

ENGINEERING PROCUREMENT & CONSTRUCTION CONTRACT

FOR THE CONSTRUCTION OF A PHOTOVOLTAIC SYSTEM

BETWEEN

ECOWARE S.P.A

AS CONTRACTOR

AND

ELLOMAY PV ONESRL

AS PRINCIPAL

ENGINEERING PROCUREMENT & CONSTRUCTION CONTRACT

With this contract

ELLOMAY PV ONE S.r.l., with its registered offices located in Galleria Borromeo, 3, VAT Registration Number and Tax Code 04459950285, entered in the Companies Register of Padova at no. 391298, represented by Mr. Ran Fridrich in his capacity as Sole Director (hereinafter known as "**Principal**");

and

ECOWARES.p.A., with its registered offices at Via Nona Strada, 9, 35129 Padua, VAT Registration Number and Tax Code Number 03571330277, entered in the Companies Register in Padua at number 03571330277, represented by Ing. Leopoldo Franceschini, born in Padua on 7th September 1947, in his capacity of legal representative (hereinafter known as the "**Contractor**");

(hereinafter known individually as a "**Party**" and jointly as the "**Parties**")

Whereas:

- (A) The Principal is a company operating in the sector of the development and operational management of photovoltaic systems;
- (B) The Contractor is a company operating in the construction of photovoltaic systems and has the expertise to perform the Works, as defined below, in accordance with the terms and conditions set out under this Contract;
- (C) **NOVALTEK Servizi S.r.l.** with registered office in Monterado (Ancona), Via Cerasi no. 18, tax code 02379340421, is a company operating as the developer of photovoltaic systems (the "**Developer**"). Upon endorsing this Contract, the Developer undertakes to co-operate with the Parties hereto and support the Contractor to ensure the proper performance of this Contract in relation to the transfer of the Building Permit, the STMC, and all permits in connection therewith, and of the Land Use Rights.
- (D) The Principal intends to proceed with the construction and operation of one photovoltaic system in the province of Ancona, Italy, in the Municipality of Senigallia, made up of 3060 modules made of Monocrystalline, with generators having respectively a capacity equivalent to 734,40 kWp (hereinafter known as the "**System**");

- (E) In relation to the System, the Developer has filed the following authorisations and requests:
- (i) The Building Permit, as defined below, was issued by the competent municipal offices in Senigallia (Ancona), on 20 October 2009 (prot. 09/037527);
 - (ii) Application to ENEL, as defined below, for connection to the national electricity grid, pursuant to the Electrical Energy and Gas Authority Resolution No. 99/08, by means of a communication dated 23 June 2009; ENEL has transmitted the STMC, as defined below, (preventive T0017809) on 14 August 2009 and the Developer has formally accepted the STMC proposed by ENEL for the connection to the national electricity grid of the System, by means of its letter of acceptance dated 22 September 2009.
 - (iii) ENEL shall communicate notice of end of the authorization process pursuant to Regional Law 19/1988 and subsequent amendments by way of a letter that is expected on or around 20 March 2010;
- (F) Sunex 3 S.r.l., a company wholly owned by Contractor, with registered offices in Via Nona Strada 9, 35129 Padua, Italy, VAT Registration Number and Tax Code Number 06085820964 (“**Sunex3**”) has signed a definitive Land Use Right contract, enclosed hereto as **Annex 1**, with the owner of the Area, as defined below. Contractor undertakes to cause Sunex3, pursuant to article 1381 of the Civil Code, to assign to the Principal the rights and obligations arising under the Land Use Right, as provided under Article 4.2 a) (ii). The Parties have agreed that, to share the costs related to the tax liabilities arising in connection with such assignment, a sum equal to Euro 10,000.00 (ten thousand) shall be deducted from Payment Milestone 1, as defined below;
- (G) In order to realize the System, the Principal needs a partner with high expertise and standing in the construction of photovoltaic systems to be appointed for the planning, realization, operation and connection of the “turn key” system (as defined below), and the Contractor is a leading company operating, *inter alia*, in said field;
- (H) On 2 December 2009, the Parties entered into a framework agreement, regulating the general understanding on which their partnership should be based.
- (I) On 22 January 2010, the Parties entered into an agreement (the “**Option Agreement**”), enclosed hereto as **Annex 18**, whereby the Principal was provided with an option right to purchase the shares of Sunex 3, in accordance with the terms and conditions of the Option Agreement and on execution of which the Principal paid a deposit equal to Euro 50,000.00 (fifty thousand), half of which shall be deducted from Payment Milestone 1, as defined below.
- (J) The Principal is planning to appoint a financial institution (the “**Financing Entity**”), which will grant to the Principal, on a leasing or project finance basis, two credit lines, the first named “Base Line” for financing of project’s costs, and the other named “VAT Line” to finance VAT on such costs (the “**Financing**”);

