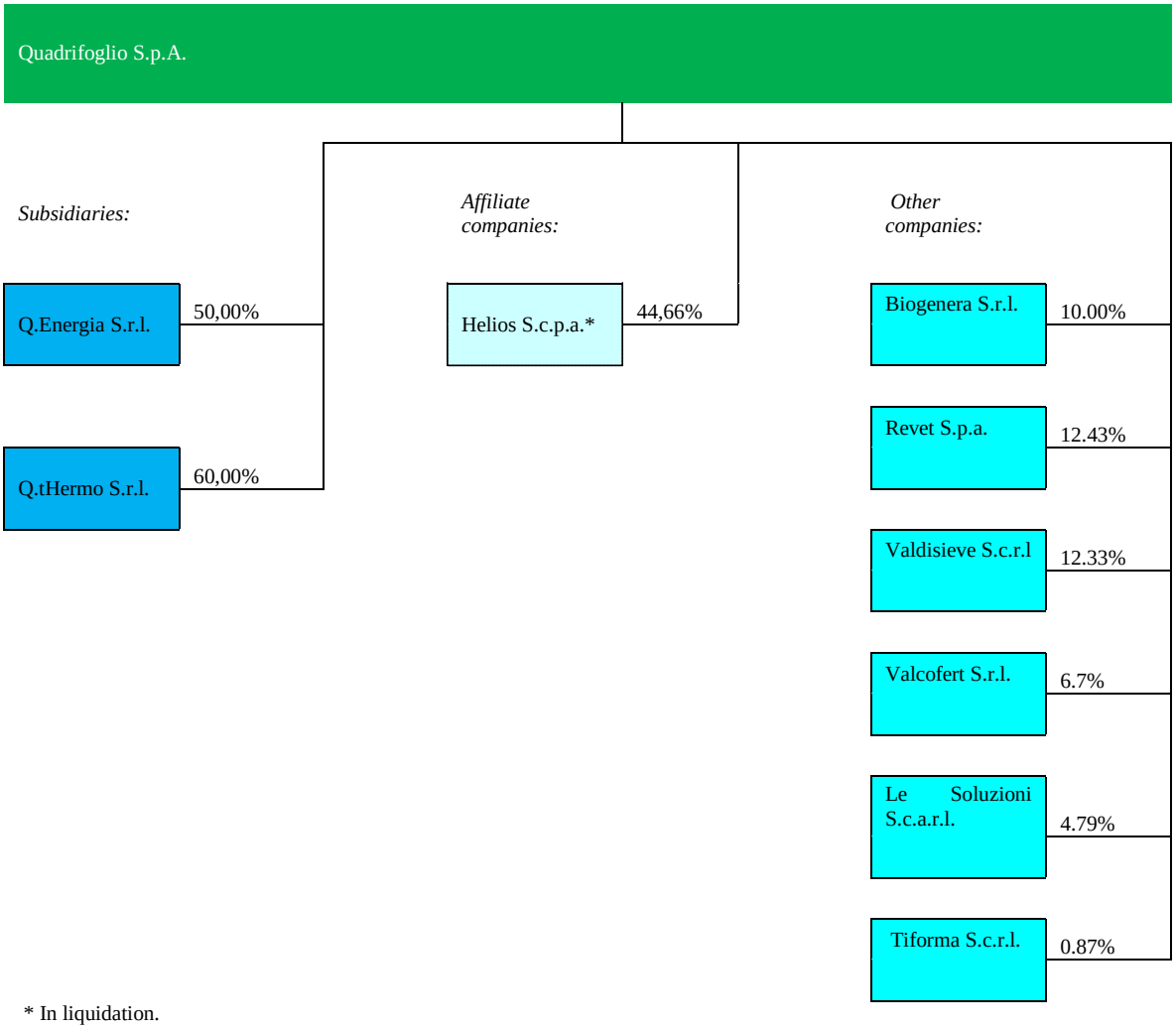
- ASM, is the municipal company providing environmental services in 7 municipalities including Prato serving a total of 253,000 citizens, spread over an area of 366 km^2. As of and for the year ended 31 December 2015, ASM collected approximately 174,000 tonnes of waste and managed 287 employees, 1 operating plant and more than 180 vehicles[2].

- CIS, is the municipal company providing environmental services in 4 municipalities serving a total of 63,000 citizens, spread over an area of 106 km^2. As of and for the year ended 31 December 2015 , CIS collected approximately 33,000 tonnes of waste and managed 90 employees and approximately 50 vehicles[3].

Quadrifoglio's Subsidiaries and Affiliate Companies

Quadrifoglio holds several shareholdings in companies operating in the urban hygiene sector in the Tuscany region. These holdings have been acquired from time to time in order to meet operational needs and/or exploit opportunities to enhance its activities and businesses.

The following diagram illustrates Quadrifoglio's shareholdings as at 31 December 2015.



* In liquidation.

Subsidiaries:

- **Q.ENERGIA S.r.l.** – (with headquarters in Forlì, Via A. Masettin 11 / L) is owned by Quadrifoglio (50%) and Certaldo Energia S.r.l. (50%). It manages the plant for the use of residual biogas for energy purposes, and is located at the landfill of San Martino a Maiano (Certaldo). Given Quadrifoglio's

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[2] Source: Phyisis - West Systems S.r.l.

[3] Source: Phyisis - West Systems S.r.l.

substantial interest in the company, the investment is classified as a controlled company, despite Quadrifoglio's holding being equal to less than 51%.

- **Q.THERMO S.r.l.** – (with headquarters in Florence, Via Baccio da Montelupo no. 52) is owned by Quadrifoglio (60%) and a S.A.T. (a special vehicle owned by Hera S.p.A. and Hera Ambiente S.p.A.) (40%) and was established further to a public tender for the selection of a private partner for the setting up of a joint venture for the development of design, implementation and management activities of the Case Passerini waste-to-energy plant in the municipality of Sesto Fiorentino. On 30 November 2015, with managerial act no. 46888 the Metropolitan City of Florence granted the single authorisation for the realisation and exercise of an electricity production plant from renewable sources pursuant to Article 12 of Legislative Decree 387/2033 in the municipality of Sesto Fiorentino in the district of Case Passerini, thus bringing the authorisation processes begun on 17 April 2013 to an end. On 19 January 2016, the Italian Association for WWF, the Association Italia Nostra and the Association Forum Ambientalista filed an appeal with the Regional Administrative Court of Tuscany seeking the annulment of managerial act no. 46888 by which the Metropolitan City of Florence granted the single authorisation. On 21 January 2016, the Municipality of Campi Bisenzio also filed an appeal with the Regional Administrative Court of Tuscany seeking the annulment of the same aforementioned managerial act.

  The Regional Administrative Court of Tuscany with judgment no. 1602 published on 8 November 2016 partially upheld the appeals for merely procedural reasons (lack of urban agreement with the relevant municipal administrations and failed realisation by the public entities of the mitigation works provided for on their side). Q.tHermo appealed the judgment in front of the Council of State seeking the stay of the enforceability of the judgment.

Affiliated Companies:

- **HELIOS S.c.p.A.** – (in liquidation, with headquarters in Florence, Via Baccio da Montelupo 52) has the following shareholders, in addition to Quadrifoglio (44.66%): Publiambiente (27.2%), A.E.R. S.p.A. (5.80%), ASM (18.63%) and CIS (3.71%). The establishment of the RTI for the purposes of participating in the Tender brought Helios initial role as 'aggregating subject' of central Tuscany's public companies to an end. The company was put into voluntary liquidation on 10 May 2013. Following the Merger, Helios S.c.p.A. will be entirely owned by the Issuer.

Other Companies:

- **REVET S.p.A.** – (with headquarters in Pontedera (PI), Viale America n. 204 - Loc. Gello) is a company specialising in the collection, treatment and recovery for re-use of materials such as glass, plastic, aluminium cans and tin plates and polylaminates such as tetrapack. Revet S.p.A. has repositioned its mission from an entity in charge of managing a phase of differentiated collection of waste to an industrial entity which develops innovative products using the material recovered from waste. In this context, it has invested about €11 million in the building of a new plant system for the selection and optimisation of recovered materials, both to obtain "granules" to be offered on the market for "printers" of plastic products, and to maximise on the residual plastics from selection operations. As a consequence of the implementation of a coobligation agreement entered into on 9 March 2015 between Revet S.p.A. and certain shareholders of Revet S.p.A., including Quadrifoglio, relating to the undertaking of such shareholders to purchase the Revet S.p.A.'s own shares within 30 September 2016, Quadrifoglio has increased its participation in Revet S.p.A. up to 15.84% and the companies participating in the RTI now hold in aggregate 46.98% of its share capital.

- **BIOGENERA S.r.l.** – (with headquarters in Prato, Via U. Panziera no. 16) is, as at the date of this Prospectus, a company owned by Estra S.p.A. (55.00%), Estra Clima S.r.l. (10.00%), the Municipality of Calenzano (25.00%) and Quadrifoglio (10.00%), specialising in the design, construction, management and maintenance of a co-generation plant for the production of electricity and heat using biomass.

- **VALDISIEVE S.c.r.l.** – (with headquarters in Florence, Via Benedetto Varchi no. 34) is a consortium company holding a 10% interest in the share capital of A.E.R. S.p.A. (an urban hygiene company controlled by the Municipalities of Val di Sieve and Valdarno Fiorentino). Quadrifoglio therefore holds 12.33% of such 10% stake.

- **LE SOLUZIONI S.c.a.r.l.** – (with headquarters in Empoli, Via Garigliano no. 1) is a consortium company resulting from the merger of Customer Care Solutions S.c.a.r.l., ICT Solutions S.r.l. and Billing Solutions S.c.a.r.l., finalised on 16 April 2012. It deals with the issue and collection of tariffs, more specifically, with the printing, enveloping, mailing phases and ancillary services. Quadrifoglio holds a 4.79% interest in its share capital.

- **VALCOFERT s.r.l.** – (with headquarters in Empoli, Via Garigliano no. 1) is a company that manufactures and sells soil improvers, organic fertilisers and fertilisers in general, soils and composting. Quadrifoglio holds a 6.70% interest in its share capital. The company mainly collects "non composted green improver" from Publiambiente and Quadrifoglio, which is then re-used in the production of compost. It also deals with the sourcing of farms for compost spreading.

- **TIFORMA S.c.r.l.** – (with headquarters in Florence, Via Giovanni Paisiello n. 8) is a company which provides training services to Cispel Confservizi Tuscany Research, used by local public services agencies. Quadrifoglio holds a 0.87% interest in its share capital.

Strategy

The strategic objective of Quadrifoglio is the transition from a waste disposal approach to an effective waste economy, through services, means and facilities providing an adequate response to the needs and expectations of customers.

In light of the above, Quadrifoglio's corporate mission is to design and implement effective and efficient waste management services in economic terms and from a social and environmental perspective, and that are constantly subject to improvements. The Company aims to exceed the expectations of its stakeholders and considers it essential to invest in human resources whose selection and skills are deemed relevant in order to pursue an effective circular waste economy, i.e. a system in which discarded products are re-used or re-manufactured through recycling procedures in order to enhance the productivity of the recycled material so that the need for new resources is reduced and waste and pollution are avoided or limited.

For this reason, Quadrifoglio:

- aims to involve human resources, by encouraging the development of skills and competencies, and the improvement of professional profiles;

- seeks to foster partnerships with suppliers and customers to enhance its quality of service;

- pursues technological innovation and upgrading of vehicles, equipment, facilities and supporting infrastructures in order to achieve more efficient services for its customers; and

- implements a careful expansion of activities and processes, also in cooperation with other entities, such as to ensure financial stability and adequate cash flows to support investments.

In light of the above, the Merger is fully consistent with Quadrifoglio's strategic objectives. The aims of the Merger are, *inter alia*, the adoption of an advanced industrial approach in urban waste management services, the promotion of an effective circular waste economy in the relevant territory and the development of research and innovation activities.

The consistency between Quadrifoglio's strategy and the Merger is also demonstrated by the strategic objectives of the Merger which are:

- the optimisation of the service model, i.e. a development of an innovative management model for the services based on the different characteristics and needs of the relevant territories served;

- the optimisation of the plants through the adoption of a single plant management model in order to streamline operations;

- the pursuit of management, operational and environmental benefits (e.g. an increase in recycling levels and an improvement in economic and financial performance resulting from synergies and economies of scale generated by the Merger); and

- the pursuit of a new organisational structure that is more efficient, flexible and functional, which would be able to foster innovation in waste management services, including through partnerships with universities and research centres.

Such strategic objectives will be achieved through the positive synergy deriving from the Merger. In particular the Merger will produce a consolidation of the different technical and management know-how and experiences existing in the companies and a synergy in terms of corporate and financial resources. Such elements are expected to bring about significant savings in corporate costs and the realisation of a more efficient financial and economic balance.

Business of Quadrifoglio

Overview

Regulated services

Quadrifoglio provides environmental services in the 12 Municipalities serving a total of over 654,000 citizens, spread over an area of 834 km^2. As of and for the year ended 31 December 2015 and the six months ended 30 June 2016, the Company collected approximately 412,000 tonnes and 214,000 tonnes, respectively, of waste and managed 1,021 employees and 1,024 employees, respectively, and almost 400 vehicles. In addition, in 2015 and the first six months of 2016, the Company was able to reach a 57.4% and 59.5%, respectively, level of separate collection. In terms of annual turnover for the financial year ended on 31 December 2015, Quadrifoglio is ranked 10^{th} among the waste management companies in Italy[4]. The aggregation of the operations and the market position of the entities of the RTI would result in Alia, i.e. the company resulting from the Merger, being 5^{th} in the national ranking[5].

Quadrifoglio currently manages the integrated waste service based on 'in-house providing' mandates by its 12 shareholders Municipalities. For more information on the applicable regulatory framework to 'in-house providing', see the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus. The Company's main business area consists of providing the following services:

- collection of municipal solid and assimilated waste;
- treatment and disposal of waste;
- periodic cleaning of waste containers;
- cleaning of roads and markets and public green areas;
- management of TIA/Tares/TARI (voluntary and mandatory collection and ascertaining activities);
- disinfestation and rat extermination in public areas;
- collection of bulky waste at home;
- management of ecological stations/collection centres; and
- control over and application of sanctions for violations of the municipal regulations on the management of waste approved by each single Municipality.

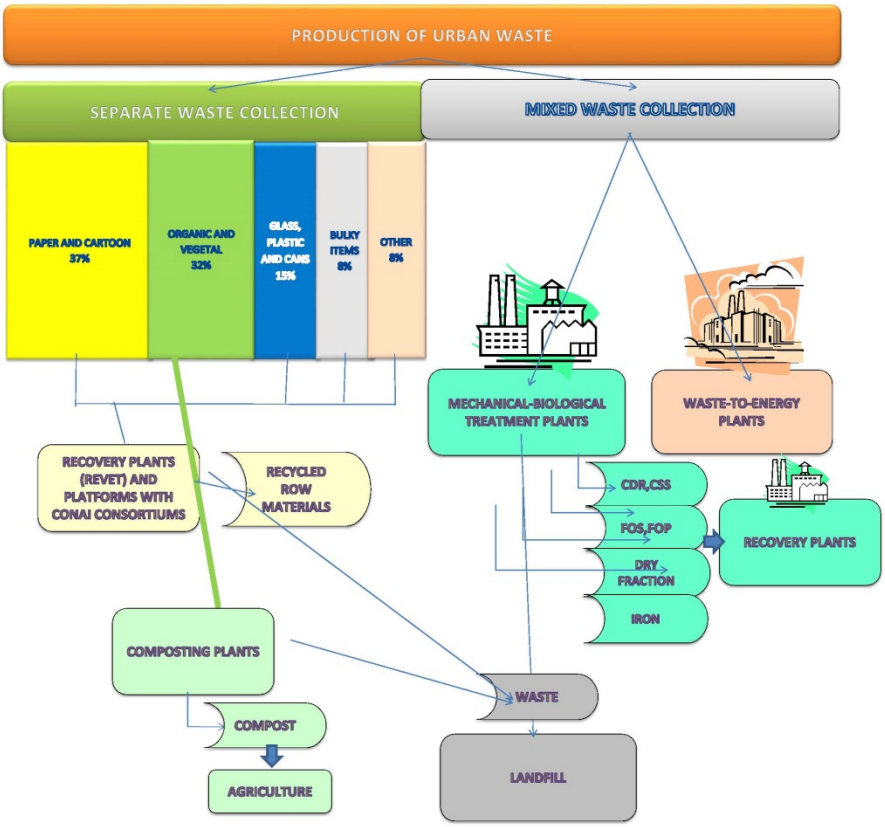
In particular, the services are delivered by Quadrifoglio on the basis of the Current Service Contracts entered into with each of the Municipalities as annually updated on the basis of the Financial Plans and Technical-Economical Planning Acts described above.

Quadrifoglio's core business consists in the collection and recycling and the management of urban waste disposal based on the relevant Service Contract.

[4] Source: Phyisis - West Systems S.r.l.

[5] Source: Phyisis - West Systems S.r.l.

The table below shows the integrated waste cycle as managed by Quadrifoglio, which also represents a summary of the Company's business model.



Quadrifoglio's business model is aligned to the integrated waste cycle where two components, being differentiated and undifferentiated collection, constitute the initial phase of the waste management process and determine two distinct streams: the first, concerning the differentiated collection, aimed at maximising the recovery of materials and minimising leftovers, which are today in any case destined to landfill; the second, concerning the undifferentiated collection, involves more mechanical and biological treatments or disposal with energy recovery through assignment to third party waste-to-energy plants (pending the completion of the Case Passerini incinerator through its subsidiary Q.tHermo s.r.l.).

