

REQUEST FOR EXPRESSIONS OF INTEREST REGARDING THE REDEVELOPMENT AND ACQUISITION OF AN INDUSTRIAL SITE HELD BY ENEL IN MONTALTO DI CASTRO (VT)

Enel Produzione S.p.A., a company belonging to the Enel S.p.A Group, intends to launch, by means of this request for expressions of interest, a competitive, transparent and non discriminatory tender procedure (the “**Procedure**”) – with a view to selecting proposals for the redevelopment and acquisition of industrial site of Enel located in Montalto di Castro (VT) as better specified hereunder.

CONTEXT AND PURPOSE

The Futur-E project is a new way of conceiving energy as the engine of a more versatile and efficient system, arising from the awareness that the way to produce electricity has changed. The decrease in consumption, the development of renewable sources and the technological evolution of the distribution networks are leading to an overall transformation of the electrical system, starting from the conventional power plants which function is being reconsidered in order to take into account the increasing needs for environmental sustainability, energy efficiency and competitiveness that concern both the individual citizen as well as the electricity utilities.

Enel is committed to take the lead on a new industrial model with the objective to enhance the redevelopment of the less efficient plants, some of which have already stopped production since many years, even in its role as “reserve capacity”. It is likely that these power plants will not resume production even if the electricity demand should increase considerably. Hence, the interested power stations or parts thereof are at the end of their lifespan (or are about to do so) and have exhausted their function.

The Procedure must be placed in such context.

PROMOTER

The promoter of the Request for Expressions of Interest is **Enel Produzione S.p.A.** (hereinafter referred to as “**Enel**”), a company having its registered office in Viale Regina Margherita 125, Rome, Viale Regina Margherita 125, subject to direction and coordination by Enel Spa, with Tax Code and registration number in Rome’s Business and trade registry 05617841001 (hereinafter referred to as Enel).

PURPOSE

A non-binding request for expressions of interest (the “**Request**”), in view of selecting proposals for the redevelopment and acquisition of industrial site relating to the Thermal Power station situated in Montalto di Castro (Province of Viterbo) owned by Enel (the “**Site**”).

PHASES OF THE PROCEDURE

The Procedure will be structured around the following Phases:

- **FIRST PHASE: REQUEST FOR EXPRESSIONS OF INTEREST**
- **SECOND PHASE: DUE DILIGENCE, SITE INSPECTION AND BINDING OFFER TO PURCHASE THE SITE**

1. FIRST PHASE: REQUEST FOR EXPRESSIONS OF INTEREST

1.1 Expressions of Interest.

The interested parties in the Procedure will have to submit, according to the process set out hereunder, an **Expression of Interest** for the acquisition of the Site with the purpose to implement the proposed project.

The proposed project may relate to functional enhancement of the Site such as, by way of mere example and without limitation, the tourism – hospitality, cultural, sports activities industrially innovative, ICT and innovative service sector, agro-food, research and development, logistics.

Other functions may be considered with the sole exclusion of those projects that envisage systems and/or plants for waste management, processing and disposal, or plants for the production of electric energy. The Projects may include the simultaneous development of one or more functional scopes as well.

In order to acquire every element useful to submit the Expression of Interest and prepare the summary sheet of the project, the Interested Parties can consult the Dossier, Plans and Images, which can be downloaded at the section “Documentation” of the Platform.

It should be furthermore highlighted that:

- on the portion of the site where the gas turbine groups are located, as specified in the documentation available on the www.futur-e.enel.it platform (the “Platform”), such plants are licensed for the production of electric energy. The proposed Projects may envisage the setting up of activities which are compatible with said plants as well as their dismantling.¹
- There are areas of archaeological interest, to be valued in accordance with the instructions contained in the Piano Territoriale Paesistico in force PTP n. 2 and in the Piano Territoriale Regionale Paesistico adopted.
- The Expression of Interest may concern the whole site or merely a portion thereof, with the sole exclusion of the areas not in the Enel’s propriety as reported in the documentation.