- (K) The Contractor has confirmed the feasibility and economic convenience of the solution for the connection proposed by ENEL with the STMC referred to under point E (ii) above;
- (L) In the light of the above, the Contractor decided to enter into this Contract, and undertook (i) to carry out all the activities and services provided herein; and (ii) to guarantee, pursuant to article 1381 of the Civil Code, the proper fulfilment of all the obligations and activities to be performed and carried out by the Developer;
- (M) The Principal is willing to entrust the Contractor also with the operation and maintenance of the System through execution of an *ad hoc* operation and maintenance agreement (the “**O&M Agreement**”), which shall be executed, as soon as it is feasible and in any case as a condition precedent to Payment Milestone 2, substantially in the form of **Annex 17**.

NOW THEREFORE the Parties agree as follows:

Article 1 – Recitals, annexes and previous agreements

1.1 The recitals and annexes to this contract (hereinafter known as the “**Contract**” or “**EPC Contract**”) shall represent an integral and substantial part of the same.

1.2 This Contract replaces and fully supersedes any previous agreement entered into between the Parties, either written or oral, on the matters outlined here below.

Article 2 – Definitions and Interpretation

2.1 In addition to any other words and expressions defined in this Contract, the terms used in this Contract, where they start with a capital letter, shall have the following meanings:

- **AEEG**: means the Electrical Energy and Gas Authority incorporated pursuant to the Law No. 481 dated 14th November 1995;
- **Applicable Law**: means each and every law, regulation, measure, ruling, decree (including the Decree Law) or deed having a binding nature in Italy and issued by every state body and judicial and/or administrative authority, which is in force on the date in which this Contract is entered into or which comes into force thereafter;
- **Applicable Permits**: means each and every license, authorization, certification, filing, recording, permit, *affidavit* (including the *denuncia di inizio attività*, the *autorizzazione unica* or *permesso di costruire*) or other approval with and/or of any competent authorities that is required by Applicable Law for the construction and connection to the grid (including the *comunicazione conclusione iter autorizzativo* issued by Enel pursuant to Regional Law 19/1988 as subsequently amended) and admission to the Incentives of the System including, without limitation, those required by Applicable Law in zoning, building, environmental, landscaping, planning and/or archaeological matters;

- **Area:** means the area in the plan referred to in **Annex 2** to this Contract, in which the System shall be built;
- **Building Permit:** means the construction authorisation (“*Permesso di costruire*”) provided for by Presidential Decree 6 June 2001 no. 380;
- **Civil Code:** means the Italian Civil Code, introduced with the Royal Decree Law No. 2, dated 16th March 1942, and all subsequent amendments and/or integrations thereto;
- **Commencement of Operation:** means the commencement of operation (i.e. *entrata in esercizio*) of the System pursuant to Article 2(g) of the Ministerial Decree 19 February 2007;
- **Communication of the Executive Project’s Approval:** with reference to the System, shall have the meaning set out in the Article 8.3 below;
- **Completion Date** shall have the meaning indicated in Article 9.1;
- **Confidential Information:** means the information, data, notes, records, agreements, documents, in whatsoever form drawn up, provided by one of the Parties to the other or, in any case, obtained from one of the Parties and connected with the execution of this Contract and, in particular, the Technical Specifications, including, without any limits whatsoever, any technical and contractual documentation inherent in the Works and their object, as well as any document of a commercial or financial nature, data relating to prices and technical knowledge, models, formulas, industrial processes, records, photographs, drawings, contractual conditions, software, programmes and models and any other intellectual property concerning the Party making the communication or, in any case, to whom said data refer, with the exception of any information already made available to the public;
- **Consideration:** means, with reference to the System, the all inclusive, invariable, sum that the Principal shall pay to the Contractor to perform the Works with respect to the System as per Article 4.1 of this Contract;
- **Construction Health and Safety Coordinator** (*coordinatore in materia di sicurezza e salute durante la realizzazione*): means the individual appointed by the Principal pursuant to Article 7 below, who has been entrusted with the duties related to this role pursuant to Article 92 of the Legislative Decree Law No. 81/2008 and subsequent amendments and integrations;
- **Contract:** means this Contract, including all the Annexes and all amendments hereto as mutually agreed by the Parties;
- **Contractor’s Parent Company:** means Kerself S.p.A., a company incorporated under the laws of Italy, with its registered office at Via della Tecnica 8, Prato di Correggio, registration with the *Registro delle Imprese* of 01777890359, Fiscal Code and Vat No. 01777890359;
- **Delay Liquidated Damages** means the damages referred to in Article 9.3;
- **Decree:** means the Decree Law dated 19th February 2007 no. 25336 issued by the Economic Development Minister and whose object is the “Criteria and methods to encourage the production of electrical energy by means of solar photovoltaic conversion in implementation of Article 7 of the Legislative Decree Law No. 387, dated 29th December 2003” (*Criteri e modalità per incentivare la produzione di energia elettrica mediante conversione fotovoltaica della fonte solare, in attuazione dell’articolo 7 del decreto legislativo 29 dicembre 2003, n. 387*), and subsequent amendments and/or integrations thereto;