In support of the core business of the collection and management of recycling and urban waste disposal, the Company carries out territorial hygiene services (manual and mixed sweeping, maintenance of public greens, market cleaning) and related services (e.g. weeding, land reclamation, environmental emergencies, cleaning rivers and streams, collecting dead animals, other services).

The services described above are all subject to the application of a tariff set and regulated by the Service Contract.

Other commercial services

In addition to the regulated services relating to the collection and disposal of waste, Quadrifoglio provides, within the limits of the provisions of the Current Service Contracts, commercial services or specific additional services, outside the scope of the urban hygiene tariff, available to public entities, private companies and individuals upon request in exchange for consideration, as result of an individual negotiation. These additional services are mainly addressed to corporate clients and may include, without limitation, collection and treatment of special or dangerous waste and leasing of equipment and systems for the differentiated waste collection.

Financing

Loan facilities

Quadrifoglio's term and credit facilities amount to a total of €17,511 thousand as at 31 December 2015, as detailed below. The following table shows Quadrifoglio's principal long-term lending facilities as at 31 December 2015.

Lender	**Maturity Date**	**Amount outstanding as at 31 December 2015**
		(in thousands of Euro)
Cassa di Risparmio di Firenze S.p.A.(*)	31 December 2020	10,000
Banca Nazionale del Lavoro S.p.A.	31 December 2021	620
Banca Monte dei Paschi di Siena S.p.A.	1 January 2026	776
Credito Emiliano S.p.A.	27 March 2017	1,600
Cassa di Risparmio di Firenze S.p.A.	30 June 2020	4,515
Total		17,511

(*) This loan has been guaranteed by an assignment of receivables by way of security granted by Quadrifoglio.

Debt securities

As at the date of this Prospectus, Quadrifoglio has not previously issued any debt securities.

Guarantees and security interests

As at 31 December 2015, Quadrifoglio has issued guarantees relating to environmental risks, as requested by the Municipalities, the Regione Toscana, the Metropolitan City of Florence and the Environmental Ministry for a total amount of €20,285 thousand.

Current Service Contracts

The following is a summary of the main provisions of the Current Service Contracts, through which Quadrifoglio carries out the integrated waste services.

- Purpose: each Current Service Contract describes the regulated services and the on-demand services to be performed by Quadrifoglio. The main regulated services relate to the management of all types of waste, in the various stages of conferral, collection, street sweeping, sorting, transportation and final treatment, including industrial transformations needed for regeneration and recovery. Such services are carefully identified on the basis of type, procedures and quantitative data, in the Technical-Economical Planning Act, approved on an annual basis by the Municipalities. Quadrifoglio undertakes to perform each regulated service in accordance with the timing and the procedures set out in the Technical-Economical Planning Act. In each case, the ratio between the planned services and the services actually provided may not be less than 95% for each type of service (waste collection, soil hygiene and ancillary services).

  In addition to the regulated services, Quadrifoglio may provide, at the request of each Municipality, the so-called "on-demand services", the cost of which is outside the scope of the urban hygiene tariff. The

modalities of performing such on-demand services, as well as timing, costs and remuneration, are set out in individual agreements, negotiated from time to time with the relevant Municipality.

- Variations of the services: where there is a public interest in doing so, Quadrifoglio may temporarily change the procedures for the provision and the type of service set out in the Technical-Economical Planning Act. The procedures and type of service may also be changed upon request by the relevant Municipality.

- Reporting duties: Quadrifoglio is required to communicate to each Municipality, within 30 days following the end of each reference period, *inter alia*: (i) the quantitative data in relation to the differentiated and undifferentiated collection; (ii) the quantitative data of waste disposed in its plants or in third-parties plants; and (iii) a summary of all complaints received for each service.

- Penalties: in the event of a breach of Quadrifoglio's obligations or undertakings under the relevant Current Service Contract, the relevant Municipality could require that Quadrifoglio pay a penalty.

- Contract to third parties: Quadrifoglio may engage third parties to carry out part of the services, providing the relevant Municipality, on a quarterly basis, with a list of the companies subcontracted in compliance with applicable laws.

- Withdrawal right: Quadrifoglio and the relevant Municipality have the right to withdraw the Current Service Contract giving a one year advance notice to the other party.

The Current Service Contracts also govern the determination of the tariff on the basis of the Financial Plan and the reference tariff for the subsequent financial period (the "**Reference Tariff**"), to be proposed by Quadrifoglio for the approval of the relevant Municipality. The tariffs are determined in accordance with the provisions of Italian Law 147/2013 (the so-called '*Legge di Stabilità 2014*') following its entry into force. In particular, the method for the calculation of the tariff collected by the Issuer is provided in Presidential Decree 158/1999 ('*metodo normalizzato*') on the basis of which it must be calculated the Reference Tariff to be applied by the competent local entities for the integrated waste management services. For further details in relation to the '*metodo normalizzato*', the mechanism of financial balance, see Annex I to Presidential Decree 158/1999, as described in detail in the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus.

Further to the finalisation of the Merger, the entering into by Alia of the Service Contract for the management of the integrated service of urban and similar waste will be required.

The Service Contract

As mentioned above and in accordance with the timetable described in paragraph "*The Merger process*" below, Alia will enter into the Service Contract. For further information on the relevant legal proceedings and, in particular, on those pertaining to the Tender, please see paragraph "*Legal Proceedings*" below. Until the date of entry into force of the Service Contract, Quadrifoglio (and, after the Merger, Alia) shall continue to carry out the services by virtue of the currently existing in-house providing mandates through the Current Service Contracts described above.

In light of the above, even though the Service Contract has not yet been entered into, a template of the Service Contract has been included in the Tender documentation.

The following is a summary of the main provisions of the template of the Service Contract:

- Purpose: pursuant to the Service Contract, the ATO awards Alia with the Concession for the integrated waste service management on an exclusive basis. The Service Contract governs (i) the regulated base services, (ii) the on-demand services to be performed by Alia, and (iii) the construction of certain facilities by Alia. In particular:

  (i) the main regulated base services relate to the management of all types of waste and other related activities. The regulated base services include, *inter alia*: (a) collection, transportation, street sweeping and supporting activities to home composting; (b) management of the relationship with users and communication; (c) analysis and reporting of data; (d) trading of waste and/or raw materials and/or secondary raw materials and/or sub-products deriving from

activities of collection, treatment, recovery and/or disposal of waste; (e) management of relevant existing plants; (f) transportation of waste between different plants; (g) management of existing and new collection centres; (h) management of new plants; and (i) management of sites and landfill facilities after their closure;

(ii) the so-called "on-demand services", i.e. services to be provided at the request of each Municipality, include, without limitation, (a) the removal of insects and rats, (b) cleaning of public toilets, and (c) weeding for waste collection purposes; and

(iii) the facilities to be realised by Alia are 33 (thirty-three) collection centres to be built in various municipalities.

Furthermore, Alia undertakes to achieve the objectives set out in the Service Contract and pertaining to (a) the ATO plan (*Piano di ambito*), (b) the technical specifications (*Capitolato Tecnico*), and (c) the offer made by the RTI. Such objectives concern, *inter alia*, the increase of a pre-determined percentage of the differentiated waste collection and the improvement of the performance of road sweeping services.

- Duration: the Service Contract is a twenty-year term agreement. After its expiry date, Alia shall continue to fully grant the services provided therein and to fulfil its obligations up to the date when the Concession of the integrated waste service is assigned to a new service provider. No compensation or consideration in addition to those provided in the Service Contract may be requested by Alia for the prorogation of the services.

- Withdrawal right: the ATO has the right to withdraw from the Service Contract, giving a one year's advance notice to Alia, in case of: (i) new applicable laws and regulations requiring new management models; (ii) significant changes in provincial or regional planning acts, technological innovations or other extraordinary or unexpected events that make the Service Contract not advantageous for the ATO; and (iii) serious reasons of public interest.

- Variations of the services and further services: where there is a public interest or following the entry into force of new laws or regulations, the ATO, and each municipality acting through the ATO, may request some changes in the procedures for the provision and type of services granted by Alia. Such changes shall be agreed between the ATO and Alia. Furthermore, the ATO may request that Alia provide further complementary services not provided under the Service Contract, where an unexpected circumstance occurs or there is a public interest in doing so or because of a measure adopted by any competent authority at national, regional or provincial level. The terms and conditions of such new services shall be agreed between the ATO and Alia.

- Reporting duties: Alia is required to communicate to the ATO, *inter alia*: (i) the quantitative data in relation to the differentiated and undifferentiated collection in each municipality; (ii) a summary of all complaints received for each service; and (iii) any other information that the ATO deems to be useful for the pursuit of its institutional purposes.

- Penalties and sanctions: in the event of a breach of Alia's obligations or undertakings under the relevant Service Contract, the ATO could require that Alia pay a penalty, without prejudice to the sanctions provided by applicable laws and regulations. In particular, the Service Contract provides for penalties in relation to: (a) failures in the performance of waste collection and road sweeping services (the highest single penalty applicable in this respect is equal to €20 thousand); (b) failures in the performance of waste treatment, recovery and disposal services (the highest single penalty applicable in this respect is equal to €10 thousand); (c) further failures in the performance of regulated base services (the highest single penalty applicable in this respect is equal to €20 thousand); (iii) failures in the transmission to the ATO of data concerning the costs of the services (the highest single penalty applicable in this respect is equal to €40 thousand); (iv) failures in the fulfilment of obligations under Article 32 (Accounting obligations of the provider) and Article 33 (Quality system and environmental certification) of the Service Contract (the highest single penalty applicable in this respect is equal to €10 thousand); and (v) failures in the transmission to the ATO of further information (the highest single penalty applicable in this respect is equal to €7 thousand).

Moreover, under the Service Contract, if Alia fails to achieve the overall differentiated waste collection objectives - that have been determined in percentage points - for reasons attributable to it, its consideration may be decreased for an amount equal to 0.5‰ per each missed percentage point. Finally, if Alia fails to achieve the differentiated waste collection objectives in a single Municipality to an extent higher than 5% for reasons attributable to it, the ATO is entitled to evaluate such failure and may reduce the consideration.

- Termination of the Service Contract: in case of breach of those contractual obligations expressly indicated as early termination events, the Service Contract shall be terminated by operation of law. The Service Contract expressly indicates which violations constitute early termination events. They include, *inter alia*: (i) the failure by Alia to achieve the differentiated waste collection objectives in relation to the ATO or in relation to a single municipality, as described above under item "*Penalties and sanctions*"; (ii) the failure by Alia to complete the timely realisation of plants for the recovery and disposal of waste provided under the Concession due to reasons attributable to Alia; (iii) the expiry of a 15-day period (or a shorter one in case of risks to public health and the environment) indicated in the notice to perform pursuant to article 1454 of the Italian Civil Code without Alia having performed the relevant obligation; and (iv) unjustified interruption of the services for a period longer than three days due to reasons attributable to Alia.

- Liabilities and insurance guarantees: Alia shall be responsible for any damage caused during the provision of services with total exemption of the ATO for any liability. In this regard, Alia shall enter into adequate insurance policies in respect of third-party liabilities and liabilities *vis-à-vis* its employees.

- Assets and equipment: Alia will use, for the duration of the Service Contract and in accordance with applicable laws and regulations, all the assets and equipment provided under the Service Contract (both transferred by the precedent providers and made available by local authorities) in order to provide the services.

- Contract to third parties: Alia may engage third parties to carry out part of the services in compliance with applicable laws and regulations, providing the ATO, on a yearly basis, with a list of the companies subcontracted.

- Monitoring and controlling activities: the ATO shall carry out monitoring and controlling activities on Alia, including, *inter alia*, monitoring and controlling activities on the exact application of tariffs, on the achievement of the objectives and on the realisation of planned investments. Such activities may be performed by the ATO at any time through (i) data and reports on the services provided by Alia; (ii) visits to Alia's premises and inspections in the relevant territory; and (iv) analysis and surveys on the services and on the level of users' satisfaction.

- Tariffs and rebalance mechanism: the Service Contract also governs the determination of the tariff on the basis of the economic-financial plan and the reference tariff for each financial period (the "**Reference Tariff**"), to be proposed on yearly basis by Alia for the approval of the ATO. The tariffs are determined in accordance with the provisions of Italian Law 147/2013 (the so-called '*Legge di Stabilità 2014*'). In particular, the method for the calculation of the tariff collected by the Issuer is provided in Presidential Decree 158/1999 ('*metodo normalizzato*') on the basis of which the Reference Tariff to be applied by the competent local entities for the integrated waste management services must be calculated. For further details in relation to the '*metodo normalizzato*' and the mechanism of financial balance, see Annex I to Presidential Decree 158/1999, as described in detail in the section "*Regulatory Framework on the Integrated Waste Management*" of this Prospectus.

  The Reference Tariffs relating to the first four years of the concession period have already been determined in the offer made by the RTI in the context of the Tender. As a consequence, any additional cost not covered by the Reference Tariff may not be recovered through application of the above-mentioned "*metodo normalizzato*".

  As far as the following years are concerned, the Service Contract provides that the consideration to be paid to Alia for the regulated base services and the on-demand services in relation to a reference year (n) is approved by the ATO by 31 December of the previous year (n-1). Such consideration shall be

updated according the above-mentioned "*metodo normalizzato*" and taking into account: (i) the investments planned for year n, and (ii) the recovery of productivity (*recupero di produttività*) for year n.

Furthermore, for both the first four years and the following years of the concession period, the consideration for the regulated base services indicated in the economic-financial plan will take into account: (a) the relevant rate of inflation, (b) the *Rendistato* rate (i.e. the yield on government bonds), (c) the investments realised during year n-1, and (iv) any rebalance of the economic and financial balance in relation to year n (as described below).

In particular, the Service Contract provides for a rebalancing system aimed at ensuring the economic and financial balance when certain imbalances between the Reference Tariff and the costs relating to the services occur.

The rebalance shall be realised, without prejudice to applicable laws and regulations, through changes in relation to, (i) the tariffs, (ii) the quality of services, (iii) the duration of the Concession, and (iv) the planned investments.

The Service Contract provides for an exhaustive list of circumstances that may trigger the rebalance mechanism. Such list includes, *inter alia*: (i) exceptionally unfavourable market conditions, (ii) changes of applicable laws and regulations, (iii) changes in the procedures for the provision and the type of services granted, and (iv) discrepancies higher than 3% between the quality and quantity of collected and treated waste against what is estimated in the ATO management model (*modello gestionale ATO)*. It must be pointed out that there could be certain imbalances that do not allow Alia to recover higher costs borne through such rebalancing mechanism, such as imbalances caused by (a) circumstances other than those included in the abovementioned list, (b) costs due to Alia's management inefficiency, or (c) discrepancies of less than 3% between the quality and quantity of collected and treated waste against what is estimated in the ATO management model (*modello gestionale ATO)*. For information on relevant risks, see section "*Risk Factors - Risk of deviation from estimates in the determination of tariffs*".

Description of Services Provided in the 12 Municipalities

The following services are performed in accordance with the existing Current Service Contracts in place between Quadrifoglio and each of the Municipalities. Such Current Service Contracts are annually updated on the basis of the Financial Plan and Technical-Economical Planning Act. Following the entry into force of the Service Contract, the services to be performed by Alia shall be governed by such new contract.

Municipality of Florence

Waste collection within the Municipality of Florence takes place in a diversified manner in the various areas of the city and involves:

- Road bins with different colour lids for the various types of waste;
- Street bins with volume control;
- Door-to-door collection of bags in some city areas;
- Collection with road bins; and
- Collection with underground containers.

Municipalities of Campi Bisenzio, Sesto Fiorentino, Calenzano, Bagno A Ripoli, Fiesole, Greve in Chianti, Impruneta, San Casciano Val Di Pesa, Scandicci and Tavarnelle Val Di Pesa

The collection of waste in the above-mentioned Municipalities takes place in a diversified manner and involves:

- Road bins with different colour lids for the various types of waste;

- Door-to-door collection of bags in some city areas;
- Collection with road bins;
- Street bins with volume control; and
- Collection with underground containers.

Quadrifoglio also carries out the collection of bulky objects as well as other ancillary services at the request of the Municipalities, in accordance with the provisions of the relevant Current Service Contract, such as:

- Weeding of roadsides;
- Cleaning and maintenance of urban greens;
- Collection of dead animals;
- Rat extermination and disinfestation in public areas; and
- Disinfections and road cleaning in targeted areas.

Street cleaning

The modalities and frequency of the street cleaning services are defined by the relevant Current Service Contract, entered into with the adhering Municipalities.

Markets

Quadrifoglio is directly involved in the collection of waste and the cleaning and washing of areas where markets are located.

Containers washing

As determined by the relevant Current Service Contract with the Municipalities, Quadrifoglio guarantees a number of shifts dedicated to the periodic cleaning of waste containers.

Waste treatment plants

Waste treatment activities take place in plants managed by Quadrifoglio with the help of additional installations.

Quadrifoglio's operating plants are located in two distinct sites:

- Case Passerini; and
- San Donnino.

The book value of the plant located in Case Passerini as at 31 December 2014 is equal to €21,537 thousand and as at 31 December 2015 is equal to €20,285 thousand and the book value of the plant located in San Donnino as at 31 December 2014 is equal to €4,402 thousand and as at 31 December 2015 is equal to €4,205 thousand.

In addition, there are plants and non-operating sites where Quadrifoglio performs monitoring and control activities for the purposes of environmental protection.

The centre of Case Passerini, in the Municipalities of Sesto Fiorentino and Campi Bisenzio, includes a selection and composting plant (ISC), a controlled landfill, biogas production facilities of electric and thermal energy, photovoltaic and wastewater pre-treatment (leachate produced by the landfill and wastewater collected in the adjacent selection and composting plant).