A. Dossier

The document sets forth the main characteristics of the project area; briefly reconstructs the history of the power plant and the reasons for its dismantling; describes its accessibility and the proximity to the near urban centres; illustrates the distinctive features of the territory and the regional production system also directly testified by the stakeholders; identifies the main guidelines included in the urban planning and development documents; provides an overview of the main provisions of the applicable planning policy that concern the project site. Provides finally some images and specific data on the power plant Site.

B. Plans and images

Collection of documents and supports useful to the formulation of the project proposal, in particular:

1. Plan of the power station
2. Map of the Municipality of Montalto di Castro
3. Photographs of the Site
4. Scheme of the Procedure area and of the excluded areas

The said documentation is of a general informational character and should not be deemed exhaustive.

¹ The disposal of the mentioned gas turbine groups is subject to authorization by the Ministry of Economic Development and is therefore independent of Enel alone intentions.

1.2 Subjective Requirements.

The applicants in the Procedure may be liberal professionals², individual businesses or corporate entities (deemed so in terms of the law of their own States) of any nationality, both solely as jointly with other individual businesses or corporate entities (“**Consortium**”).

The admitted entities are allowed, during the second phase of the Procedure, to set up and/or modify the Consortium – even by joining persons or entities that have not expressed an interest under this Request – always in compliance with the terms which shall be subsequently notified during the subsequent phases of the Procedure.

Where the Expression of Interest is submitted by liberal professionals they will have an obligation to set up, during the second phase of the Procedure, a Consortium with one or more entities, either as individual business or corporate entity.

Expressions of Interest will be rejected if they involve:

- I. Individual businesses or corporate entities which are in a process of liquidation, insolvency, voluntary administration, bankruptcy or similar proceedings, under the law applicable to such entities;
- II. Companies or their legal representatives being subject to preventive measures, or interdictions against the company or the managers that entail a ban on contracting with Public Administrations under the law applicable to such entities or representatives.
- III. Subjects who have been found guilty of serious crimes such as, by way of mere example, participation in criminal organizations, corruption, fraudulent act, money laundering, or crimes that in any event impact, at Enel’s own discretion, on the business ethics, or who are subject to interdiction, forfeiture or suspension measures envisaged by the Italian anti-Mafia legislation, and that also in respect of their legal representatives and/or managers (with or without powers of representation) and/or shareholders. Enel will, at its own incontestable discretionary right, decide to assess also the pending legal proceedings.
- IV. Liberal professionals who are prevented from practising their profession, either under law or by an public measure issued by the public authorities or who have not been proved guilty of serious infringement of their professional duties.
- V. Intermediaries or trusts.

In any event, the subjective requirements should be met by all entities pertaining to the same Consortium.

The absence of the above grounds of exclusion shall have to be certified by the interested parties, including in respect of all members of the Consortium, through an affidavit drawn up in accordance with the format of Expression of Interest available at the Platform, without prejudice to Enel’s right to conduct any appropriate check on the truthfulness of the affidavit, as well as to request any additional information useful and/or necessary in relation to what has been stated.

1.3 Content of the Expression of Interest.

The Expression of Interest has to be drawn up in accordance with the format available at the Platform and shall include, *inter alia*:

- a) The essential information necessary for the comprehensive identification of the interested parties and/or the Consortium³ (including the reference persons and addresses at which it will receive

² Holding a degree in Architecture or Engineering or urban-territorial Planning or having equivalent study qualifications, duly registered with their respective professional societies or in any event qualified to exercise said professions according to the legislation of their own States.