- **Definitive Project:** means, the “Progetto Definitivo”, i.e. the project drawings to realise the Works and the relative annexes, a copy of which is attached hereto, as **Annex 4**;
- **Design Health and Safety Coordinator** (*coordinatore in materia di sicurezza e salute durante la progettazione*): means the individual appointed by the Principal pursuant to Article 7, who shall draft the PSC and who has been entrusted with the duties related to this role pursuant to Article 91 of the Legislative Decree Law No. 81/2008 and subsequent amendments and integrations;
- **Discount:** has the meaning indicated in Article 9.7 hereof;
- **Discretionary Variations:** has the meaning indicated in Article 10.2 (b) hereof;
- **ENEL:** means Enel Distribuzione S.p.A.;
- **Equipment:** means the Contractor’s equipment and components to carry out the Works listed in **Annex 3** of this Contract;
- **Executive Project:** means the “Progetto Esecutivo”, i.e. the project drawings prepared and delivered by the Contractor prior to the commencement of the Works pursuant to Article 8, in compliance with the Technical Specifications and with the Decree Law provisions;
- **Expert:** means the arbitrator appointed for the solution of technical and related matters in accordance with Article 24.2;
- **FAC:** means the Final Acceptance Certificate, i.e. the certificate that shall be issued by Principal in compliance with the outline set forth in **Annex 16** acknowledging the positive outcome of the conditions mentioned in art. 12;
- **Financing:** means the project loan that may be arranged by the Principal, in compliance with recital H above;
- **Financing Entity:** means the financing institution or any other equity partner identified by the Principal which could grant the Financing to the Principal;
- **First Reassessment Test:** means the First Reassessment Test of the MGPR to be performed pursuant to Article 12.6.
- **Force Majeure:** has the meaning indicated in Article 11;
- **GSE** means the Gestore dei Servizi Elettrici - GSE S.p.A., i.e. the entity appointed to implement the incentive tariff regime foreseen by the Decree Law;
- **Health and Safety Coordinators:** means the Construction Health and Safety Coordinator jointly with the Design Health and Safety Coordinator;
- **IAC:** means the Incentive Acceptance Certificate, i.e. the certificate that shall be issued by the Principal in accordance with the outline set forth in **Annex 15**, after the release of the TAC and PAC, acknowledging that the System has been admitted to the Incentive scheme and that the agreement with GSE has been entered into;

- **Incentive:** means the incentive to the tariff for the production and delivery of power to the national electricity grid through a solar power plant, in accordance with the Ministerial Decree of 19 February 2007 and the Resolution No. 90 of 11 April 2007 of AEEG;
- **Incentive Agreement:** (“*Convenzione con GSE*”) means the agreement between the Principal and GSE in order to obtain the Incentive;
- **Interconnection Agreement** means the agreement to be entered into between the Principal and the national electricity grid operator which provides the terms and conditions for the connection to the national grid.
- **Land Use Rights** are the rights *in rem* (“*diritto di superficie*”) referred to in Recital F, to be acquired by the Principal over the Area, pursuant to Article 3.2 (a).
- **Mechanical Completion:** means the completion of all Mechanical Works of the System;
- **Mechanical Works:** means, with reference to the System, all the mechanical and electrical works. It includes (a) supply and installation of the following equipment: inverters, photovoltaic modules and DC installation, mains, pits, cabling, electrical boxes and protection devices, internal connections and interconnections with external installations, weather station, low voltage installation, civil engineering, medium voltage installation (including transformation, protection equipment and utility interconnection equipment, security and monitoring systems); and (b) the static test of structures (*collaudo statico*) according to the Applicable Law. For the avoidance of doubt, the Mechanical Works do not comprise the physical realization of the connection line to the national electricity grid;
- **Minimum Guaranteed Performance Ratio** (or **MGPR**): means the minimum performance ratio guaranteed by the Contractor pursuant to the **Annex 9** and in accordance with the methodology used for the measurement of the System performance according to the standard CEI EN 61724 (CEI 82-15) as described in the same Annex 9;
- **Necessary Variations:** has the meaning indicated in Article 10.2 (a) below;
- **O&M Agreement:** means the operation and maintenance agreement referred to in Recital (M) above;
- **Operational Inspection:** means, with reference to the System, the verification process carried out by the Contractor according to the Technical Specifications, the Applicable Laws, and the MGPR which shall be carried out by the Parties in accordance with **Annex 10** and article 12 below in order to achieve the PAC;
- **PAC:** means the Provisional Acceptance Certificate, i.e. the certificate that shall be issued by Principal in compliance with the outline set forth in **Annex 14** acknowledging the positive outcome of the Operational Inspection;
- **Parent Company Guarantee:** means the guarantee, consistent with the form set forth in **Annex 5**, whose maximum amount is equal to the amount of the Consideration to be issued by the Contractor's Parent Company in favour of the Principal, in compliance with Article 4.2, as guarantee for the obligations undertaken by the Contractor under this Contract.
- **Payment Milestones:** means the milestones for the payment of the Consideration as set out in Article 4 of this Contract;