The centre of San Donnino, in the Municipality of Florence, located in the former incinerator area, includes warehousing, transfer, grouping and selection activities of different types of waste, the selection and pressing of paper and paperboard plant, the sewage treatment plant of wastewater (IDA), in addition to the eco-station.

The tariff / tax management activity

Quadrifoglio manages the entire billing cycle in the environmental health sector for the 12 Municipalities. This activity is currently performed under the Current Service Contracts and will also be managed under the Service Contract once it enters into force. In recent years, the Company has gradually structured the tariff and the tax management activity, which it believes to be strategic for the sensitivity of the relationships with users and the direct impact of levying ability on the financial balance of the company. Therefore, a professional and technological adaptation of the operational structures devoted to processing, billing and collection as well as to relationship with users has been implemented. Thanks to its internal know-how, since 2003, Quadrifoglio has managed the above-mentioned activities for 18 Municipalities in the Province of Florence, including some served by A.E.R. S.p.A. and CIS for a total of more than 410,000 users.

Quadrifoglio Investments

Capital Expenditure

- Investments for the financial year ended 31 December 2015, totalling approximately €6.3 million, mainly concerned: vehicles and a variety of workshop equipment for €1.9 million; bins, baskets and traditional bell containers for €2 million, as well as investments on UWC collection systems for €0.1 million; the implementation and finalisation of new operational service centres for €1.2 million; interventions on treatment facilities for €1.0 million and investments relating to information systems for €0.1 million.

- Investments for the financial year ended 31 December 2014, totalling approximately €7.3 million, mainly concerned: vehicles and various workshop equipment for €2.6 million; bins, baskets and traditional bell containers for €2 million; the implementation and finalisation of new operational service centres for €0.4 million; interventions on treatment facilities for €0.6 million; investments relating to information systems for €0.7 million, investments on UWC collection systems for €0.7 million, as well as €0.3 million for assistance in the tender procedure for the award of the twenty year Concession launched by the ATO.

Investment volumes in the two-year period 2015/16 have levelled at reduced values compared to forecasts and the company's financial capacity, mainly as a consequence of the uncertainties on the outcomes of the Tender for the awarding of the twenty-year Concession.

The table below sets forth Quadrifoglio's capital expenditure (excluding financial investments) for the year ended 31 December 2015 in each case compared to the corresponding periods in the previous year.

€/Millions	**Actual 2014**	**Actual 2015**	**Actual 2015 vs Actual 2014**	
Vehicles and sundry equipment	2,6	1,9	(0,7)	(26,6)
Containers, baskets and traditional recycling containers	2,0	2,0	0,1	3,6
Treatment plants	0,6	1,0	0,3	50,1
Operational facilities	0,4	1,2	0,8	176,5
Underground waste collecting systems	0,7	0,1	(0,6)	(88,7)
Information, communication technology	0,7	0,1	(0,6)	(89,3)
Others	0,3	0,0	(0,3)	(93,2)
Total capex	**7,3**	**6,3**	**(1,1)**	**(14,5)**

Investments in connection with the Service Contract

Furthermore, as described in paragraph "*The Service Contract*" above, the RTI, in order to achieve the objectives set out in the Service Contract pertaining to the ATO plan (*Piano di ambito*), the technical specifications (*Capitolato Tecnico*), and the offer, planned certain investments to be realised in the first four years of the concession perios in relation to the following items: (i) the purchase of motorised vehicles; (ii) the purchase of containers and equipment; and (iii) the construction and revamping of treatment plants. For

information on relevant risks, see section "*Risk Factors – Quadrifoglio is dependent on concessions from local authorities for its regulated activities*".

Research and development

During the financial years ended 31 December 2014 and 2015, the Company did not carry out any research and development activity.

Employees

As at 31 December 2015, Quadrifoglio had 1,021 employees. The table below sets forth the number of its employees as at 31 December 2015:

Employees	**As at 31 December 2015**
Managers	6
Middle managers	12
White-collar staff	228
Blue-collar staff	775
Total	**1,021**

Quadrifoglio continuously manages relations with trade unions. Meetings and negotiations take place regularly and when necessary on social, security, economic and environmental issues. The year 2014 gave rise to a new phase of industrial trade union relations, as a result of the establishment of R.S.U. (Unitary Trade Union Representation) as the collective representative body of all employees. The presence of the R.S.U. allows for a faster, more effective dialogue between the Company and employees on various issues. The trade union, which includes members of all national trade associations and unions, is historically present and rooted in the Company and, in spite of decelerating representation levels (+ 2% compared to 2014), the percentage of employee enrolment levels is currently equal to approximately 63%. Pursuant to Italian law, employees in Italy are ensured stability of employment and their employment can only be terminated for just cause and for certain statutory reasons. Upon termination of their employment, employees are entitled to severance pay based on their annual salary, length of employment and inflation.

Regulatory Framework

The majority of Quadrifoglio's operations fall within heavily regulated sectors. The legislative and regulatory environment within which Quadrifoglio operates is summarised in the section "*Regulatory Framework on the Integrated Waste Management*" below.

Legal Proceedings

The provision for liabilities - equal to €834,777 as at 31 December 2015 - refers to the sum set aside on the on-going litigation proceedings in which the Company is involved, the most relevant of which are the following:

- the dispute with the Italian social security and welfare authority (*Istituto Nazionale della Previdenza Sociale* or **INPS**) for contribution irregularities (INCA dispute) and concerning a claim of €695,000 for Quadrifoglio's secondary liability (*responsabilità sussidiaria*) in its quality of contracting entity;
- furthermore there are several other disputes for which there are no provisions in terms of liabilities, as shown in the table below:

Dispute	**N.**	**Amount (€/1,000)**
Work	4	165
Civil	2	180
TIA	65	1.528
Total	**71**	**1.873**

The portion of the said fund that proved to be in excess has given rise to a windfall.

Furthermore, there are two different litigation proceedings both pending before the regional court (*TAR*) of Tuscany concerning the award of the Service Contract. These proceedings include two different claims: (i) the first one filed by a temporary group of companies formed by Cooperativa Lavoratori Ausiliari del Traffico L.A.T. Soc. Coop., Servizi ecologici integrati Toscana S.r.l., Siena Ambiente S.p.A. and CFT Società Cooperativa (the "**Claimant**"); and (ii) the second one filed by the companies participating in the RTI.

The claim brought by the Claimant is against the ATO's decision to exclude the Claimant from the Tender due to the inadmissibility of the technical offer. Furthermore the Claimant also challenged, filing additional grounds, the final award in favour of the RTI which occurred in the meantime.

The claim brought by the RTI is against the decision of the ATO to exclude the RTI from the award of the Tender based on an alleged tax irregularity of one of the companies participating in the RTI (i.e. CIS). Such exclusion was subsequently annulled by the ATO by using its self-redress powers, as it was deemed groundless. As a consequence of such annulment, the Tender was definitively awarded to the RTI. On this ground, the RTI notified a claim waiver.

The final judgment in relation to the claim brought by the Claimant may lead to the following scenarios:

(i) the RTI is not excluded from the Tender and the Claimant is not re-admitted. In such case, the Tender shall remain awarded to the RTI;

(ii) both the RTI and the Claimant are excluded from the Tender. In such case, the Tender would not have participants and, thus, the ATO should issue a call for a new tender;

(iii) the RTI is not excluded from the Tender and the Claimant is re-admitted. In such case, the ATO should reopen the Tender which could then be awarded to the Claimant if its offer is preferred by the ATO to that of the RTI; and

(iv) the RTI is excluded from the Tender and the Claimant is re-admitted. In such case, the ATO should reopen the Tender which could then be awarded to the Claimant.

It must be pointed out that, in the scenarios under items from (ii) to (iv) above, until the Tender or a new tender is awarded to the Claimant or to a new tenderer, Quadrifoglio would continue to provide its services by virtue of the existing Current Service Contracts. Furthermore in this case, pursuant to the Invitation Letter, Quadrifoglio should transfer to the successful tenderer the facilities, plants and other assets required for the provision of the services, and the Claimant or a new tenderer should pay to Quadrifoglio an amount equal to the residual book value of such assets resulting at the date of the transfer. For more information on the book value of the assets, see the section "*Selected Financial Information*" of this Prospectus.

The case was heard on 22 February 2017 before the regional court (*TAR*) of Tuscany and, as at the date of this Prospectus, the outcome of the hearing is still pending.

The Company expects that the following elements may be taken into due account by the competent court in favour of Quadrifoglio: the decision by the regional court (*TAR*) of Tuscany to reject the Claimant's request for precautionary relief, the withdrawal of the tax claim by the Revenue Agency (*Agenzia delle Entrate*) of Pistoia by using its self-redress powers dated 26 May 2016 and the favourable opinion of the Italian Anti-Corruption National Authority (*ANAC*) dated 2 September 2016. For information on risks of legal proceedings, see section "*Risk Factors - Quadrifoglio is defendant in a number of legal proceedings and may from time to time be subject to inspections by tax and other authorities*".

In relation to the litigation described above, Quadrifoglio has made no provision in its balance sheet.

Corporate Governance

Quadrifoglio has opted for a traditional system of corporate governance, which involves the presence of shareholders' meeting, board of directors and board of statutory auditors.

As at the date of this Prospectus, the by-laws entrust the management of the Company to a collegial body composed of five members in accordance with applicable laws and regulations - appointed by the shareholders' meeting by a voting list system (collectively the "**Board of Directors**", each a "**Director**"). All the members are appointed for three financial years and may be reappointed.

The Board of Directors has the widest possible powers in order to perform the ordinary and extraordinary management of the Company. It is authorised to carry out all the acts it deems necessary or appropriate to achieve Quadrifoglio's corporate purpose, with the sole exception of those powers expressly reserved to the shareholders' meeting under applicable law or Quadrifoglio's by-laws.

Pursuant to the Company's by-laws, the board of statutory auditors is composed of five members, three regular auditors and two substitutes, who must meet the requirements provided for by applicable law and the by-laws (collectively the "**Board of Statutory Auditors**", each a "**Statutory Auditor**"). All members of the Board of Statutory Auditors are appointed by the shareholders' meeting by way of a voting list system for three financial years. The substitute auditors will replace any regular auditor who resigns or is otherwise unable to serve as statutory auditor in accordance with applicable law and Quadrifoglio's by-laws.

The Board of Statutory Auditors is the body that supervises the Company's correct administration, assessing the adequacy of the organisation, administration and accounting structures adopted by the Board of Directors, and performs the audit of the financial statements according to article 2409-*bis* and following of the Italian Civil Code.

Management

Board of Directors

The shareholders' meeting held on 8 May 2015 appointed the Board of Directors for a period of three financial years. Unless a cause of early termination of their office occurs, all the members will remain in office until the date of the shareholders' meeting called to approve Quadrifoglio's financial statements for the year ending 31 December 2017.

The following table sets out the current members of Quadrifoglio's Board of Directors and their respective positions within the Company as at the date of this Prospectus.

Name	**Position**
Giorgio Moretti	Chairman
Alessandro Baldi	Director
Claudia Bonacchi	Director
Marcello Cecchetti	Director
Dover Scalera	Director

The business address of the members of the Board of Directors is the Company's registered office at Via Baccio da Montelupo no. 52, 50142, Florence, Italy.

Other offices held by members of the Board of Directors

The table below sets forth the offices of the boards of directors, boards of statutory auditors, supervisory committees or other positions other than those within Quadrifoglio held by the members of its Board of Directors.

Name	**Main positions held outside Quadrifoglio**
Giorgio Moretti	Chairman and Chief Executive Officer of Dedalus S.p.A. Chairman of En-eco S.p.A. Chairman of Q-tHermo s.r.l. Chairman of the Fondazione "Angeli del Bello"
Alessandro Baldi	Board member of the National Volunteer Centre Chairman of Pro Loco Sesto Fiorentino
Claudia Bonacchi	Head of Legal Services of the City of Scandicci
Marcello Cecchetti	Ordinary Professor at the University of Sassari Deputy Chief Vicar of the Legislative Office at the Ministry for Environment, Protection of Land and Sea Member of the Executive Committee of the online magazine "*federalismi.it*"

	Member of the Scientific Committee of the magazine "*Review of European public law*"
Dover Scalera	Member of the Executive Committee of Utilitalia Association of energy and environmental water companies Director of Administration of Previambiente

Board of Statutory Auditors

The shareholders' meeting held on 8 May 2015 appointed the Board of Statutory Auditors for a period of three financial years and it will remain in office until the date of the shareholders' meeting called to approve Quadrifoglio's financial statements for the year ending 31 December 2017.

The following table sets out the current members of Quadrifoglio's Board of Statutory Auditors.

Name	**Position**
Giuliana Partilora	Chairman
Eros Ceccherini	Standing Auditor
Lorenzo Parrini	Standing Auditor
Stefano Guidantoni	Substitute Auditor

The business address of the members of the Board of Statutory Auditors is the Company's registered office at Via Baccio da Montelupo no. 52, 50142, Florence, Italy.

Other offices held by members of the Board of Statutory Auditors

The table below sets forth the offices of the boards of directors, boards of statutory auditors, supervisory committees or other positions other than those within Quadrifoglio held by the members of its Board of Statutory Auditors.

Name	**Main positions held outside Quadrifoglio**
Giuliana Partilora	Member of the Board of Statutory Auditors of Firenze Parcheggi S.p.A. Member of the Board of Statutory Auditors of Ceccherini e C. S.p.A.
Eros Ceccherini	Chairman of the Board of Internal Auditors of Azienda Pubblica di Servizi alla Persona "Centro Residenziale Lodovico Martelli" Chairman of the Board of Internal Auditors of Società della Salute del Pistoiese Chairman of the Board of Internal Auditors of Municipality of Siena Member of the Supervisory Body of Qualità & Servizi S.p.A. Member of the Supervisory Body of Banca del Valdarno BCC
Lorenzo Parrini	Chairman of the Board of Statutory Auditors of Firenze Parcheggi S.p.A. Member of the Board of Statutory Auditors of Frigel Firenze S.p.A. Member of the Board of Statutory Auditors of Tuvia Group S.p.A. Member of the Board of Statutory Auditors of SAGA Italia S.p.A. Member of the Board of Statutory Auditors of Tyre Team S.p.A. Member of the Board of Statutory Auditors of S.A.O.L. S.p.A.

	Member of the Board of Statutory Auditors of Tessibel S.r.l. Member of the Board of Statutory Auditors of Fiodo S.r.l.
Stefano Guidantoni	Member of the Board of Statutory Auditors of TT Tecnosistemi S.p.A. Member of the Board of Statutory Auditors of Gensini S.r.l. Member of the Board of Statutory Auditors of Fondazione Icon Member of the Board of Statutory Auditors of Caaf Lega Cooperative Member of the Supervisory Body of Sodi Mari S.r.l. Member of the Supervisory Body of Sodi Strade S.r.l. Member of the Supervisory Body of Spitek S.r.l.

Conflicts of Interest

The members of the Board of Directors, Board of Statutory Auditors and management of the Company do not have any conflict of interest, nor are they aware of any potential conflicts of interest, between their duties to Quadrifoglio and the private interests or other duties of such persons. No member of Quadrifoglio's Board of Directors, Board of Statutory Auditors or management has or has had any interest in any transactions that are or were unusual in their nature or conditions and were significant to Quadrifoglio's business.

Quadrifoglio has not granted any loans or guarantees to or for the benefit of any member of its Board of Directors, Board of Statutory Auditors or senior management.

Shareholders

Quadrifoglio S.p.A.'s share capital as at 31 December 2015 amounts to €61,089,246, fully paid up. The shares, with a nominal value of €1, are held by the Municipalities currently served and namely, Bagno a Ripoli, Calenzano, Campi Bisenzio, Fiesole, Firenze, Greve in Chianti, Impruneta, San Casciano Val di Pesa, Scandicci, Sesto Fiorentino, Signa, and Tavarnelle Val di Pesa. In addition to the aforementioned local entities, shares are also held by Consiag S.p.A.

The current by-laws of the Company provide that at least 51% of the Company's share capital must be held by public authorities, and any breach of such provision would lead to the dissolution of the Company.

The following table sets forth all shareholders of Quadrifoglio as at the date of this Prospectus, based on Quadrifoglio's financial reports and publicly available information.

Shareholder	**% of share capital**
Municipality di Florence	82.28%
Municipality of Bagno a Ripoli	1.20%
Municipality of Calenzano	0.59%
Municipality of Campi Bisenzio	2.33%
Municipality of Fiesole	0.70%
Municipality of Grevi in Chianti	0.67%
Municipality of Impruneta	1.04%
Municipality of San Casciano Val di Pesa	1.07%
Municipality of Scandicci	2.12%
Municipality of Sesto Fiorentino	2.77%
Municipality of Signa	0.13%
Municipality of Tavarnelle Val di Pesa	0.52%
Consiag S.p.A.	4.57%

Independent auditors

The Company's current independent auditors are Ria Grant Thornton S.p.A., with registered office at Corso Vercelli, 20145 Milan, Italy ("**Ria Grant Thornton**" or the "**Auditors**").

Ria Grant Thornton is registered under no. 49 in the Special Register (*Albo Speciale*) held by the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa* or "**CONSOB**") and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The Auditors were appointed on 15 June 2015 for the purposes of auditing the annual financial statement for the financial year ended 31 December 2015.

The Auditors also audited the consolidated annual financial statements of Quadrifoglio for the financial years ended 31 December 2014 and 31 December 2013.

The auditors of the Issuer with effect from the Issue Date are PricewaterhouseCoopers S.p.A., with registered office at Via Monte Rosa 91, 20149 Milan, Italy, who are registered under No. 119644 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., is also a member of ASSIREVI (the Italian association of audit firms).