³ If it is a company in corporate form: the name, the registered office, the tax code and VAT registration number, or some other identifier in terms of the law of its own State; the control structure diagram, including the controlling subjects up to the top echelons of the ownership chain, as well as the list of shareholders;

notice of any communication pertaining to the Procedure), as well as the declarations of inexistence of grounds of exclusion referred to in paragraph 1.2 here above ;

- b) The main economic-financial information⁴ relating to the interested parties and/or the Consortium in accordance with the format attached;
- c) The Summary file of the project of redevelopment and valorization of the Site in accordance with the format attached. The Summary file is an item of the expression of interest, in case of non inclusion of the document it is however requested to mention the reasons (e.g. preference to send the project after the site visit).
- d) Chamber of Commerce register (Historical search record) or equivalent certification in the business and trade registry under the law applicable to each member of the Consortium , setting out the history of amendments reflected in the said Register;
- e) Power of attorney of the representatives attesting their legal empowerment;
- f) Photocopy of identity document of the representative that executes the Expression of Interest.

1.4 Methods and time frames for the submission of the Expression of Interest.

The Expression of Interest shall have to be signed, together with its attachments, by a duly empowered person, and shall have to be submitted exclusively through the www.futur-e.enel.it Platform no later than **02/09/2016, at 12h00**.

The terms and conditions of registration and use of the said platform are specifically regulated in the section headed "Take part in the Procedure".

In the event that the Platform would encounter, on the expiry date, technical problems or connection malfunctions, Enel would be entitled to admit, at its sole discretion, Expressions of Interest received subsequently to the expiry date referred to here above, provided they are sent, by e-mail to the address webmaster@enel.com, by no later than 24 hours from the expiry date.

Uploading the Expression of Interest on the Platform shall be considered as full acceptance of all the terms of the Procedure included in this Request.

1.5 Selection of Interested Parties.

Once the Expressions of Interest have been transmitted, Enel shall proceed with a preliminary selection, according to its own discretion, of the Interested Parties, taking into account the abovementioned requirements, as well as the additional information requested and included in the Expression of Interest.

Admission to the second phase of the Procedure is moreover subject to the positive outcome of any additional checks, including a reputational one, which Enel is entitled to perform on the Interested parties and any members of a Consortium.

2. SECOND PHASE: DUE DILIGENCE, SITE INSPECTION AND BINDING OFFER TO PURCHASE THE SITE

2.1 Letter of Procedure

The Interested Party – if selected – shall be included in a shortlist and receive an invitation letter (hereinafter referred to as the '**Letter of Procedure**') to participate in the second phase of the Procedure, with, among the others, details related to:

If it is an individual business association: name, surname, tax code and VAT registration number, or some other identifier in terms of the law of its own State;

If they are liberal professionals: name, surname, tax code and VAT registration number, or some other identifier in terms of the law of his own State, as well as a reference to the qualifications entitling him to carry out his profession in his own State.

⁴ In particular, it shall be necessary to attach the data pertaining to turnover, profits / losses and number of employees in the last 3 years, as per the Format set out in the said attachment.

- (i) Execution of the **Due Diligence** via access to the **Virtual Data Room**, together with the execution of a specific confidentiality agreement;
- (ii) Site inspection;
- (iii) Terms and conditions to submit Binding Offers to Purchase for further involvement in the Procedure.

The Letter of Procedure shall be sent to the addresses indicated by the Interested Party in the Expression of Interest.

The above goes without prejudice to the Interested Parties' responsibility to perform a full and independent Due Diligence aimed at analysing benefits and risks of the acquisition.

2.2 Binding Offer to Purchase

The Interested Party, at the end of the Due Diligence and following a possible site inspection, shall be entitled to submit a **Binding Offer to Purchase** the Site, which shall include:

- a) a **Project Proposal** including, *inter alia*, the following documentation:
 - I. Drawings illustrating the project
 - II. Technical and Explanatory report
 - III. Economic-financial business plan and time schedule
 - IV. Sustainability Assessment with the social, occupational and environmental impacts
 - V. Images of the project.
- b) A **Binding Economic Offer**, according to the format and the additional conditions that be included in the Letter of Procedure.

The detailed instructions concerning the methods of drawing up the attachments referred to under point a) above shall be detailed in the Letter of Procedure.