- **Performance Liquidated Damages:** means the damages referred to in Article 13.2;
- **POS:** means the operative safety plan (i.e. *Piano Operativo di Sicurezza*) to be drawn up by the Contractor, with reference to the System, in compliance with the CSP, in accordance with Article 89, paragraph 1, letter h) of the Legislative Decree Law No. 81/2008 and subsequent amendments and integrations thereto, as possibly amended in agreement with the Health and Safety Coordinators;
- **Power Purchase Agreement (or PPA):** means the agreement that the Principal will enter into with the energy company of its choice for the sale of the produced electricity;
- **Project Implementation Schedule (or PIS):** means the schedule for the implementation of the construction of the System, which is attached as **Annex 7** as may be updated, from time to time, in agreement between the Parties;
- **PSC:** means the coordination and safety plan drawn up by the Design Health and Safety Coordinator during the planning phase, pursuant to Article 100 of Legislative Decree Law No. 81/2008, which must include, *inter alia*, an estimate for the safety costs, as eventually altered by the Construction Health and Safety Coordinator during the performance phase while the Works are carried out;
- **Reassessment Tests:** means jointly the First Reassessment Test and the Second Reassessment Test of the MGPR will be performed pursuant to Article 12.6.
- **Second Reassessment Test:** means the Second Reassessment Test of the MGPR to be performed pursuant to Article 12.6.
- **Service Order:** means the orders given during the execution of the Works;
- **Site Manager:** means the individual appointed by the Contractor, who shall work with the Works Manager throughout the performance of the Works;
- **Start of Works:** has, with reference to the System, the meaning indicated in Article 8.4 herebelow;
- **STMC:** means the minimum technical solution for connection referred to in the AEEG Resolution no. 99/08 and subsequent amendments;
- **System:** means the photovoltaic system in the Municipality of Senigallia (AN) made up of 3060 modules made of monocrystalline, with a generator that has a capacity equivalent to 734,40 kWp, and, for the avoidance of doubt, shall include all the items, such as without limitation, cables, modules, inverters, structures, cabins, etc, that are finalised at the functioning of the plant;
- **TAC:** means the Technical Acceptance Certificate, i.e. the certificate that shall be issued by Principal in accordance with the outline set forth in **Annex 11** following the Technical Inspection;
- **Technical Consultant:** means the consultant appointed by the Principal and/or the Financing Entity, who has been appointed to monitor the progress of the Works;
- **Technical Inspection:** means the inspection procedure that the Principal shall carry out pursuant to **Annex 10** and in accordance with Article 12 in order to verify that the Mechanical Completion complies with the Technical Specifications, Applicable Laws and rules of the trade, and to achieve the TAC;

- **Technical Specifications:** means the documentation, referred to in **Annex 6** of this Contract, in which the technical specifications on the basis of which the Contractor shall perform the Executive Project and Works to reach the MGPR are indicated;
- **Variations:** mean, jointly, the Discretionary and Necessary Variations;
- **Warranty Bond:** means the insurance bond on first demand equal to 15 % (fifteen per cent) of the Consideration, issued by a first-class insurance company which has been attributed, at least a S&P A-rating or which, in any case, satisfies the Principal and the Financing Entity;
- **Warranty Period:** means the period of 2 (two) years starting from execution of the PAC.
- **Working Day:** means every day except for Fridays, Saturdays, Sundays and public or bank holidays;
- **Works:** means the activities that have been performed or are to be performed by the Contractor for the System pursuant to this Contract, as better described in Article 3 hereof;
- **Works Manager:** means the “*Responsabile Lavori*”, i.e. the individual appointed by the Principal, in compliance with the Law No. 81/2008, who shall perform the site management duties foreseen by the Applicable Law and/or listed in this Contract;