Description of the Merger

The Merger process

On 20 October 2016 the board of directors of Quadrifoglio, Publiambiente, ASM and CIS approved the merger plan providing the Merger by incorporation between Quadrifoglio Publiambiente, ASM and CIS to create Alia according to article 2501-*ter* and following of the Italian Civil Code. On 23 December 2016, extraordinary shareholders' meetings of Quadrifoglio, Publiambiente, ASM and CSI approved the Merger pursuant to Article 2502 of the Italian Civil Code.

Following the expiration of the 60-day creditors' opposition period starting from the last registration with the relevant companies' registers of extraordinary shareholders' meetings resolutions (such expiration occurred on 22 February 2017), on 24 February 2017 Quadrifoglio, Publiambiente, ASM and CSI have entered into a deed of merger, registered with the relevant companies' registers in accordance with Italian law. As specified in the deed of merger, the Merger will be effective on 13 March 2017.

The Merger will be carried out through a capital increase of €24,287,606 and the assignment of newly issued shares in Alia to the shareholders of ASM, CSM and Publiambiente.

In this regard, the deed of merger has been executed on 24 February 2017 and the Merger will be effective on 13 March 2017, however, for tax and accounting purposes only, the effects of the Merger will be backdated to 1 January 2017. As a result of the Merger, all the assets and liabilities (including any indebtedness) of ASM, CIS and Publiambiente will be assumed by the Issuer.

Following the Merger, Alia will enter into the Service Contract for the management of the integrated service of urban and similar waste. The execution or the future validity of the Service Contract shall be subject to the positive outcome of the legal proceedings described in the paragraph "*Legal Proceedings*" above.

The Merger is being carried out in connection with the Tender and the award of the Concession. In particular, the Merger is intended to create a single entity as holder of the Concession, in compliance with the Determination of the Director General of the ATO no. 7 of 29 November 2012. For additional information on the rationale of the Merger, see "*– History and Development of Quadrifoglio*" and "*– Strategy*".

Alia's shareholders

Alia's share capital as of the effectiveness of the Merger is expected to amount to €85,376,852, fully paid up. The shares, with a nominal value of €1, will be held by the current shareholders of ASM, CSM, Publiambiente and the Issuer.

The following table sets forth all expected shareholders of Alia following the Merger, based on publicly available information:

Shareholders	**Ownership structure post-Merger** *(in €)*	**% of post-Merger shareholding**
Municipality of Florence	50,263,867	58.8729
Municipality of Prato	13,700,601	16.0472
Publiservizi Spa	9,463,106	11.0839
Consiag	2,791,915	3.2701
Sesto Fiorentino	1,693,672	1.9838
Campi Bisenzio	1,420,876	1.6642
Scandicci	1,297,064	1.5192
CIS Srl	1,096,500	1.2843
Bagno a Ripoli	731,293	0.8565
San Casciano	655,953	0.7683
Impruneta	633,798	0.7424
Fiesole	428,591	0.5020
Greve in Chianti	411,544	0.4820
Calenzano	363,275	0.4255
Tavarnelle di Val Pesa	319,964	0.3748
Signa	77,434	0.0907
Montemurlo	10,104	0.0118
Carmignano	5,491	0.0064
Vaiano	4,172	0.0049
Poggio a Caiano	3,789	0.0044
Vernio	2,032	0.0024
Cantagallo	1,811	0.0021
Total	**85,376,852**	**100.0000**

Corporate governance of Alia post Merger

Pursuant to the draft of Alia's by-laws and the understandings between the parties to the Merger, as at the date of this Prospectus the by-laws entrust the management of the Company to a collegial body composed of five members (collectively "**Alia's Board of Directors**", each an "**Alia's Director**"), two of whom (including the Chief Executive Officer) shall be appointed by the former Quadrifoglio's shareholders, one of whom shall be appointed by the former Publiambiente's shareholders, one of whom shall be appointed by the former ASM's shareholders and one of whom shall be an independent director. All of Alia's Directors will be appointed for three financial years and may be reappointed.

Alia's Board of Directors will have the widest possible powers in order to perform the ordinary and extraordinary management of the company. It will be authorised to carry out all the acts, with the sole exception of those powers expressly reserved to the shareholders' meeting under applicable law or Alia's by-laws.

Furthermore, pursuant to the draft of Alia's by-laws and the understandings between the parties to the Merger as at the date of this Prospectus, the board of statutory auditors will be composed of five members, three regular auditors and two substitutes, who must meet the requirements provided for by applicable law and the by-laws (collectively "**Alia's Board of Statutory Auditors**", each an "**Alia's Statutory Auditor**"). All members of the Alia's Board of Statutory Auditors are appointed by the shareholders. In particular the former Quadrifoglio's shareholders shall appoint one regular Alia's Statutory Auditor, who shall have the function of Chairman of Alia's Board of Statutory Auditors; the former Publiambiente's shareholders shall appoint one regular Alia's Statutory Auditor; the former ASM's shareholders shall appoint one regular Alia's Statutory Auditor; the former CIS's shareholders shall appoint one substitute Alia's Statutory Auditor; and the former Publiambiente and ASM's shareholders shall appoint one substitute Alia's Statutory Auditor on an alternative basis. The substitute auditors will replace any regular auditor who resigns or is otherwise unable to serve as statutory auditor in accordance with applicable law and Alia's by-laws.

Alia's Board of Statutory Auditors will be the body that supervises on the compliance with applicable laws and the by-laws, in accordance with principles of good administration, and on the adequacy of the organisation, administration and accounting structure adopted by Alia and its functioning in compliance with the applicable provisions of the Italian Civil Code.

The draft version of Alia's by-laws provides a mechanism to settle situations of deadlock on certain decisions to be adopted by the Shareholders' Meeting. In particular, such mechanism shall be triggered when certain important matters are involved, such as the adoption of the strategic plan, the adoption of guidelines for the provision of services and the authorisation for certain investments. If, after two consecutive calls, the Shareholders' Meeting does not approve the relevant resolutions, the shareholders, for a period not longer than 30 days, shall meet and make their best effort to resolve the disagreement causing the deadlock on decisions by adopting reasonable measures aimed at ensuring the company's interests. If the relevant resolutions have not been adopted after such period, the deadlock on decisions shall be deemed to be irreconcilable (*insanabile stato decisionale*) and such circumstance shall constitute a valid reason for withdrawal.

As at the date of this Prospectus, it cannot be excluded that the above mentioned provisions concerning Alia's corporate governance may be partially or totally modified once Alia is established.

Recent Developments

On 21 January 2016, the Board of Directors approved the updated Annual Plan for the Prevention of Corruption and the Transparency Plan.

On 8 July 2016, the Concession of the service of urban waste under the Tender was awarded to the RTI of which Quadrifoglio is the representative on a definitive basis, by virtue of Determination of the ATO no. 67, adopted on 8 July 2016.

On 28 July 2016, Quadrifoglio, Publiambiente, ASM and CIS, subsequent to the definitive awarding of the Tender, formally established the RTI.

On 20 October 2016, the Board of Directors of Quadrifoglio, Publiambiente, ASM and CIS approved the "Merger Plan" providing the merger by incorporation between Quadrifoglio Publiambiente, ASM and CIS to create Alia according to article 2501-*ter* and following of the Italian Civil Code.

On 8 November 2016, the Regional Administrative Court of Tuscany published judgment no. 1602 whereby it has cancelled the licence of the Metropolitan City of Florence no. 4688 for merely procedural reasons (lack of urban agreement with the Municipal Administrations and failed realisation by the public entities of the mitigation works provided for on their side). Q.tHermo S.r.l. appealed the judgment in front of the Council of State seeking the stay of the enforceability of the judgment.

On 19 December 2016 the Issuer was temporarily awarded the auction Real Estate in relation to Bankruptcy case no. 288/2014 of the Florence Court, concerning an industrial structure located in Florence at via Castelnuovo 20, Ferrale, together with the adjacent surrounding land, with a total surface area of approximately 31,710 square metres, for a purchase price of €9,900,000. The award will become final when the Issuer will be notified of the acceptance of the offer in accordance with the relevant procedures. The transfer of the property will only take place following the perfection of the requirements under the by the Royal Decree No. 267 of 16 March 1942, as amended and further to the transfer of the purchase price to the liquidator within a maximum period of 120 days starting from the final award.

On 23 December 2016, extraordinary shareholders' meetings of Quadrifoglio, Publiambiente, ASM and CSI approved the Merger pursuant to Article 2502 of the Italian Civil Code. Following the expiration of the 60-day creditors' opposition period, on 24 February 2017 Quadrifoglio, Publiambiente, ASM and CSI have entered into a deed of merger, registered with the relevant companies' registers. As specified in the deed of merger, the Merger will be effective on 13 March 2017. See also "– *Description of the Merger*" above.

REGULATORY FRAMEWORK ON THE INTEGRATED WASTE MANAGEMENT SERVICE

National and regional framework applicable to the integrated waste management service

The integrated waste management service is an economic local public service consisting of several different activities carried out by a sole operator to optimise the management of waste, including collection, transport, recycling of urban waste, and may also include disposal activity and streets cleaning.

The rules applicable to Quadrifoglio governing this sector are mainly provided under Articles 199-207 of Legislative Decree No. 152/2006 (the "**Environmental Code**") and by Regional Laws of Tuscany Nos. 25/1998, 61/2007 and 69/2011.

The organisation of the integrated waste management service relies on a clear distinction in the division of the tasks among the various governing bodies. The State and the Regions carry out general planning activities. The municipalities exercise their competences concerning the waste management on a collective basis though the establishment of supra-municipal organization which supervise organise and control the integrated waste management service.

To create the supra-municipal organisations, pursuant to Article 199 of the Environmental Code, each Region prepares and defines a regional plan for the waste management, which includes inter alia the delimitation of the regional territory into optimal territorial areas ("**ATOs**" – (*ambiti territoriali ottimali*)), as well as any measure to improve the environmental effectiveness of the operations of waste management and achieve the objectives provided under the Environmental Code[6].

1.1 Set up of the ATOs and relevant powers

Pursuant to Article 200 of the Environmental Code, the integrated waste management service is organised on the basis of the subdivision of the regional territory into ATOs delimited by the mentioned regional plans, with the aim to overcome the waste management fragmentation and reach a more adequate territorial dimension to manage the waste based on physical, demographic and technical requirements and political and administrative divisions.

Each ATO is governed by local waste authorities, which are supra-municipal bodies to which the municipalities shall transfer their competences on the organisation of the integrated waste management service.

In this respect, as provided under Article 30 of Regional Law No. 69/2011, the Tuscany Region has established three different ATOs starting from 1 January 2012: "ATO Toscana Centro", "ATO Toscana Costa" and "ATO Toscana Sud". Quadrifoglio operates within the area of the "ATO Toscana Centro" which represents the municipalities included in the provinces of Florence, Prato and Pistoia.

The local waste authority of the "ATO Toscana Centro" has the following tasks: (i) planning in detail the management of municipal waste through a specific plan within the ATO (the "**ATO Plan**" – (*Piano d'Ambito*)); (ii) awarding the integrated waste management service to a single waste operator according to Article 42 of Regional Law 69/2011 and Article 26 of Regional Law 61/2007; (iii) determining the tariff and the quality of the service offered by the single waste operator (*gestore unico*); and (iv) monitoring and supervising the service and the activities carried out by the selected operator, in order to ensure the correct application of the tariffs and the achievement of the objectives and quality levels set out in the ATO Plan.

According to Article 81.3 of Regional Law 65/2010, to ensure the continuity of the performance of the integrated waste management service until the performance of the public tender procedure by the ATO to select the single waste operator and until the takeover by the single waste operator of the activities, the waste management service is carried out by the waste operator operating at the date of 31 December 2010.

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[6] Under Regional Law No. 25/1998, the Region is entitled to the administrative, planning, coordination and control functions related to the waste management, among which the issuance of the authorisation of the realisation, commissioning and closure of the waste management plants among which the approval of the regional plan mentioned above. In addition, Article 9 of Regional Law No. 25/1998 defines some integrative contents of the regional plan in addition to those provided under Article 199 of the Environmental Code.

As a consequence, the original expiry date of each Service Contract entered by Quadrifoglio with the 12 municipalities has been extended up to the date when the single waste operator (i.e. Alia – after the merger of Quadrifoglio) will operate on the basis of the concession of the integrated waste management service assigned by the "ATO Toscana Centro". For more information, see also the section "*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes*" of this Prospectus.

1.2 The awarding of the integrated waste management service

As specified in the paragraph above, the local waste authority has the task of awarding the integrated waste management service to a single waste operator.

The supply and award of local public services (as the integrated waste management) has been regulated through several provisions. However, almost all such provisions have been repealed after a referendum held on 12 and 13 June 2011 (the "**Referendum**") and declared unconstitutional by the Constitutional Court due to an attempt to re-introduce provisions similar to those repealed by the Referendum[7].

As of today, regulation on economic local public services is provided for by Law Decree No. 179/2012 (the "Growth Decree 2.0") which does not apply to (i) gas, (ii) electricity and (iii) municipal pharmacies. In particular, Article 34. 20 of this decree, with regards to the economic local public services, provides that the public entities, before granting the concessions, shall publish on their websites a report clarifying the modalities of the award of the concession they have chosen and the relevant reasons underlying the choice to ensure compliance with EU law.

However, with respect to the modalities to award the local public services, Law Decree No. 179/2012 does not contain any specific provisions, except for the general principle according to which the local public services must be assigned on a homogeneous territorial basis (*ambiti territoriali ottimali e omogenei*), which are responsible to organise local public services, to award the management of the service and determining the tariffs.

Therefore, for the time being public entities shall apply the principles and regulations provided for by the EU Treaty on the Functioning of the EU law and, in general terms, by EU Law and relevant case law. More precisely, based on EU law, the relevant authority shall alternatively award the new concession:

(i) to private companies, selected by means of a public tender procedure;

(ii) directly to public-private companies, should the private partner be selected through a tender having as its object (a) the award of the position as shareholder and, at the same time, (b) the award to the private shareholder of operational tasks connected to the management of the service; and

(iii) directly to companies wholly-owned by public entities if the sole purpose of such companies is to supply services to those public entities and if the awarding authority may exert over the concessionaire public company the same control that the authority exerts over its offices and departments (so called "in-house" companies).

The current Service Contracts with the municipalities have been assigned to Quadrifoglio through the "in-house" option referred to in point (iii) and, thus, without the performance of a public tender procedure.

The "in-house" companies

Quadrifoglio has been directly awarded by the relevant municipalities of the Service Contracts as it was considered an "in-house provider" pursuant to the previous applicable case law, now translated into article 5 of the Italian Legislative Decree 50/2016 ("**Legislative Decree 50**").

[7] More specifically, the Referendum repealed Article 23-bis of Law Decree No. 112/2008 and part of Article 113 of the Legislative Decree 267/2000 (the" Consolidated Text on local entities"). Following the Referendum results, a new regulation on the matter was adopted (Article 4 of Law Decree No. 138/ 2011, converted into Law No. 148 /2011, as subsequently amended) which was, however declared unconstitutional by the Constitutional Court, with judgment No. 199 of 17-20 July 2012. Finally, a recent decision of the Constitutional Court No. 251 of 25 November 2016 has declared unconstitutional part of the Delegation Law No. 124/2015 (the "Madia Law") including the provisions on another attempt to reorganize the regulation on local public services of general interest.

Pursuant to such provision, a contracting authority or entity may award a public contract or a concession to a so-called "in-house" company without carrying out all the fulfilments provided by the Legislative Decree 50, including obligations to carry out public tender procedures. A company can be considered as "in-house" when it is a legal person governed by private or public law and complies with the following requirements:

(i) the contracting authority exercises over the legal person concerned a control which is analogous (so called "*controllo analogo*") to that which it exercises over its own bodies;

(ii) more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority or contracting entity; and

(iii) there is no direct private capital participation in the controlled legal person with the exception of forms of private capital participation required by national legislative provisions, in conformity with the EU Treaties, which do not exert a decisive influence on the controlled legal person.

A contracting authority or contracting entity shall be deemed to exercise over a legal person a control analogous to that which it exercises over its own bodies within the meaning of item (i) above where it exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person. Such control may also be exercised by another legal person, which is itself controlled in the same way by the contracting authority or contracting entity.

However, unlike the previous direct award of the Service Contracts, the award of the ATO Service Contract has been made through the performance of a public tender procedure. Therefore, Quadrifoglio will no longer operate as an "in-house provider" in relation to the ATO Service Contract.

1.3 The ATO Plan, the financial plan and the investments plan

According to article 203.3 of the Environmental Code, the ATO local waste authorities define a plan concerning the organisation of the ATO for the achievements of the objectives provided under the Environmental Code on waste management and based on the criteria established by the Regions.

The ATO plan includes the time planning of the interventions required accompanied by a financial plan and related management and organisational model. The financial plan identifies, in particular, the available financial resources, the resources to be found and the income deriving from the application of the waste tariff for the considered period.

The ATO plan is based on the analysis of the existing situation provided in the regional plan and contains, among others: (i) the preliminary projects, complete with the economical and financial plans, of the interventions provided in the regional plan; (ii) any remediation activities and/or any measure to make safe the polluted areas referred to previous activity of the waste management; (iii) the preliminary projects of the collection and transport system, complete with the relevant economical and financial plans; (iv) the definition of the timing for the realisation of the interventions under points (i) and (ii); and (v) the investments plan required to achieve the objectives, articulated on a ten-year basis for the disposal service and on a five year basis for the services of collection and cleaning of the roads.