The said Binding Offer to Purchase shall in any event be deemed firm and irrevocable for the time period set out in the Letter of Procedure. Under no circumstances the Binding Offer to Purchase shall entail any binding obligations for Enel.

No Binding Offers to Purchase shall be taken into account if they fail to include both the Project Proposal and the Binding Economic Offer.

2.3 Deadline.

The Project Proposals and the related Binding Economic Offers shall have to be notified no later than **03/10/2016, at 12h00.**

2.4 Assessment and selection of Project Proposals.

Upon submission of the Binding Offers to Purchase by the Interested Parties, the relevant Project Proposals shall be assessed pursuant to the criteria, generally, set forth hereunder:

- I. Quality of the proposed solution and level of innovation (feasibility of the idea, relationship with and valorization of the surrounding urban and territorial context, quality of the project and its inclusion in the landscape, valorization of the Site, new solutions in respect of the selected scope, innovative processes and services)
- II. Social sustainability, direct occupational returns and returns for surrounding business activities
- III. Environmental sustainability

IV. Economic sustainability (economic return of the initiative)

The said evaluative criteria might be further specified in the Letter of Procedure.

The Project Proposals shall be assessed by a Awarding Commission appositely set up pursuant to the above mentioned criteria on the basis of an assessment carried out by the Politecnico di Milano.

2.5 Individual Negotiations for the cession of the Site.

Upon the assessment and selection of the Project Proposals set out in the Binding Offers to Purchase, Enel reserves the right to initiate individual negotiations, with no exclusivity obligation, with one or more parties that have submitted an offer, with a view to negotiating the terms and conditions of the successful closing of the transaction for the sale of the Site.

At that stage, the relevant economic terms shall *inter alia* be negotiated and resolved upon, along with possible additional terms relating to any activities of environmental remediation and demolition of buildings and structures, in addition to the associated costs and expenditures.

MISCELLANEOUS MATTERS

Requests for clarifications. Wherever the interested parties wish to receive clarifications and/or information pertaining to this Request or to any other aspect of the Procedure (e.g., Inspections, Data Room), they are invited to send a specific notification through the Q&A section available on the Platform.

Non-binding nature. The publication of this Request, and receipt by Enel of Expressions of Interest and of subsequent Technical and Economic Offers, do not entail any obligation or commitment for Enel to implement the Procedure or the sale vis-à-vis the Interested Party, nor to grant any right to the latter to obtain a specific performance from Enel.

Right of withdrawal. This Request does not qualify as a offer to the public according to article 1336 of the Italian Civil Code. Enel reserves the right, at any time, to withdraw from the Procedure and to suspend, interrupt and/or amend its terms and conditions, without giving the interested parties or the offerors a title to raise any claim against Enel or its consultants for a refund, compensation, indemnity, or on any other ground, including for any cost or expense incurred in responding and participating to this Procedure.

Costs. Each interested party shall bear all costs associated with the preparation and assessments, including any possible expenses incurred for the legal and technical consultants, as well as any other own cost related to the participation in the Procedure.

Processing of Personal Data. The processing of data sent by the interested parties shall take place in compliance with the provisions of Legislative Decree No. 196 of 30 June 2003, as amended. The data controller shall be Enel Produzione.

Confidentiality. The interested parties that have submitted an Expression of Interest undertake to maintain any information received in the course of this Procedure strictly confidential. Said confidentiality obligation is intended to be expressly extended to the corporate bodies, managers, officials, employees and proxy-holders' representing the interested party, as well as to the external consultants appointed by the interested party to perform the activities associated with the Procedure.

Applicable law and competent Forum. This Request, and whatever is set out in it, are governed by Italian law and are subject to Italian jurisdiction. Any dispute that might arise in respect of the Procedure shall be referred and settled exclusively by the Court of Rome.

Notifications. This Request – as well as any other publication relating to the First Phase of the Procedure – shall be available on the Platform.

Language. The official language of the contest is Italian but proposals in English are accepted as well.

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