2.2. The following interpretation provisions shall be applied to this Contract, unless otherwise provided for:

- (a) the articles' headings are merely indicated for the sake of convenience of reference and cannot be used for the interpretation of the terms contained in this Contract;
- (b) reference to sections, articles and annexes shall be understood as being made, unless otherwise indicated, to the sections, articles and annexes contained in this Contract;
- (c) unless explicitly indicated in this Contract,
 - (i) any reference to this Contract shall be a reference to the Contract, as validly revised, integrated or amended and
 - (ii) any reference made to any other agreement or document shall imply reference to that agreement or document, as validly revised, integrated or amended;
- (d) unless otherwise explicitly indicated, the words and definitions, used in the singular form shall have the same meaning, *mutatis mutandis*, even when used in the plural form and vice versa;
- (e) the terms, "herein", "therein" and synonyms in this Contract refer to the entire Contract and not to particular articles in this Contract, unless explicitly provided in this sense, just as the terms "below" or "above" indicate the part below or above in this Contract, with reference to the point in which said terms have been used;
- (f) the word "included" and the expression "in particular" shall always be considered to be followed by the expressions "without limitations" or "not limited to" even if not effectively followed by said expressions;
- (g) every reference to each individual shall also refer to his legitimate successors and assignees;

- (h) if, on the basis of this Contract, an activity must be performed, a communication sent or a term expires on a day other than a Working Day, said activity shall then be performed, the communication be sent or the relative term expire on the Working Day falling immediately after.

Article 3 – Object and Description of the Works

3.1 With this Contract, the Principal has entrusted “turn key” the Contractor, who accepts, with the realization of the Executive Project and the performance of all the Works in a world class manufacturing way and in compliance with the Technical Specifications and Applicable Laws. The Contractor is also entrusted, *inter alia*, with (i) obtaining of all the Applicable Permits required for the construction and the functioning of the System, (ii) the realisation of all the necessary Works required for the integral construction of the System in accordance with the terms and conditions set forth by this Contract, (iii) the connection of the System to the national electricity grid in compliance with the Project Implementation Schedule, and (iv) the assistance in obtaining the Incentive.

3.2 In particular, and without limitation, the following activities must be understood as having been included in the invariable Consideration referred to in Article 4:

- (a) Land Use Right (*diritto di superficie*): the Contractor undertakes to cause Sunex3 to appoint the Principal as party of the final Land Use Right agreement(s) referred to in Recital (F) above, so that the Principal will be able to validly hold the Land Use Right (*diritto di superficie*) over the Area, pursuant to Article 4.2.(a). All activities related to any cadastral parcelling (*frazionamento*) which may be necessary in relation to any plot of land involved by the System shall be carried out by the Contractor;
- (b) Transfer in favour of the Principal of the Applicable Permits, including the STMC and the Building Permit submitted by the Developer. In particular, the Contractor undertakes to cause the Developer to perform any required activity or prepare any needed document for the successful transfer of the Building Permit in favour of the Principal, pursuant to Article 4.2, including delivery to the competent Municipality Technical Offices of the variations to the Building Permit, if any;
- (c) Engineering: including the performance, for the System, of the Executive Project in compliance with the Technical Specifications and their amendment as required in order to obtain the Principal's final, written approval, including, without limitation, the System “*as-built*” documentation, the electrical single wire and multi-wire diagrams, Technical Specifications, components and operation and maintenance manuals;
- (d) Civil Works: including, for the System, the realization of entries, digging work for the electrical underground cabling, if any, foundations, enclosures and constructions necessary to house the inverters and transformers, fencing, in accordance with the Executive Project and the Technical Specifications and supplying, on his own initiative and expense, the materials, vehicles or any other component and labour necessary. Realisation of all the provisional Works, including those located outside the Area (signage, even luminous, placards, crush barriers aimed at defining or limiting the paths of pedestrians and vehicles, in compliance with the traffic and viability provisions), as well as the preparation of the equipment aimed at guaranteeing, for the entire duration of the Works, in compliance with the provisions on safety and health on the workplace and what is contained and has been prescribed in the PSC. Realisation of site offices for the Works Manager and the Design Health and Safety Coordinator. Realisation of the utilities required for the supply of water, gas, electricity, drainage into the sewers, as well as the provision of suitable offices for the Design Health and Safety Coordinator. Payment of all the charges for the consumption of water, gas, electricity and drainage into the sewers, as described above. Building of barriers or provisional protection for the Works and wherever the safety provisions require them;