1.4 The standard service contract for the integrated waste management service

According to Article 203 of the Environmental Code, Article 26.6 of Regional Law No. 61/2007 and Article 42.2 of Regional Law No. 69/2011, the relationship between the local waste authority and the waste operators to whom the service is awarded is regulated on the basis of a "Standard Service Contract" attached to the tender deeds and based on a scheme of contract adopted by the Regions and approved with resolution of the Regional Board (*Giunta Regionale*).

According to the Environmental Code, the content of the Standard Service Contract shall include, inter alia: (i) the legal regime chosen for the management of the service; (ii) the obligation to reach economic and financial equilibrium in the management; (iii) the criteria for the definition of the economic and financial plan for the integrated waste management; (iv) the modalities of control of the proper performance of the service; (v) the principles and rules related to the activities and the types of control in relation to the levels of the service and the fee, the procedures, terms for the conduct of control and the organisational structures; (vi) the

obligations of communication and submission of the data, information and documents by the waste operator and the relevant sanctions; (vii) penalties, sanctions in case of defaults and the events which lead to the termination according to the civil code principles; (viii) the level of efficiency and reliability of the service to ensure to the users, also with reference to the maintenance of the plants used; (ix) the obligation of the waste operator to take over the works, the plants and the other capital asset in efficient and good conditions; (x) proper financial or insurance policies; and (xi) the criteria and the modalities for the application of the tariffs established by the local entities and the relevant review.

1.5 Environmental regulation

Quadrifoglio is subject, as other companies operating in the sector of public services, to the application of environmental laws and regulations.

Environmental regulation in Italy evolves continuously. Among the most significant provisions on environmental matters at the EU, national and regional level, those applicable to Quadrifoglio are, inter alia, those concerning the proper management of the waste (part IV), air emissions and waste water discharge set out in the Environmental Code and other implementing regulations, as well as those concerning the energy production.

Failure to observe these provisions may lead to the application of administrative sanctions, as well as to criminal sanctions.

1.6 Responsibility for contamination

As regards pollution liability, Italian environmental law is based on the "polluter pays" principle set forth under the Environmental Code. The Environmental Code sets forth certain specific pollution thresholds – varying according to the use class of the site – that cannot be exceeded, regardless of whether the polluter has been identified and has actually fulfilled his reclamation obligations.

In the event the polluter is not identified or, once identified, does not carry out the clean-up and remediation work, the competent public authorities directly assume responsibility for the remediation work and, if the polluter has been identified, the same authorities may recover the remediation costs from the polluter.

If the polluter is not identified or is found to be insolvent, the public authorities adopt a resolution which has the effect of imposing on the relevant property a so-called *onere reale* (i.e. an obligation *propter rem* that obliges the owner of the land to repay the cost born by the authorities to carry out the clean-up and remediation work, despite not being responsible for the pollution). For this reason, the *onere reale* is recorded on the land registers and can be enforced against any party purchasing the land.

If, by way of the onere reale, the public authority does ask the owner of the site (even if not responsible for the pollution) to refund the costs of the clean-up work carried out by the authority: (i) the owner's liability cannot exceed the market value of the site after the remediation; (ii) the owner who satisfies the *onere reale* by repaying the clean-up costs to the authority is entitled to recover from the polluter the money spent.

According to the "polluter-pays" principle, the authority would not be entitled to ask the owner of the site (who is not responsible for the pollution) to carry out the remediation works – the authority can only ask the owner to refund the cost of the remediation works and, as an alternative, the owner may opt to carry out the relevant work itself.

There is certain case law in which the authority was able to impose the execution of the remediation on the owner, although not responsible for the pollution, without prejudice to the right of the owner to recover the costs from the actual responsible entity (if possible). However, such approach – which is extremely protective for the authority – has thus far not been sustained by the Administrative State Council (*Consiglio di Stato*).

1.7 Health and safety

Quadrifoglio is subject to the laws and regulations on health and safety at the workplace in relation to the activities carried out.

In this respect, Quadrifoglio has a large responsibility concerning in particular the employer's obligation to protect the employee at work, according to the provisions under Article 2087 of the Civil Code and the

Legislative Decree 81/2008 as subsequently integrated and amended (the "Consolidated Law on the protection of health and safety in the workplace").

The violation of laws and regulations on health and safety in carrying out the activity of Quadrifoglio, failure to observe the provisions of the competent authority on health and safety and/or the occurrence of accidents or injuries to the employees at the workplace may lead to claims for compensation, sanctions, expenses to make the workplace compliant with the standard security and the suspension of the activities.

1.8 Public procurement and other applicable regulations

Quadrifoglio is subject to certain obligations regarding public procurement, e.g. the obligation to carry out public tenders, because of its nature as an undertaking controlled by public entities and the public law body (*organismo di diritto pubblico*) pursuant to Italian Legislative Decree 163/2006 as well as article 3 of Attachment IV to Legislative Decree 50.

The Legislative Decree 50 provides that the award of contracts for works, services and supplies by an awarding authority (such as Quadrifoglio), as a general rule, must be preceded by a tender for the selection of the contracting party. The calls for tender, the results and the measures connected with such tenders may be challenged before Regional Administrative Tribunals. Specifically, the measures adopted by Quadrifoglio concerning the exclusion from a tender or award of contracts, as the case may be, or the measures that may follow the exclusion (such as the enforcement of a temporary deposit and/or the report to ANAC for the imposition of sanctions) may be challenged in court.

Furthermore, public procurement rules are strongly affected by any change in the relevant EU legislation, by developments in administrative case law, and by the Italian National Anti-Corruption Authority's ("**ANAC**") guidelines.

In addition, as clarified by the ANAC guidelines under resolution 8 of 17 June 2015, on the applicability of the regulation on the prevention of corruption and transparency to the private entities controlled and participated by the public administration, Quadrifoglio, as entity falling in those category, would be subject inter alia to the following regulations:

(i) Law No. 190/2012 - the so called "Anti-corruption law" - as subsequently integrated and amended, which prescribes, inter alia, to appoint the responsible for preventing corruption and to adopt a plan for preventing corruptions from public companies;

(ii) Legislative Decree No. 159/2011 - the so-called "Anti-Mafia Decree" - as subsequently integrated and amended which requires, inter alia, the acquisition of the anti-mafia documentation before entering into contracts and subcontracts related to works, services and supplies; and

(iii) Law No. 136/2010 - the so-called "Extraordinary plan against the mafia" - which, *inter alia*, provides specific obligations for managing the payments between the awarding authority and the contactors; (a) the use of bank or post office current accounts dedicated to public procurement; (b) execution of financial transactions relating to public contracts only through the instrument of the bank or post office, or through the use of other payment instruments that allow full traceability of the operations; and (c) an indication for each transaction of the tender identification code (CIG).

1.9 Tariff

(a) The waste tariff

Article 238 of the Environmental Code provides for the so-called environmental integrated tax (TIA2) and the repeal of the previous environmental integrated tax (TIA1) set out by Legislative Decree No. 22/1997 ("Decreto Ronchi").

Originally, the TIA2 was applicable to the owner or holder of any premises or outdoor areas likely to generate wastes, who was required to pay a waste tariff as consideration for the service of collection, recovery and disposal of solid urban waste itself. Moreover, the TIA2 was commeasured to the ordinary medium quantity and quality of the waste generated for unit surface, in relation to the use and typology of activity carried out on the basis of parameters determined by regulation which should be issued by the Ministry of Environment in cooperation with the Ministry of Economic Development and other public entities.

However, the regulation the Ministry of Environment has not been issued and, thus, the TIA2 was calculated as the TIA1 based on the provisions of the D.P.R. 158/1999 (see paragraph below). After that, other regulations for the waste tariff were enacted to replace it, until the establishment of the new waste tariff currently applicable called "**TARI**", described in the following paragraph.

(b) The TARI

Currently the applicable regulation for the determination of tariffs is represented by Law No. 147/2013 (the so called "Legge di Stabilità 2014"), as subsequently amended, which has replaced the old tariff, called TARES, with a new waste tariff, called TARI.

TARI is intended to finance the costs for the service of collection and disposal of the waste and it shall be payable by anyone who owns or holds the title to any premises or outdoor areas likely to generate waste from January 2014.

Each municipality, in determining the criteria of the tariffs, has the following options: (a) to apply a tax burden on the basis of the criteria outlined by Presidential Decree No. 158/1999, ("*metodo normalizzato*") or, alternatively, in accordance with the principle "the polluter pays", when a detailed service measurement system is adopted, on the basis of the amount and quality of the waste produced per unit area, activities which have generated waste and the cost of service on waste; (b) to apply a tariff having the nature of a fee only if a specific system of volumetric measurement of the quantity of the waste conferred to the public service.

In any case, according to article 1.654 of Law 147/2013, the tariff must ensure the integral coverage of the investment and operating costs related to the service, including the costs for the disposal of the waste in the landfills, and excluding the costs for special waste which the relevant producer disposes at its own expense.

The option chosen for calculation of the tariff collected by Quadrifoglio is that provided by Presidential Decree No. 158/1999 on the basis of which it must calculate the reference tariff to be applied by the competent local entities for the integrated waste management services. In particular, it is provided that:

(i) the tariff consists of: (a) a fixed part, determined in relation to the essential component of the services and referred to the investments for the works and related depreciation and (b) a variable part related to the quantity of waste conferred, the service provided and the entity of the management costs in a way to ensure the integral coverage of the investments and operating costs. Moreover the tariff is also articulated in the categories of the domestic and non-domestic users;

(ii) for the purpose of determining the tariff, the local waste authorities or the municipalities approve the financial plan of the interventions drafted by the waste operator (the "**Financial Plan**") in relation to the waste management services; and

(iii) the local entities identify the overall costs for the services and determine the tariff, also in relation to the Financial Plan of the interventions related to the service drafted by the waste operator, taking also into account the improvement of the productivity objectives and of the quality of the service provided and the rate of inflation planned.

The Financial Plan includes the planning of the necessary interventions, the investments, the specification of the assets, facilities and the services available, any use of third party assets and facilities or the assignment of the services to third parties, the necessary economic sources, the capacity of the tariff to cover the overall admitted costs of the tariff against the previous tariff applied.

According to article 1.683 of Law 147/2013, the amount of the TARI is finally approved by the Municipal Council in compliance with the above mentioned Financial Plan referred to in points (ii) and (iii) above, on the basis of the tariff prepared by the waste operator which carries out the service and approved by the municipal council or by other competent authorities.

1.10 New consolidated act on companies in which public entities have a shareholding (so called "Madia Decree")

Legislative Decree No. 175/2016 (the "**Madia Decree**"), entered into force on 23 September 2016, provides that particular fulfilments must be carried out by companies controlled by public entities, including certain provisions on "in-house" companies and companies intending to list securities on regulated markets.

In this respect, Article 26.5 of the Madia Decree provides for certain transitional measures, including a provision stating that it shall not apply in the twelve months following its date of entrance into force to entities that have adopted acts aimed at issuing securities, other than shares, listed on regulated markets. Such acts must be communicated to the Court of Auditors (*Corte dei Conti*) within 60 days from the date of entrance into force of Madia Decree. If the proceeding for the listing of the securities is concluded within the above mentioned term of twelve months, the Madia Decree will continue not to apply to the relevant issuer.

The Board of Directors of Quadrifoglio, in view of the award of the ATO Service Contract and the financing of the relevant investments, approved on 7 June 2016 the issuance of a bond on regulated markets for the maximum amount of EUR 50 million. This resolution was sent to the Court of Auditors (Corte dei Conti) and the Municipality of Florence on 14 November 2016 pursuant to Article 26.5 of the Madia Decree.

In light of the above, the Issuer believes that, according to article 26,paragraph 5 of the Madia Decree, it may be substantially assimilated to listed companies for the purpose of the Madia Decree and, therefore, it believes that it is excluded from the application of the provisions under the Madia Decree, having adopted deeds aimed at issuing the Notes before the abovementioned term of 30 June 2016.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes, which will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to Notes in definitive form to the extent described in the section of this Prospectus entitled "Summary of Provisions relating to the Notes in Global Form".

The €50,000,000 2.70% Senior Unsecured Amortising Fixed Rate Notes due 9 March 2024 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Notes) of Quadrifoglio S.p.A. (the "**Issuer**") are issued subject to and with the benefit of a fiscal agency agreement dated 9 March 2017 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Fiscal Agency Agreement**") made between the Issuer and BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**" which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as paying agent (in such capacity, the "**Paying Agent**" and, together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Fiscal Agency Agreement. The holders of the Notes (the "**Noteholders**"), the holders of the related instalment receipts (the "**Receipts**") appertaining to the Notes in definitive form (whether or not attached to the relevant Notes) (the "**Receiptholders**") and the holders of the related interest coupons (the "**Coupons**") appertaining to the Notes in definitive form (whether or not attached to the relevant Notes) (the "**Couponholders**") are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours by the Noteholders, Receiptholders and Couponholders at the Specified Offices (as defined in the Fiscal Agency Agreement) of each of the Paying Agents.

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

The Notes are in bearer form, serially numbered and in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, with Receipts and Coupons attached on issue.

1.2 Title

Title to the Notes, the Receipts and the Coupons passes by delivery. The holder of any Note, Receipt or Coupon will (except as required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. STATUS

The Notes, the Receipts and the Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves. The payment obligations of the Issuer under the Notes, the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 3 (*Negative Pledge*), at all times rank at least equally with its other from time to time outstanding unsecured and unsubordinated obligations.

3. NEGATIVE PLEDGE

So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer shall not, and shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future

undertaking, assets or revenues (including uncalled capital) to secure any Indebtedness (as defined below), without (a) at the same time or prior thereto securing the Notes and the Coupons equally and rateably therewith or (b) providing such other security for the Notes, the Receipts and the Coupons as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of Noteholders.

4. DEFINITIONS

For the purposes of these Conditions:

"**ASM**" means ASM S.p.A., a company incorporated under the laws of the Republic of Italy, with registered office at Via Paronese 104/110, 59100 Prato (PO), Italy.

"**ASM Current Service Contract**" means the service contract for the supply of the integrated waste management services (as defined under article 183, paragraph 1, letters n), ll) and oo) of the Italian Legislative Decree No. 152/2006, as amended, and relevant implementing acts), provided in the territory under the competence of the municipalities of Cantagallo, Carmignano, Montemurlo, Prato, Poggio a Caiano, Vaiano and Vernio.

"**Authorised Signatories**" and each an "**Authorised Signatory**" means any person who is a director (*amministratore*), the general manager (*direttore generale*) or any attorney to whom a special power of attorney has been granted by any of the foregoing persons.

"**Business Day**" means:

(i) for the purposes of Conditions 8.3 and 8.4, any day on which the TARGET System is open; and

(ii) for any other purpose:

(a) in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; or

(b) in the case of payment by credit or transfer to a Euro account, a TARGET Settlement Day.

"**Calculation Amount**" means €1,000.

"**Case Passerini Project**" means the Project for the development of the WTE (Waste To Energy) plant of Case Passerini (*Termovalorizzatore Area Fiorentina*).

"**Cash and Cash Equivalents**" means the following:

(i) available cash (*disponibilità finanziarie*) and cash equivalents (where "cash equivalents" means cash at banks and all assets that can be liquidated within one month); or

(ii) other financial assets represented by Italian government bonds; or

(iii) bonds having an investment grade rating to which the Issuer or any member of the Group is alone beneficially entitled at that time and which have been acquired for the Group's liquidity and treasury management purposes in accordance with the Group's internal policies which:

(a) mature within one year after the relevant date of calculation; and

(b) are not convertible or exchangeable to any other security; and

(c) are not issued or guaranteed by the Issuer or any member of the Group; and

(d) are not subject to Security Interest granted by the Issuer or any member of the Group.

"**Certification Date**" means a date falling not later than 45 calendar days after the approval by the Issuer's board of directors (or equivalent body) of the relevant financial statements (consolidated, if available) and, in any event, no later than six months after the end of the Relevant Period.

"**CIS**" means CIS S.r.l., a company incorporated under the laws of the Republic of Italy, with registered office at Via Walter Tobagi 16, 51037 Montale (PT), Italy.

"**CIS Current Service Contract**" means the service contract for the supply of the integrated waste management services (as defined under article 183, paragraph 1, letters n), ll) and oo) of the Italian Legislative Decree No. 152/2006, as amended, and relevant implementing acts), provided in the territory under the competence of the municipalities of Agliana, Buggiano, Montale and Quarrata.

"**Compliance Certificate**" means a certificate of the Issuer duly signed by two Authorised Signatories, substantially in the form annexed to the Fiscal Agency Agreement, confirming as at the Certification Date:

(i) that its audited financial statements (consolidated, if available) in respect of the last Relevant Period give a true and fair view of the financial condition of the Issuer and (if applicable) the Group as at the end of such Relevant Period and of the results of its operations during such period;

(ii) that it is in compliance with the covenants contained in Condition 5.2 (*Financial Covenants*), setting out the amount of (a) the Issuer's Net Financial Debt and Shareholders' Equity as at the Determination Date and its EBITDA (each on a consolidated basis, if available) for the Relevant Period; and (b) the Q.tHermo Permitted Project Finance Indebtedness which has not been considered for the purpose of the covenants contained in Condition 5.2 (*Financial Covenants*);

(iii) to the best of the Issuer's knowledge, having made all due enquiry, that there have been no Change of Control as at the date of the relevant Compliance Certificate;

(iii) that, to the best of the Issuer's knowledge, having made all due enquiries, there have been no events, developments or circumstances that would materially affect its ability to certify such compliance on the basis of the Issuer's or (if applicable) the Group's financial condition as at the Certification Date and its results of operations since the Determination Date;

(iv) which of the Subsidiaries of the Issuer are Material Subsidiaries; and

(v) until the Service Contract Date, in the case it has not occurred before the Certification Date, that the Net Proceeds have been used only as permitted under Condition 5.6 (*Use of Proceeds*). If the Net Proceeds have been used in accordance with Condition 5.6 (*Use of Proceeds*), the Compliance Certificate will provide information as to each Permitted Investment carried out (including the relevant amount and its purpose), together with the relevant authorisations issued by the competent bodies of the municipalities acting as grantor under the Current Service Contracts.