- (e) Supply of the electro-mechanical apparatus: including supply, installation and start up of the photovoltaic modules, mounting structures, inverters, module boards and electrical connection in direct and alternating current into the national electricity grid, transformation box, interface module boards, supervision and control system, monitoring system, video surveillance and weather station.
- (f) Assembly and installation: the supply and installation, including the use of labour, of all the materials, accessories and secondary components that might be required for the correct and safe operation and management of the System. Maintenance and operative capacity of the site for the entire duration of the Works;
- (g) Constant inspection and planning of the states of progress concerning the Works.
- (h) Grid connection civil works: the timely realisation of all the civil works required by ENEL with reference to the STMC, for the purposes of the System's connection to the grid (merely by way of an example, the realisation of the area/cable line and delivery box). The works may include the intervention of ENEL.
- (i) Delivery to the Principal of all the necessary documentation, on issue of the System's PAC and as a condition for the issue of the FAC, to be drawn up in compliance with the Applicable Law and in order to obtain the Incentive;
- (j) Post-STMC activities: relations with the competent authorities (such as, *inter alia*, ENEL) and the individuals appointed by the latter for the System's connection to the grid shall be directly managed by the Contractor, who must constantly monitor ENEL's activities and those of the other individuals, soliciting them, when necessary, with the means deemed to be most expedient, in order to facilitate and, in any case, make such connection to the national electricity grid possible within the Completion Date established by the Project Implementation Schedule. Furthermore, the Contractor shall carry out all activities and formalities aimed at obtaining the Incentive Agreement, the Interconnection Agreement and the PPA (as the case may be), and to prompt the Principal for proper action in connection therewith, when necessary.
- (k) Custody of the Area: maintenance, protection, monitoring, security service, custody and conservation of the Area and of the equipment erected or stored therein until the issuance of the relevant PAC. The protection and security systems and procedures will be in line with the best practice and the minimum standard requested by the insurers. The Contractor shall be the keeper of the Works, as well as all the materials and equipment to be used during the execution of the Works and must, therefore, adopt the necessary measures aimed at avoiding any losses, damages and thefts, as well as providing, at its own initiative and expense, for the replacement of what has been damaged or removed until the issue of the PAC and the System's delivery to the Principal.
- (l) Clearance of the Area: removal of all tools and materials that are not necessary during the Warranty Period within the first twenty (20) Working Days after the signing of the PAC; cleaning of the Area, including the restoration of the surrounding areas and roads, in order to leave the System in the condition necessary for its proper operation and maintenance. Removal and transport to the authorised public dumps, of all waste materials that cannot be re-used, with final delivery, to the Principal, of the certification of its disposal, in compliance with the Applicable Law.

3.3 The Contractor shall perform, more generally, any other activities that might be necessary to duly perform the Contract, to achieve the standards of world class manufacturing, and MGPR.

3.4 In addition, the Contractor shall file, at its expense, any documents and applications necessary to apply for and obtain the Applicable Permits on a timely basis, or in the event that the Applicable Law requires that such Applicable Permits be filed by the Principal, the Contractor hereby undertakes to fully cooperate in good faith with the Principal in interacting with the public authorities and carry out all the activities to obtain them, as soon as possible, and in any case within the terms set out by the Applicable Law and the POS.

3.5 It is understood that the planning, realization, any inspection and the subsequent management of the System may be financed by the Financing Entity in compliance with the project financing or leasing outline, and that this shall require this Contract's co-ordination with the terms set forth in the financing agreement, by means of entering into a direct agreement with the Financing Entity (the "Direct Agreement"). Therefore, the Parties mutually undertake to enter into the Direct Agreement, if necessary.

Article 4 – Consideration, Terms of Payment and Guarantees

4.1 The Principal shall pay the Contractor the Consideration of Euro 3,050.00 per kWp (three thousand fifty) for the System, plus VAT, in compliance with the following terms and conditions.

4.2 The Consideration shall be paid to the Contractor in accordance with the following Payment Milestones:

a) Payment Milestone 1: payment of Euro 680.00 per kWp (sixhundreds eighty), with deduction of Euro 10,000.00 (ten thousand) referred to in Recital (F) and of the deposit equal to Euro 25,000.00 (twenty five thousand) referred to in Recital (I), shall become due by the Principal on occurrence of all the following events:

- i. completion of the Building Permit and all Applicable Permits (excluding the Incentive) procedure, including submission of the variations, if any, consequent to the planning and Equipment amendments, and the performance of the provisions established by the competent municipal technical offices to which the Building Permit might be subject to;
- ii. transfer to the Principal or a third company indicated by the Principal of the relevant Land Use Rights, by way of assignment of the definitive Land Use Right contract or by any other way as the Principal may require;
- iii. connection of the System to the grid is reasonably estimated by the Contractor, by way of a statement drafted in accordance with **Annex 13** to take place within 120 (hundred and twenty) days;
- iv. delivery of the Parent Company Guarantee in compliance with the last paragraph of this Article 4.2, letter a).