"**Concession**" means the concession for the supply of the integrated waste management services (as defined under article 183, paragraph 1, letters n), ll) and oo) of the Italian Legislative Decree No. 152/2006, as amended, and relevant implementing acts) , to be provided in the territory under the competence of the Grantor, which has been awarded to the Issuer by the Grantor on 8 July 2016 and which are regulated in detail under the Service Contract (as defined below).

"**Current Service Contracts**" means the authorisations given by the relevant municipalities for the purposes of the relevant 'in-house providing mandates' and in particular (i) before the Merger Date, the Quadrifgolio Current Service Contract and (ii) from and including the Merger Date and until the the Service Contract Date, the ASM Current Service Contract, the CIS Current Service Contract, the Publiambiente Current Service Contract and the Quadrifoglio Current Service Contract, each as transferred to the Issuer as the entity resulting from the Merger.

"**Determination Date**" means 31 December in each year.

"**EBITDA**" means, in respect of any Relevant Period, the operating profit of the relevant entity before taxation, before deducting any net interest expense and extraordinary income/loss of such entity in respect of that Relevant Period and adding back depreciation, amortisation. write-downs and provisions, each as shown in, or determined by reference to, such entity's latest audited financial statements (consolidated, if available).

"**Euro**" or "**euro**" or "**€**" means the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"**Event of Default**" has the meaning given to that term in Condition 12 (*Events of Default*).

"**Grantor**" means the ATO Toscana Centro, the public entity entrusted with the integrated waste management service in the "Optimal Territorial Area" (*Ambito Territoriale Ottimale – ATO*) comprising the provinces of Florence, Prato and Pistoia (excluding the municipalities of Marradi, Palazzuolo sul Senio and Firenzuola), and any entity which may step in from time to time as grantor under the Service Contract.

"**Group**" means the Issuer and its Subsidiaries from time to time (if any).

"**Indebtedness**" means (i) any indebtedness from time to time outstanding (whether being principal, premium or interest) of any Person for or in respect of money borrowed or raised including (without limitation) any indebtedness for or in respect of amounts borrowed or raised under any transaction (including, without limitation, any forward sale or purchase agreement) having substantially the commercial effect of a borrowing or otherwise classified as borrowings in accordance with applicable law or generally accepted accounting principles applicable from time to time; and (ii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraph (i) above.

"**Interest Payment Date**" means 9 March in each year.

"**Interest Period**" means the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date up to the Maturity Date.

"**Italian Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.

"**Material Adverse Effect**" means any event, circumstance or matter which has or is reasonably likely to have a material adverse effect on:

(i) the business, assets or financial condition of the Issuer and/or the Group (taken as a whole); or

(ii) the ability of the Issuer to perform its payment or other obligations under the Notes; or

(iii) the validity and enforceability of the Notes.

"**Material Subsidiary**" means, at any time, any Subsidiary of the Issuer which accounts for 7 per cent. or more of the Issuer's EBITDA (on a consolidated basis, if available) or 12 per cent. of the Issuer's Total Assets (consolidated, if available) and, for these purposes:

(i) the Issuer's EBITDA and Total Assets will be determined by reference to its then latest audited annual financial statements (consolidated, if available) (the "**Relevant Financial Statements**"); and

(ii) the EBITDA and Total Assets of each Subsidiary will be determined by reference to the annual financial statements (whether or not audited) of such Subsidiary and those of its own Subsidiaries (if any), in each case upon which the Relevant Financial Statements have been based,

provided that: (a) if a Person has become a Subsidiary of the Issuer after the date on which the Relevant Consolidated Financial Statements have been prepared, the EBITDA and Total Assets of that Subsidiary will be determined by reference to its latest annual financial statements (whether or not audited) and will be consolidated if that Subsidiary itself has Subsidiaries; (b) the Relevant Financial Statements and the corresponding financial statements of each relevant Subsidiary will be adjusted (where appropriate) to reflect fairly the EBITDA and Total Assets of, or represented by, any Person, business or assets subsequently acquired or disposed of; and (c) where a Subsidiary (the "**Intermediate Holding Company**") has one or more Subsidiaries at least one of which, under this definition, is a Material Subsidiary, then such Intermediate Holding Company will be deemed to be a Material Subsidiary.

"**Maturity Date**" means 9 March 2024.

"**Merger**" means the merger by incorporation of ASM, CIS and Publiambiente into the Issuer.

"**Merger Date**" means the date of effectiveness of the Merger.

"**Net Financial Debt**" means the sum of the following items:

(i) total non-current financial liabilities; plus

(ii) total current financial liabilities; plus

(iii) total financial liabilities for leases; plus

(iv) the amount (being the amount financed) under factoring or securitisation programmes over trade receivables on a *pro solvendo* (with recourse) basis; less

(v) Cash and Cash Equivalents; less

(vi) the Q.tHermo Permitted Project Finance Indebtedness,

in each case, as shown in, or determined by reference to, the Issuer's latest audited annual financial statements (consolidated, if available).

"**Net Financial Debt –EBITDA Ratio**" means the ratio of (i) Net Financial Debt as at the Determination Date to (ii) EBITDA for the Relevant Period.

"**Net Financial Debt – Shareholders' Equity Ratio**" means the ratio of (i) Net Financial Debt as at the Determination Date to (ii) Shareholders' Equity as at the Determination Date.

"**Net Proceeds**" means the net proceeds of the issuance and offering of the Notes.

"**No Default Certificate**" means the certificate to be delivered on each Reporting Date and duly signed by two Authorised Signatories of the Issuer, certifying that no Event of Default has occurred during that Relevant Period and/or is continuing as at the date of the relevant certificate or (if an Event of Default is continuing) the steps, if any, being taken to remedy it.

"**Permitted Investment**" means any investment to be carried under the Current Service Contracts which has been previously approved by the competent bodies of the relevant municipalities acting as grantor under the Current Service Contracts.

"**Permitted Security Interest**" means:

(i) any Security Interest arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary, provided that such Security Interest is not (and does not become capable of being) enforced; or

(ii) any Security Interest created by a Person which becomes a Subsidiary after the Issue Date, where such Security Interest already exists at the time that Person becomes a Subsidiary provided that (A) such Security Interest was not created in connection with or in contemplation of that Person becoming a Subsidiary, (B) the aggregate principal amount of Indebtedness secured by such Security Interest is not increased and no additional assets become subject to such Security Interest, in both cases either in connection with or in contemplation of that Person becoming a Subsidiary or at any time thereafter; or

(iii) any Security Interest (a "**New Security Interest**") created in substitution for any existing Security Interest permitted under paragraph (ii) above (an "**Existing Security Interest**"), provided that (A) the principal amount secured by the New Security Interest does not at any time exceed the principal amount secured by the Existing Security Interest, and (B) other than by reason of general market trends beyond the control of the Issuer or the relevant Subsidiary, the value of the assets over which the New Security Interest subsists does not at any time exceed the value of the assets over which the Existing Security Interest subsisted; or

(iv) any Security Interest created to secure Project Finance Indebtedness; or

(v) any Security Interest which is created in connection with, or pursuant to, a securitisation or like arrangement whereby (i) the payment obligations in respect of the instruments representing the Indebtedness secured by the relevant Security Interest are to be discharged solely from the revenues generated by the assets over which such Security Interest is created (including, without limitation, receivables) and (ii) the holders of such instruments have no recourse in relation to such Indebtedness against any assets of any member of the Group;

(vi) any Security Interest not falling within paragraphs (i) to (v) above, provided that the aggregate principal amount of Indebtedness secured by such Security Interest does not exceed an amount equal to 25 per cent. of the Issuer's EBITDA as determined by reference to the Issuer's latest audited annual financial statements (consolidated, if available).

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"**Project**" means the ownership, acquisition (in each case, in whole or in part), development, restructuring, leasing, maintenance and/or operation of assets (excluding, for the avoidance of doubts, any asset which is already owned by the Group), and the equity participations in a company holding such asset or assets.

"**Project Finance Indebtedness**" means any present or future Indebtedness incurred to finance or refinance a Project, whereby (A) the claims of the creditors under such Indebtedness against the

relevant debtor are limited to (i) the amount of cash flow or net cash flow generated by and through the Project during the tenor of such Indebtedness and/or (ii) the amount of proceeds deriving from the enforcement of any Security Interest given by the relevant debtor over the Project to secure such Indebtedness and (B) the relevant creditors have no recourse whatsoever against any assets of any member of the Group other than the Project and such Security Interest.

"**Publiambiente**" means Publiambiente S.p.A., a company incorporated under the laws of Italy, with registered office at Via Garigliano 1, 50053 Empoli (FI), Italy.

"**Publiambiente Current Service Contract**" means the service contract for the supply of the integrated waste management services (as defined under article 183, paragraph 1, letters n), ll) and oo) of the Italian Legislative Decree No. 152/2006, as amended, and relevant implementing acts), provided in the territory under the competence of the municipalities of Barberino del Mugello, Barberino Val d'Elsa, Borgo San Lorenzo, Capraia e Limite, Castelfiorentino, Cerreto Guidi, Certaldo, Chiesina Uzzanese, Empoli, Fucecchio, Gambassi Terme, Lamporecchio, Larciano, Lastra a Signa, Massa e Cozzile, Monsummano Terme, Montaione, Montelupo Fiorentino, Montespertoli, Pistoia, Ponte Buggianese, Scarperia e San Piero, Serravalle Pistoiese, Vaglia, Vicchio and Vinci.

"**Quadrifoglio Current Service Contract**" means the service contract for the supply of the integrated waste management services (as defined under article 183, paragraph 1, letters n), ll) and oo) of the Italian Legislative Decree No. 152/2006, as amended, and relevant implementing acts), provided in the territory under the competence of the municipalities of Bagno a Ripoli, Calenzano, Campi Bisenzio, Fiesole, Firenze, Greve in Chianti, Impruneta, San Casciano Val di Pesa, Scandicci, Sesto Fiorentino, Signa and Tavarnelle Val di Pesa.

"**Q.tHermo Permitted Project Finance Indebtedness**" means any Project Finance Indebtedness incurred by Q.tHermo S.r.l. to finance the Case Passerini Project and the Subordinated Loan.

"**Relevant Date**" means whichever is the later of (A) the date on which a payment first becomes due and (B) if the full amount payable has not been received in by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders and Couponholders in accordance with Condition 13 (*Notices*).

"**Relevant Jurisdiction**" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes or the Coupons.

"**Relevant Period**" means a 12-month period ending on a Determination Date, the first such period being the 12-month period ending 31 December 2017.

"**Security Interest**" means any mortgage, charge, pledge, lien, other encumbrance or other form of security interest including, without limitation, anything substantially analogous to any of the foregoing under the laws of any jurisdiction.

"**Service Contract**" means the service contract which will be entered into by the Grantor and the Issuer in relation to the Concession, in form and substance in compliance with the model service contract attached to the tender notice for the awarding of the Concession published on the Official Journal of the European Union on 5 December 2012 (S/234) and on the Italian Official Gazette n. 143 of 7 December 2016.

"**Service Contract Date**" means the date on which the Service Contract is entered into by the Grantor and the Issuer.

"**Shareholders' Equity**" means the shareholders' equity of the Issuer, as shown in the Issuer's latest audited annual financial statements (consolidated, if available), less any dividends paid, declared, recommended or approved.

"**Subordinated Loan**" means the subordinated loan equal to Euro 10,000,000 that could be advanced by the Issuer in favour of Q.tHermo S.r.l. to finance the Case Passerini Project.

"**Subsidiary**" means, in respect of the Issuer at any particular time, any *società controllata*, as defined in Article 2359 of the Italian Civil Code.

"**TARGET Settlement Day**" means any day on which the TARGET System is open for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system.

"**Termination Payment Event**" means the receipt of the payment of the Termination Value by the Issuer.

"**Termination Value**" means, at any time, the estimated value of any Termination Value Payment, as determined from time to time in accordance with article 13 of the Service Contract as well as with the relevant regulation from time to time applicable.

"**Termination Value Payment**" means, at any time, the payment of the Termination Value due to the Issuer pursuant to article 13 of the Service Contract, as well as with the relevant regulation from time to time applicable (i) upon the termination, forfeiture, revocation, resolution or expiry (*decadenza*, *risoluzione*, *revoca*, *recesso* or *scadenza*) (both if at the stated maturity or anticipated) of the Service Contract under the terms of the Service Contract or as a result of the Issuer exercising its rights of withdrawal under the Service Contract; or (ii) in any other circumstance where the Issuer is substituted by another entity in managing the Concession and the payment of the Termination Value is to be made by such other entity in accordance with the Service Contract.

"**Total Assets**" means, at any time, in respect of any Relevant Period, the total assets of a relevant entity as shown in, or determined by reference to, its then latest audited financial statements (consolidated, if available).

Save as the context otherwise provides, any reference in these Conditions to a provision of law, decree or regulation is a reference to that provision as amended or re-enacted.

5. COVENANTS

5.1 Information covenants

For so long as any Notes remain outstanding, the Issuer will:

(i) inform the Noteholders immediately by means of a notice given in accordance with Condition 13 (*Notices*) of the occurrence of any Event of Default;

(ii) deliver the No Default Certificate to the Fiscal Agent on each Reporting Date;

(iii) no later than the Certification Date, deliver to the Fiscal Agent an electronic copy of the Issuer's annual unconsolidated (and consolidated, if available) financial statements translated into English. The Issuer shall ensure that each set of such financial statements is:

(a) audited by independent auditors; and

(b) accompanied by a Compliance Certificate.

So long as any of the Notes remains outstanding, the Issuer shall make such audited financial statements and the accompanying Compliance Certificate for the relevant Relevant Period available for inspection free of charge by any Noteholder on its website (*www.quadrifoglio.org*), at its own registered office and at the Specified Office of the Fiscal Agent.

5.2 Financial Covenants

So long as any Note remains outstanding, the Issuer shall ensure that, as of each Determination Date:

(i) its Net Financial Debt-Shareholders' Equity Ratio is no more than 0.5 to 1.0; and

(ii) its Net Financial Debt-EBITDA Ratio is no more than the ratio set out in column 2 below opposite the relevant Determination Date:

Column 1 Determination Date	Column 2 Net Financial Debt-EBITDA Ratio
31 December 2017	3.0 to 1.0
31 December 2018	3.0 to 1.0
31 December 2019	3.0 to 1.0
31 December 2020	2.8 to 1.0
31 December 2021	2.5 to 1.0
31 December 2022	2.3 to 1.0
31 December 2023	2.3 to 1.0

So long as any Note remains outstanding, the financial ratios set out in this Condition 5.2 shall be tested as at each Determination Date following approval by the Issuer's board of directors (or equivalent body) of the Issuer's annual financial statements (consolidated, if available), so that the financial ratios will be tested once in each financial year based on the previous Relevant Period, as evidenced by the Compliance Certificate in relation to such Relevant Period delivered pursuant to Condition 5.1 above and for the first time in respect of the 12-month period ending 31 December 2017.

5.3 Listing

The Issuer shall, for so long as any Notes remain outstanding, use all reasonable endeavours to maintain a listing of the Notes on the regulated market of the Irish Stock Exchange or another regulated market on a stock exchange in the European Economic Area provided, however, that, if it is impracticable or unduly burdensome to maintain such admission, the Issuer shall use all reasonable endeavours to procure and maintain admission to trading of the Notes on a major securities market which is either a regulated market or a multilateral trading platform for the purposes of the Markets in Financial Instruments Directive 2004/39/EC situated or operating in the European Economic Area.

5.4 Accounting policies

The Issuer shall ensure that each set of financial statements delivered pursuant to Condition 5.1 is prepared using accounting policies, practices and procedures consistent with those applied in the preparation of the immediately preceding annual financial statements of the Issuer unless, in relation to any such set of financial statements, the Issuer provides the Fiscal Agent, for inspection by the Noteholders, with: (i) a description of any material changes in accounting policies, practices and procedures; and (ii) sufficient information to make an accurate comparison between such financial statements and the previous financial statements.

5.5 Treatment of Termination Value Payment

The Issuer will (a) immediately deposit each Termination Value Payment into a bank account secured, directly or indirectly, in favour of the Noteholders and (b) ensure that the proceeds of such Termination Value Payment are utilised to redeem the Notes pursuant to Condition 8.4 (*Redemption upon Termination Value Payment*).

5.6 Use of Proceeds

Until the Service Contract Date, the Issuer will use the Net Proceeds only for investments in Cash and Cash Equivalents or Permitted Investments.

The Issuer will inform the Noteholders immediately by means of a notice given in accordance with Condition 13 (*Notices*) of the occurrence of the Service Contract Date.

6. INTEREST

6.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their principal amount outstanding from and including the Issue Date at the rate of 2.70 per cent. per annum, payable annually in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*). The first payment (representing a full year's interest) shall be made on 9 March 2018.

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any Interest Period shall be equal to the product of 2.70 per cent. and the Calculation Amount.

6.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such events, it shall continue to bear interest at the rate specified in Condition 6.1 (both before and after judgment) until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note are received by or on behalf of the relevant Noteholder; and

(ii) the day falling seven calendar days after the Fiscal Agent has notified the Noteholders of receipt of all sums due in respect all Notes up to that seventh calendar day (except to the extent that there is any subsequent default in payment in accordance with these Conditions) in accordance with Condition 13 (*Notices*).