Promptly after payment of the relevant invoice, and in any case within 45 days of receipt thereof by the Principal, the Contractor shall provide evidence to the Principal that the Building Permit as well as the STMC (and of any Applicable Permit already obtained) have been successfully transferred to the Principal.

The Contractor undertakes to deliver to the Principal, the Parent Company Guarantee within 7 (seven) Working Days of execution of this Contract, and in any case before having received the payment. The Parent Company Guarantee will be issued for the due performance of the Works, as well as for the due performance by the Contractor of any and all the obligations undertaken under this Contract, including, but not limited to, (i) the obtaining of a valid title of Land Use Right over the land where the System shall be built and developed in accordance to Article 3 above; (ii) the obtaining of all the Applicable Permits required for the realization, connection and the functioning of the System; (iii) the transfer of the Building Permit in favour of the Principal; (iv) the admission to the Incentives; and (v) any and all payment obligations arising in connection herewith. The Parent Company Guarantee will be issued in the form under Annex 5, for an amount equal to the Consideration. From the execution date by the Principal of the PAC, the Parent Company Guarantee must also guarantee the precise and prompt performance of the obligations undertaken by the Contractor, pursuant to the O&M Agreement, as well as the punctual performance of all the payment obligations, borne by the Contractor under the O&M Contract. The Parent Company Guarantee shall be finally released upon issuance of the FAC.

(b) Payment Milestone 2: subject to the provisions of art. 12.1 hereof, payment of Euro 340.00 per kWp (three hundreds forty) shall become due on occurrence of all the following events:

- (i) satisfactory outcome of the Technical Inspection and the relevant issuance of the TAC;
- (ii) all conditions precedent to Payment Milestone 1 are in place and valid;
- (iii) the Contractor can still reasonably estimate connection of the System within 120 (hundred and twenty) days of Payment Milestone 1;
- (iv) execution of the O&M Agreement.

(c) Payment Milestone 3: subject to the provisions of art. 12.2 hereof, payment of Euro 2,030.00 per kWp (two thousand thirty) shall become due on occurrence of all the following events:

- (i) satisfactory outcome of the Operational Inspection and issuance of the PAC;
- (ii) all conditions precedent to Payment Milestones 1 and 2 are in place and valid;
- (iii) delivery by the Contractor to the Principal of the Warranty Bond, provided that the Warranty Bond shall become effective on payment of Payment Milestone 3 by the Principal.

The Contractor shall deliver to the Principal the Warranty Bond, amounting to 15% (fifteen per cent) of the Consideration, to guarantee the due performance of any and all the obligations undertaken by the Contractor under the EPC Contract at the moment of PAC. The Warranty Bond shall be definitively released upon issuance of the FAC, provided that the insurance bond under the O&M contract is issued by the Contractor.

4.3 Once the Contractor believes that any of the Payment Milestones set out under Article 4.2 has been achieved, it shall so notify the Principal in writing. Within 5 (five) Working Days from receipt of the notice, the Principal shall inspect the Works and verify that the relevant Payment Milestone has been achieved. In the event of objection, the Principal shall indicate to the Contractor the works pending performance for that Payment Milestone. In the event that no objection is raised in writing by the Principal within such term, the relevant Payment Milestone shall be deemed approved.

Payment shall be made within 5 (five) Working Days of the date of receipt by the Principal of the invoice in relation to Payment Milestone 1 and within 15 (fifteen) Working Days in relation to other Payment Milestones. The relevant invoice may not be issued prior to confirmation under the preceding paragraph, and prior to issuance of the TAC with regard to Payment Milestone 2 and prior to issuance of the PAC with regard to Payment Milestone 3, as set forth in detail under Article 12.

The Parties agree that the payments of the Payment Milestone, for which the Principal shall issue a wire transfer confirmation, shall constitute mere advance payments and not the single lots in which the Parties intended dividing up the Works, with the exclusion, therefore, of the provision contained in the second paragraph of Article 1666 of the Civil Code.

4.4 The Parties agree and accept that the Consideration provided in the Contract is fixed and cannot be amended, save as provided in Article 10 of the Contract. Accordingly, the Parties have agreed to exclude the applicability of the Civil Code and every other provision that would entitle the Contractor to obtain a price review in the Contract in order to realise the Works. Save for art. 10 hereof, the risk related to the events referred to in Article 1664 of the Civil Code (burdensomeness or difficulty in performance: i.e. due to an increase of the cost of works and/or materials, or particular performance difficulties due to geological, hydraulic, etc.) and Article 1467 of the Civil Code is fully and expressly undertaken by the Contractor.