6.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day-count fraction used will be the actual number of days in the relevant period from and including the date from which interest begins to accrue to but excluding the date on which it falls due divided by (b) the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

7. PAYMENTS

7.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note, Receipt or Coupon will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Receipt or the appropriate Coupons (as the case may be) at the Specified Office of any Paying Agent by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of principal or interest due in respect of any Note other than on presentation and surrender of matured Receipts or Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

7.2 Payments subject to applicable laws

All payments in respect of principal and interest on the Notes made in accordance with these Conditions shall be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto.

7.3 Surrender of unmatured Receipts and Coupons

Each Note should be presented for redemption together with all unmatured Receipts and Coupons relating to it, failing which the amount of any such missing unmatured Receipt and/or Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Receipt and/or Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender (or, in the case of part payment only, endorsement) of the relevant missing Receipt or Coupon at any time before the expiry of ten years after the Relevant Date in respect of the relevant Note (whether or not the relevant Receipt or Coupon would otherwise have become void pursuant to Condition 10 (*Prescription*)) or, if later, five years after the date on which the relevant Receipt or Coupon would have become due, but not thereafter.

7.4 Payments on a Business Day

A Note, Receipt or Coupon may only be presented for payment on a day which is a Business Day in the place of presentation (and, in the case of transfer to a Euro account, in a city in which banks have access to the TARGET System). If the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding Business Day and no further interest or other payment will be made as a consequence of the day on which the relevant Note, Receipt or Coupon may be presented for payment under this Condition 7 falling after the due date.

7.5 Paying Agents

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent, appoint additional or other Paying Agents and appoint a successor fiscal agent, provided it will at all times maintain:

(i) a Fiscal Agent; and

(ii) for so long as the Notes are listed on any stock exchange or admitted to trading by any relevant authority, a Paying Agent (which may be the Fiscal Agent) having its Specified Office in such place as may be required by applicable laws and regulations or the rules and regulations of the relevant stock exchange.

Notice of any change in the Paying Agents or their Specified Offices will promptly be given to the Noteholders in accordance with Condition 13 (*Notices*).

7.6 Partial Payments

If a Paying Agent makes a partial payment in respect of any Note, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. REDEMPTION AND PURCHASE

8.1 Redemption by Amortisation and Final Redemption

Unless previously redeemed, or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer on each amortisation date specified in column A below (each an "**Amortisation Date**", with the final Amortisation Date being the Maturity Date) in an aggregate principal amount equal to the amount specified in column B below (each an "**Amortisation Amount**"), subject as provided in Condition 7 (*Payments*).

The principal aggregate amount outstanding of the Notes shall be reduced, *pro rata* with respect to each outstanding Note, by the Amortisation Amount for all purposes with effect from the relevant Amortisation Date such that the aggregate principal amount outstanding of the Notes following such reduction shall be as specified in column C below, unless, upon due presentation of the relevant Note or Receipt, the payment of the relevant Amortisation Amount is improperly withheld or refused or unless default is otherwise made in respect of payment. In such events, Condition 6.2 (*Interest Accrual*) will apply. For the avoidance of doubt, any Amortisation Amount indicated in the table below shall be reduced pro rata by any amount of the Notes which is redeemed in accordance with Condition 8.3 (*Redemption at the Option of the Noteholders*) below.

Amortisation Date (A)	**Amortisation Amount (euro millions) (B)**	**Aggregate principal amount outstanding of the Notes thereafter (euro millions) (C)**
9 March 2021	5	45
9 March 2022	10	35
9 March 2023	15	20
9 March 2024	20	0

In these Conditions, references to "principal" shall, unless the context requires otherwise, be deemed to include any Amortisation Amount, references to the "due date" for payment shall, unless the context requires otherwise, be deemed to include any Amortisation Date and references to the "principal amount outstanding" of a Note on any date shall be to its original principal amount less (i) the aggregate of all principal payments made in respect of such Note in accordance with this Condition 8.1 and (ii) the aggregate amount of all redemptions made in respect of such Note pursuant

to Conditions 8.2 (*Redemption for Taxation Reasons*), 8.3 (*Redemption at the Option of the Noteholders*) and 8.4 (*Redemption upon Termination Value Payment*).

8.2 Redemption for Taxation Reasons

If:

(i) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 7 March 2017, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 9 (*Taxation*); and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount outstanding together with interest accrued to but excluding the relevant date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Fiscal Agent to make available at its Specified Office to the Noteholders (i) a certificate signed by two Authorised Signatories of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

8.3 Redemption at the Option of the Noteholders

If a Put Event occurs, then the Noteholders shall have the option (a "**Put Option**") within 30 calendar days of a Put Event Notice (as defined below) being given to the Noteholders (the "**Exercise Period**") to give to the Issuer through a Paying Agent a Put Notice (as defined below) requiring the Issuer to redeem or purchase Notes held by such Noteholder on the Put Event Redemption Date. The Issuer will, on such Put Event Redemption Date, redeem or repurchase at their principal amount outstanding, all, but not part only, of the Notes which are the subject of the Put Notice, together with interest accrued and unpaid to but excluding the Put Event Redemption Date.

Promptly (and in any event within 15 calendar days) upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 13 (*Notices*), which notice shall (i) refer specifically to this Condition 8.3, (ii) describe in reasonable detail the event or circumstances resulting in the Put Event, (iii) specify the Put Event Redemption Date and (iv) offer to redeem or purchase, on the Put Event Redemption Date, all Notes at their principal amount together with interest accrued thereon to the Put Event Redemption Date. For so long as the Notes are listed on the regulated market of the Irish Stock Exchange and the rules of such exchange so require, the Issuer shall also notify the Irish Stock Exchange promptly of any Put Event. The Issuer shall redeem or purchase on the Put Event Redemption Date all of the Notes held by Noteholders that require the redemption at the price specified above. If any holder does not require early redemption during the Exercise Period, such holder shall be deemed to have waived its rights under this Condition 8.3 to require early redemption of all Notes held by such holder in respect of such Put Event but not in respect of any subsequent Put Event.

To exercise the Put Option, the holder of the Notes must deliver at the Specified Office of any Paying Agent, on any Business Day during the Exercise Period, a duly signed and completed notice of

exercise in the form (for the time being current and which may, if such Notes are held in a clearing system, be in any form acceptable to such clearing system and may be delivered in any manner acceptable to such clearing system) obtainable from the Specified Office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 8.3 accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Notice, be held to its order or under its control. Upon delivery of a Put Notice and up to and including the Put Event Redemption Date, no transfer of title to the Notes for which the Put Option has been delivered will be allowed. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the Put Event Redemption Date, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

For the purposes of these Conditions:

"Change of Control" means the occurrence of any event or circumstance in which any Person or Persons acting in concert (in each case, other than one or more Permitted Holders), together with any of their Affiliates, has or gains control of the Issuer.

"**Control**" means:

(i) in respect of a Person which is a company or a corporation:

(a) the acquisition and/or holding of more than 50 per cent. of the share capital of such Person; or

(b) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(1) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a shareholders' or equivalent meeting of such Person; or

(2) appoint or remove all or a majority of the members of the board of directors (or other equivalent body) of such Person; or

(ii) in respect of any other Person (other than a company or a corporation), the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting rights, by contract or otherwise,

and the expressions "controlling", "controlled" and "controlled by" shall be construed accordingly.

"**Merger Event**" shall occur if the Merger is not effective on or before 31 December 2017.

"**Permitted Holders**" means:

(i) the municipalities or provinces in the Republic of Italy holding an equity interest in the share capital of the Issuer as at the Issue Date, either directly or indirectly through one or more intermediate persons (including any consortiums incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000); or

(ii) the municipalities of Agliana, Barberino del Mugello, Borgo San Lorenzo, Cantagallo, Capraia e Limite, Carmignano, Casole D'Elsa, Castelfiorentino, Cerreto Guidi, Certaldo, Empoli, Fiesole, Fucecchio, Gambassi Terme, Lamporecchio, Larciano, Lastra a Signa, Marliana, Massa e Cozzile, Monsummano Terme, Montaione, Montale, Montelupo Fiorentino, Montemurio, Montespertoli, Palaia, Pistoia, Poggibonsi, Poggio a Caiano, Ponte

Buggianese, Prato, Quarrata, San Gimignano, San Marcello Pistoiese, Scarperia e San Piero, Serravalle Pistoiese, Uzzano, Vaglia, Vaiano, Vernio, Vicchio and Vinci; or

(iii) any Person directly or indirectly controlled by any of the foregoing.

"**Put Event**" means the occurrence of (i) a Change of Control or (ii) a Merger Event.

"**Put Event Redemption Date**" means the date specified in the Put Event Notice, being a date not less than 30 nor more than 60 calendar days after the expiry of the Exercise Period.

8.4 Redemption upon Termination Value Payment

Unless previously redeemed, or purchased and cancelled as provided in this Condition 8, upon the occurrence of a Termination Payment Event, the Issuer will redeem or repurchase all, but not part only, of the Notes at their principal amount outstanding together with any accrued and unpaid interest until the date of the redemption no later than 10 Business Days after receipt by the Issuer of any Termination Value Payment, subject as provided in Condition 7 (*Payments*).

Immediately upon receipt of the Termination Value Payment, the Issuer shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*), which notice shall (i) refer specifically to this Condition 8.4 and (ii) specify the date of redemption or repurchase of the Notes pursuant to this Condition 8.4.

8.5 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 8.1 to 8.4 above.

8.6 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes in any manner and at any price, *provided that* all unmatured Receipts and Coupons appertaining to the Notes are purchased with such Notes).

8.7 Cancellations

All Notes which are (i) purchased by the Issuer or any of its Subsidiaries or (ii) redeemed and any unmatured Receipts and Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold. Any Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meeting of Noteholders in accordance with Condition 14.1 (*Meetings of Noteholders, Noteholders' Representative; Modification – Meetings of Noteholders*) and the Fiscal Agency Agreement.

8.8 Final Notices

Upon the expiry of any notice as is referred in Conditions 8.2 and 8.3, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Conditions. If a notice of redemption is given by the Issuer pursuant to these Conditions and a Noteholder delivers a Put Notice pursuant to Condition 8.3, the first in time of such notices shall prevail.

9. TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever

nature ("**Taxes**") imposed or levied by or on behalf of any Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, the Receiptholders and Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, the Receipts or the Coupons in the absence of such withholding or deduction; except that no additional amounts shall be payable in respect of any Note, Receipt or Coupon:

(i) presented for payment by, or by a third party on behalf of, the holder who is liable to such Taxes in respect of such Note, Receipt or Coupon by reason of it having some connection with the Relevant Jurisdiction other than a mere holding of the Note, the Receipt or the Coupon; or

(ii) presented for payment in the Relevant Jurisdiction; or

(iii) presented for payment by or on behalf of a holder of Notes, Receipts or Coupons who would have been able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for an exemption; or

(iv) requested more than 30 days after the Relevant Date except to the extent that a holder of such Note, Receipt or Coupon would have been entitled to such additional amounts on presenting such payment Note, Receipt or Coupon for payment on the last day of the period of 30 days; or

(v) in relation to any payment or deduction on principal, interest or other proceeds of any Note on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented from time to time, or related implementing regulations (the "**Decree No. 239**"); or

(vi) in circumstances in which the formalities to obtain an exemption from *imposta sostitutiva* under Decree No. 239 have not been complied with, except where such formalities have not been complied with due to the actions or omissions of the Issuer or its agents; or

(vii) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian tax authorities.

9.2 Additional Amounts

Any reference in these Conditions to any amounts of principal and interest in respect of the Notes, the Receipts and the Coupons shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

10. PRESCRIPTION

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 (*Payments*) within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date, subject to provisions of Condition 7 (*Payments*).

11. REPLACEMENT OF NOTES, RECEIPTS AND COUPONS

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection

with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

12. EVENTS OF DEFAULT

If any of the following events occurs:

(i) *Non-payment*: if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 5 Business Days in the case of principal or 7 Business Days in the case of interest; or

(ii) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 calendar days following the service by any Noteholder, either to the Issuer or to the Specified Office of the Fiscal Agent, of written notice addressed to the Issuer requiring the same to be remedied; or

(iii) *Cross-acceleration*: if (a) any Indebtedness of the Issuer or any of its Material Subsidiaries is declared (or is capable of being declared) to be due and repayable prior to its stated maturity by reason of any actual or potential event of default (however described); or (b) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any applicable grace period or any waiver previously granted to the Issuer or any of its Material Subsidiaries; or (c) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness becomes enforceable or is enforced; or (d) default is made by the Issuer or any of its Material Subsidiaries in making any payment when due or (as the case may be) within any originally applicable grace period or any waiver previously granted to the Issuer or any of its Material Subsidiaries under any guarantee and/or indemnity given by it in relation to any Indebtedness, provided that the aggregate amount of the Indebtedness, guarantees and/or indemnities in respect of which one or more of the events mentioned in this paragraph (iii) have occurred individually or in the aggregate equals or exceeds Euro 5,000,000 (or its equivalent in any other currency or currencies); or

(iv) *Winding up, etc.*: if an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries save for the purposes of (a) a solvent reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Noteholders, or (b) or pursuant to a Permitted Reorganisation; or

(v) *Cessation of business*: if the Issuer or any of its Material Subsidiaries ceases, threatens to cease or announces that is shall cease to carry on the whole or substantially the whole of its business, save for the purposes of (a) solvent reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Noteholders, or (b) a Permitted Reorganisation; or

(vi) *Insolvency/Composition*: if the Issuer or any of its Material Subsidiaries:

(a) Is, or is likely to become, insolvent or unable to pay its debts as they fall due; or

(b) stops or suspends (or threatens to stop or suspend) payment of all or a part of, or admits in writing its inability to, its debts; or

(c) becomes subject to any liquidation, insolvency, composition, reorganisation or other similar proceedings (including without limitation *amministrazione straordinaria*,

amministrazione straordinaria delle grandi imprese in stato di insolvenza, liquidazione coatta amministrativa) or application is made for the appointment of an administrative or other receiver, administrator, liquidator or other similar official (and such application for any such appointment is not discharged within 30 calendar days) or an administrative or other receiver, administrator, liquidator or other similar official is appointed in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the business or assets of any of them; or

(d) takes any action for a general readjustment or deferment of all of (or of a particular type of) its debts or proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or any class of its creditors; or

(e) declares or proposes a moratorium in respect of or affecting all or any part of its Indebtedness; or

(vii) *Enforcement proceedings*: if a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a substantial part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 30 calendar days; or

(viii) *Security enforced*: if any Security Interest created or assumed by the Issuer in respect of all or a substantial part of the undertking, property, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement or any step taken to enforce it are not discharged or stayed within 60 calendar days; or

(ix) *Unsatisfied judgment*: if one or more judgment(s) or order(s) for the payment of any amount in excess of Euro 7,000,000 (or its equivalent in other currencies), whether individually or in aggregate, is rendered against the Issuer or any of its Subsidiaries, becomes enforceable in a jurisdiction where the Issuer or any of its Subsidiaries are incorporated and continue(s) unsatisfied and unstayed for a period of 30 calendar days after the date(s) thereof or, if later, the date therein specified for payment; or

(x) *Material litigation:* if any litigation, arbitration, administrative or regulatory proceeding or action or labour claim is commenced by or against the Issuer or any of its Subsidiaries or any of their respective assets which, if adversely determined, has or would be expected to have a Material Adverse Effect; or

(xi) *Analogous event*: if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in this Condition,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

In these Conditions:

"Permitted Reorganisation" means, in respect of the Issuer or any of its Material Subsidiaries, an amalgamation, merger, spin-off, reconstruction, reorganisation, restructuring, transfer or contribution of assets or other similar transaction (a "**relevant transaction**") whilst solvent and:

(i) on terms approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders; or

(ii) whereby, to the extent that the Issuer is not a surviving entity, the resulting company whilst solvent is a Successor in Business of the Issuer or the relevant Material Subsidiary. "**Successor in Business**" means any company which, as a result of relevant transaction, (a) in relation to the Issuer only, assumes the obligations of the Issuer in respect of the Notes and the Coupons, and (b) carries on, as a successor to the Issuer, the whole or substantially the whole of the business related to the waste management service carried on by the Issuer immediately prior thereto and (c) beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; or

(iii) the Merger.

13. NOTICES

Notices to Noteholders will be valid if published in a reputable leading English language daily newspaper published in London with an international circulation (which is expected to be the Financial Times) and (so long as the Notes are listed on a securities market of the Irish Stock Exchange and it is a requirement of applicable laws and regulations or the rules of the Irish Stock Exchange) a leading newspaper having general circulation in the Republic of Ireland or on the website of the Irish Stock Exchange (*www.ise.ie*) or, if such publication shall not be practicable, in an leading English language daily newspaper of general circulation in Europe (which is expected to be the Financial Times). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, the first date on which publication is made. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 13.

14. MEETING OF NOTEHOLDERS, NOTEHOLDERS' REPRESENTATIVE; MODIFICATION

14.1 Meetings of Noteholders

Subject to compliance with mandatory provisions of Italian law applicable from time to time, the Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, Receipts or Coupons.

All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time. The directors of the Issuer or the Noteholders' Representative may convene a meeting of Noteholders at any time at their discretion and the Issuer and the Noteholders' Representative shall be obliged to do so upon request in writing of the Noteholders holding at least one-twentieth of the aggregate principal amount of the Notes for the time being outstanding.

A meeting of Noteholders will be validly held if there are one or more persons present that hold or represent holders of more than two thirds of the aggregate principal amount of the outstanding Notes; provided, however, that the Issuer's by-laws may provide for different (including higher) quorums (to the extent permitted under Italian law). According to the Italian Civil Code, the vote required to pass a resolution by the Noteholders' meeting will be one or more persons that hold or represent holders of more than two thirds of the aggregate principal amount of the outstanding Notes; provided, however, that the Issuer's by-laws may provide for different (including higher) quorums (to the extent permitted under Italian law).

Certain proposals listed in the Fiscal Agency Agreement (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons) may only be sanctioned by a resolution passed at a meeting (including adjourned

meetings as provided under Article 2415 of the Italian Civil Code) of Noteholders by one or more persons holding or representing not less than one half of the aggregate principal amount of the Notes for the time being outstanding.

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 or its Subsidiaries. Any resolution duly passed at any such meeting shall be binding on all the Noteholders and on all Receiptholders and Couponholders, whether or not they are present at the meeting or voted in favour or against the resolution.

14.2 Noteholders' Representative

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of the Noteholders (*rappresentante comune* or the "**Noteholders' Representative**") may be appointed, *inter alia*, to represent the interests of Noteholders, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

14.3 Modification

The Notes, the Receipts, the Coupons and these Conditions may be amended without the consent of the Noteholders, the Receiptholders or the Couponholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Fiscal Agency Agreement may agree, without the consent of the Noteholders, to modify any provision thereof in order to comply with mandatory laws, legislation, rules and regulations of the Republic of Italy applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution.

15. MERGER

15.1 Entity resulting from the Merger

Upon the effectiveness of the Merger and without any further formalities, the Issuer will be the entity resulting from the Merger and any reference to the Issuer under these Conditions will be deemed to be referred to such an entity resulting from the Merger. The Issuer, as the entity resulting from the Merger, will be the principal debtor under the Notes, the Receipts and the Coupons and will assume all of the obligations under the Notes, the Receipts and the Coupons in accordance with the Conditions. The Issuer will promptly notify the Noteholders of the effectiveness of the Merger in accordance with Condition 13 (*Notices*).

15.2 Merger consent

Any Noteholder purchasing the Notes, either in the primary or the secondary market, shall, to the fullest extent permitted by law, be deemed to have consented to the Merger in its capacity as a noteholder of the Issuer and to have waived any rights it may have under Italian law (to the extent it has any such rights) or otherwise to oppose the implementation of the Merger.

16. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), all figures resulting from such calculations will be rounded, if necessary, to the nearest euro cent (with half a euro cent being rounded upwards).

17. FURTHER ISSUES

The Issuer may from time to time, provided that the Noteholders provide their consent pursuant to an Extraordinary Resolution and in accordance with the Fiscal Agency Agreement, create and issue further notes having the same terms and conditions as those of the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes, or upon such terms as the Issuer may determine at the time of their issue.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law

The Fiscal Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and construed in accordance with, English law. Condition 14 (*Meetings of Noteholders*) and the provisions of the Fiscal Agency Agreement concerning the meetings of Noteholders are subject to compliance with mandatory provisions of Italian law.

19.2 Submission to Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Receipts or the Coupons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition 20.2 is for the benefit of each of the Noteholders, Receiptholders and Couponholders and shall not limit the right of any of them, to the extent this is allowed by law, to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

19.3 Agent for Service of Process

The Issuer irrevocably appoints Law Debenture Corporate Services Limited of fifth Floor, 100 Wood Street, London EC2V 7EY as its agent in England to receive service of process in any Proceedings in England based on any of the Notes, the Receipts or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment in accordance with Condition 13 (*Notices*). The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Paying Agents as set out at the end of this Prospectus

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Temporary Global Note and the Permanent Global Note (each, a "**Global Note**") contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream, Luxembourg. The Global Notes will be issued in NGN form. On 13 June 2006, the European Central Bank (the "**ECB**") announced that notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time, the ECB also announced that arrangements for notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006, and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006, will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The following is a summary of certain of those provisions:

Exchange for Permanent Global Note and definitive Notes

(i) The Temporary Global Note will be exchangeable, in whole or in part, for the Permanent Global Note not earlier than 40 days after the Issue Date (the "**Exchange Date**") upon certification as to non-U.S. beneficial ownership.

(ii) The Permanent Global Note is exchangeable in whole, but not in part, for definitive bearer Notes in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, only if (a) it is held on behalf of Euroclear or Clearstream, Luxembourg, and any such Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or (b) an Event of Default (as defined in Condition 12 (*Events of Default*)) occurs.

Whenever a Permanent Global Note is to be exchanged for definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such definitive Notes, duly authenticated and with the relevant Receipts and Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

(i) definitive Notes have not been delivered by 5.00 p.m. (London time) on the forty-fifth day after the bearer has duly requested exchange of a Permanent Global Note for definitive Notes; or

(ii) a Permanent Global Note (or any part of it) has become due and payable in accordance with the relevant terms and conditions or the date for final redemption of the relevant Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the relevant Permanent Global Note on the due date for payment,

then such Permanent Global Note (including the obligation to deliver definitive Notes) will become void at 5.00 p.m. (London time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of such Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of such Permanent Global Note or others may have under a deed of covenant relating to the relevant Notes dated 9 March 2017 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in such Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before such Permanent Global Note became void, they had been the holders of definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

Payments

No payment will be made on the Temporary Global Note on or after the Exchange Date unless exchange for an interest in the Permanent Global Note is improperly withheld or refused, provided that, in the case of an improper withholding of, or refusal to exchange, an interest in the Permanent Global Note, a certificate of non-U.S. beneficial ownership has been properly provided.

Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment fails to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of any Paying Agent as shall have been notified to the Noteholders for such purpose, and may be made, at the direction of the holder of the Permanent Global Note, to the relevant Clearing Systems for credit to the account or accounts of the accountholder or accountholders appearing in the records of the relevant Clearing System as having Notes credited to them. The Issuer shall procure that a record of each payment made in respect of the Permanent Global Note shall be made by the relevant Clearing Systems.

Payments on Business Days

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note, "business day" means any day on which the TARGET System is open.

Notices

Notices shall be given as provided in Condition 13 (*Notices*), save that so long as the Notes are represented by the Temporary Global Note or Permanent Global Note and the Temporary Global Note or Permanent Global Note is held on behalf of a Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the relevant Clearing System for communication to the relevant Accountholders (as defined below) rather than by publication as required by Condition 13 (*Notices*), provided, however, that so long as the Notes are admitted to trading on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, such notices will also be published in a leading newspaper having general circulation in the Republic of Ireland or be published on the website of the Irish Stock Exchange (*www.ise.ie*). Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to the relevant Clearing System.

Purchase and Cancellation

Cancellation of any Note to be cancelled following its purchase by the Issuer will be effected by a reduction in the principal amount of the relevant Global Note.

Prescription

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 4 (*Definitions*)).

Put Option

The Noteholders' option in Condition 8.3 (*Redemption at the Option of the Noteholders*) may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent in respect of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 8.3 (*Redemption at the Option of the Noteholders*).

Redemption for Taxation Reasons

The option of the Issuer provided for in Condition 8.2 (*Redemption for Taxation Reasons*) shall be exercised by the Issuer giving notice to the Noteholders and the relevant central securities depositories ("**ICSDs**") within the time limits set out in, and containing the information required by, the relevant Condition.

Authentication and Effectuation

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Fiscal Agent and effectuated by the entity appointed as Common Safekeeper by Euroclear and/or Clearstream, Luxembourg.

Accountholders

For so long as any of the Notes is represented by the Permanent Global Note or by the Permanent Global Note and Temporary Global Note and such Global Note(s) is/are held on behalf of the relevant Clearing Systems, each person (other than a relevant Clearing System) who is, for the time, being shown in the records of a relevant Clearing System as the holder of a particular principal amount of Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 8.3 (*Redemption at the Option of the Noteholders*) and Condition 12 (*Events of Default*)) other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the Permanent Global Note in accordance with and subject to its terms. Each Accountholder must look solely to the relevant Clearing Systems for its share of each payment made to the bearer of the Permanent Global Note.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are upon issue deposited with one of the ICSDs as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (Eurosystem Eligible Collateral) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the ECB from time to time. As at the date of this Prospectus, one of the Eurosystem eligibility criteria for debt securities is an investment grade rating and, accordingly, as the Notes are unrated, they are not currently expected to satisfy the requirements for Eurosystem eligibility.

TAXATION

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

ITALIAN TAXATION

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**"), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes issued, *inter alia*, by Italian listed companies, falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian companies with shares not traded on a regulated market or multilateral trading facility of an EU or EEA Member State which exchanges information with the Italian tax authorities, where the Notes themselves are traded on the mentioned regulated markets or multilateral trading facilities. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) to management of the Issuer.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime - see under "*Capital gains tax*" below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a withholding tax, referred to as '*imposta sostitutiva*', levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**").

Where an Italian resident Noteholder is a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the 'status' of the Noteholder, also to the regional tax on productive activities ("**IRAP**")).

Where an Italian resident Noteholder is an individual engaged in an entrepreneurial activity to which the Notes are connected, interest, premium and other income relating to the Notes, are subject to *imposta sostitutiva* and will be included its relevant income tax return. As a consequence, interests, premium and other income will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 ("**Decree 351**"), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds created under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the "**Real**

Estate SICAFs" and together with Italian real estate investment funds, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Funds.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital) or a SICAV (an investment company with variable capital) established in Italy (the "**Fund**") and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding or a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005 – the "**Pension Fund**") and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 9 August 2016 and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the "**White List**") (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to interest paid to Noteholders who do not qualify for the exemption. Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for a total or partial reduction (generally to 10 per cent.) of the *imposta sostitutiva* under certain

applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the 'status' of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 ("**Decree No. 66**"), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return. Pursuant to Decree No. 66, capital losses realized up to 30 June 2014 may be offset against capital gains realized after that date with the following limitations: (i) for an amount equal to 48.08 per cent., for capital losses realized up to 31 December 2011; and (ii) for an amount equal to 76.92 per cent., for capital losses realized from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called '*risparmio gestito*' regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward

against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Pursuant to Decree No. 66, investment portfolio losses accrued up to 30 June 2014 may be set off against investment portfolio profits accrued after that date with the following limitations: (i) for an amount equal to 48.08 per cent., for investment portfolio losses accrued up to 31 December 2011; and (ii) for an amount equal to 76.92 per cent., for investment portfolio losses accrued from 1 January 2012 to 30 June 2014.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

Any capital gains realised by a Noteholder who is an Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund.

Any capital gains realised by Noteholders which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the management results of the Fund. Such result will not be subject to taxation at the level of the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax.

Capital gains realised by non-Italian-resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes issued by an Italian resident issuer, which are traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence. The list of countries which allow for an exchange of information with Italy should be amended as pointed out above.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. On the contrary, should the Notes be traded on regulated markets, capital gains realized by non-Italian resident Noteholders would not be subject to Italian taxation.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, Euro 1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax only in the case of voluntary registration or if the so-called '*caso d'uso*' or '*enunciazione*' occurs.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000, for taxpayers different from individuals; this stamp duty is determined on the basis of the market value or - if no market value figure is available - the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or - if no market value figure is available - the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

SUBSCRIPTION AND SALE

The Lead Manager has, in a subscription agreement dated 7 March 2017 (the "**Subscription Agreement**") and made between the Issuer and the Lead Manager, upon the terms and subject to the conditions contained therein, agreed to subscribe and pay for the Notes at their issue price of 100 per cent. of their principal amount less a commission. The Lead Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

General

No action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

The Lead Manager has represented, warranted and agreed that it will, to the best of its knowledge and belief, comply with all the relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material.

United States of America

The Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws in the United States. The Notes are being offered only outside the United States by the Lead Manager to persons who are not "U.S. persons" in offshore transactions in reliance on Regulation S, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, "U.S. persons", except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

The Lead Manager has represented and warranted that it has not offered and sold the Notes, and that it will not offer and sell the Notes, (a) as part of its own distribution at any time, or (b) otherwise until forty (40) days after the later of the commencement of the offering and the closing date, except in accordance with Rule 903 of Regulation S. Accordingly, neither the Lead Manager, any of its Affiliates (as defined in Rule 405 of the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and the Lead Manager has represented and agreed that they have complied and will comply with the offering restrictions requirement of Regulation S. The Lead Manager has agreed that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (i) as part of their distribution at any time or, otherwise, (ii) until forty (40) days after the later of the commencement of the offering and the closing date, except pursuant to an exemption from, or in a transaction not subject to, the regulation requirements of the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in the above paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Lead Manager has represented, warranted and agreed with the Issuer that:

(i) except to the extent permitted under U.S. Treasury Regulation §1.163 5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with

U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restor Employment Act of 2010) (the "**D Rules**"):

(a) it has not offered or sold, and during the forty (40) day restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person;

(ii) it has, and throughout the restricted period will have, in effect, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if it is a United States person, (a) it is acquiring the Notes in bearer form for the purposes of resale in connection with their original issue and (b) if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163 5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010); and

(iv) with respect to each Affiliate (as defined in Rule 405 of the Securities Act) of the Lead Manager that acquires Notes in bearer form from the Lead Manager for the purpose of offering or selling such Notes during the restricted period, the Lead Manager undertakes to the Issuer that it will either (a) repeat and confirm the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) above on its behalf, or (b) obtain from such affiliate for the benefit of the Issuer the representations and undertakings contained in sub-paragraphs (i), (ii) and (iii) above.

Terms used in the above paragraph have the meaning given to them by the Internal Revenue Code of 1986 and the Treasury regulations thereunder, including the D Rules.

Republic of Italy

The offering of the Notes has not been cleared by CONSOB pursuant to Italian securities legislation. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Act**")and Article 34-*ter*, first paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**CONSOB Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and Article 34-*ter* of CONSOB Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) and (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and any other applicable laws or regulation; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

United Kingdom

The Lead Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA and the regulations adopted thereunder with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

1. Listing and Admission to Trading

Application has been made for the Notes to be listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange. Admission is expected to take effect on or about the Issue Date.

2. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 23 December 2016.

3. Expenses Related to Admission to Trading

The total expenses related to admission to trading are estimated at €6,540 including all fees payable to maturity.

4. Legal and Arbitration Proceedings

Except as set out in the section "*Description of the Issuer – Legal Proceedings*", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

5. Auditors

The auditors of the Issuer with effect from the Issue Date are PricewaterhouseCoopers S.p.A., with registered office at Via Monte Rosa 91, 20149 Milan, Italy, who are registered under No. 119644 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., is also a member of ASSIREVI (the Italian association of audit firms)..

The financial statements of the Issuer as of and for the years ended 31 December 2014 and 2015 have been prepared by management in accordance with Italian GAAP and have been audited by the Issuer's statutory auditors in accordance with applicable Italian laws and, on a voluntary basis, by Ria Grant Thornton S.p.A. The voluntary audit carried out by Ria Grant Thornton S.p.A. has been carried out in accordance with auditing standards in accordance with Italian laws and regulations.

Ria Grant Thornton S.p.A., with registered office at Corso Vercelli 40, 20145 Milan, Italy, is registered under No. 157902 in the Single Register of Legal Auditors at the Ministry of the Economy and Finance (*Registro Unico dei Revisori Legali presso il Ministero dell'Economia e delle Finanze*).

See "*Description of the Issuer – Corporate Governance – Board of Statutory Auditors*" for information on the Issuer's statutory auditors and its members.

6. Significant Material Change

Since 31 December 2015 there has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer.

7. Documents on Display

For so long as any of the Notes are outstanding, copies of the following documents may be inspected in electronic format during normal business hours at the specified office of each Paying Agent:

(a) the deed of incorporation and the by-laws of the Issuer;

(b) the Fiscal Agency Agreement;

(c) the Deed of Covenant;

(d) the audited Financial Statements for the years ended 31 December 2015 and 2014; and

(e) the most recently published audited annual financial statements of the Issuer (consolidated, if available).

A copy of this Prospectus will also be electronically available for viewing on the website of the Irish Stock Exchange (*www.ise.ie*). A copy of the documents incorporated by reference in this Prospectus will be electronically available for viewing on the Issuer's website (*www.quadrifoglio.org*).

8. Legend for any U.S. Person

The Notes (other than the Temporary Global Note), the Receipts and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

9. ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Notes is XS1577353573 and the Common Code is 157735357. The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L 1855 Luxembourg, Grand Duchy of Luxembourg.

10. Yield

Based on the issue price of 100 per cent. of the principal amount of the Notes, the yield on the Notes is 2.70 per cent. on an annual basis. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

11. Potential Conflicts of Interest

In the ordinary course of business, the Lead Manager, belonging to the Intesa Sanpaolo Group, has engaged, and may in the future engage, in lending, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates and with companies involved directly or indirectly in the sectors in which the Issuer and its affiliates operate and/or competitors of the Issuer interested in carrying out transactions of a similar nature. In addition, in the ordinary course of their business activities, the Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. The Lead Manager or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistently with their customary risk management policies. Typically, the Lead Manager and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. The Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph, the word "affiliates" also includes parent companies.

Furthermore, one or more of the companies of the Intesa Sanpaolo Group:

- are one of the main financial lenders and have granted significant financing to the Issuer and its parent and group companies;
- will subscribe and pay for the Notes.

12. Post-Issuance Information

The Issuer will not provide any post-issuance information, unless required to do so by any applicable laws and regulations.

13. Irish Listing Agent

Walkers Listing Service Limited is acting in solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission to the Official List or trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

REGISTERED OFFICE OF THE ISSUER

Quadrifoglio S.p.A.

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FISCAL AGENT

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Grand Duchy of Luxembourg

LEAD MANAGER

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