4.5 It is understood that, in the case of delay in payment of at least 30 days, the Principal must pay the Contractor interest on arrears as provided for by Legislative Decree 231/2002.

Article 5 – Representations and warranties of the Contractor

5.1 The Contractor represents and warrants that he has visited the Area, that the same is suitable for the System's realization in a world class manufacturing way and in compliance with the Technical Specifications and the Applicable Law and has already checked the absence of obstacles of a technical and/or geological and/or hydraulic and/or legal and/or administrative nature with reference to the commencement of the Works. Any and all designs, engineering and project specifications produced and delivered by the Contractor shall be prepared and signed by a duly certified engineer and are appropriate to fully accomplish the purpose of this Contract. Therefore, any approval or acknowledgement by the Principal of the technical designs and documentation shall not release the Contractor from its duties, warranties and liabilities as to the exact delivery of the System and performance of the Works.

5.2 The Contractor represents and warrants that at the time of execution hereof he, also through the Developer, holds a valid Building Permit and accepted STMC in relation to the System and that he is unaware of any facts or circumstances, of any kind whatsoever that might prejudice the formation or validity of any System's Applicable Permits, or the transfer or registration thereof in favour of the Principal. The Area, object of the final building right agreement regarding the Land Use Rights, are free from any encumbrances or burden and there are no third parties (apart from the lawful owners) who can claim any right in relation to such lands, nor prevent the acquisition by the Principal of the Area free from any encumbrances or burden.

5.3 The Contractor also represents and warrants to the Principal, with reference to the "turn key" nature of this Contract, to be the only Party liable to the Principal concerning the Works' complete realization in a world class manufacturing way, undertaking, thus, all liability towards the Principal with reference to all the activities whose performance is entrusted to sub-contractors, pursuant to this Contract.

5.4 The Contractor expresses his consent, as of the date hereof, to the assignment and/or pledge in favour of the Financing Entity (or any third parties appointed by the latter) by the Principal of his receivables deriving from this Contract and shall provide his cooperation in the performance of all the formalities and shall provide any further consent, necessary or expedient, required as to the assignment and/or pledge's formation.

5.5 The Contractor guarantees to dedicate to the System, at all times, the adequate number of workers and to timely and completely pay all wages, insurance fees and public charges, social securities, etc. for the workers on the sites.

5.6 There are no impediments, to Contractor's knowledge that could compromise in some way the obtaining of the authorizations for the construction of the grid infrastructure necessary to connect the System to the grid.

Article 6 – The Principal's duties

6.1 The Principal shall undertake to make available in the construction site the areas necessary to allocate the Contractor's site offices and warehouses as well as to store the materials.

6.2 The obligations of the Principal shall be those that are established in this Contract and those resulting from the Applicable Law, including, in particular, and without prejudice to the Contractor's obligations under Article 3, the following:

- (a) to timely comply with its payment obligations under this Contract;
- (b) to promptly sign with Enel Distribuzione S.p.A. the Interconnection Agreement for the System, upon being prompted by the Contractor;

- (c) to promptly sign with GSE the Incentive Agreement for the System upon being prompted by the Contractor;
- (d) to promptly sign with the energy company of its choice the PPA upon being prompted by the Contractor;
- (e) to co-operate, in good faith, with the Contractor in relation to the Contractor's performance of this Contract.

Article 7– Works management, Safety Coordination and Costs, Site Rules

7.1 Pursuant to Article 89 of the Legislative Decree 81/2008, the Principal shall appoint a Design Health and Safety Coordinator for the planning phase. The Design Health and Safety Coordinator shall be in charge, during the planning phase, of all the obligations and responsibilities pursuant to the Applicable Laws regarding Health and Safety in the workplace. All the fees and expenses relating to said appointment, including his/her consideration shall be borne by the Principal. Pursuant to Article 89 of Legislative decree 81/2008, the Principal shall also appoint a Construction Health and Safety Coordinator for the Executive Project phase, who shall be in charge of all the obligations and responsibilities pursuant to the Applicable Laws regarding health and safety in the workplace. The Principal, pursuant the Article 89 of Legislative Decree 81/2008, shall delegate to a professional duly qualified the duties of supervision and coordination of the manner and timing of the Works (the “**Works Manager**”, i.e. the *Responsabile dei Lavori*). All the fees and expenses relating to the Works Manager and the Health and Safety Coordinators, including their considerations, shall be borne by the Principal.

7.2 In order to allow the Contractor to draw up the Piano Operativo di Sicurezza (the POS) the Principal, pursuant to Article 100 Para 1 of the Legislative Decree 81/2008, through the Design Health and Safety Coordinator, must deliver the Piano di Sicurezza e Coordinamento (the PSC) to the Contractor, at least 30 days before the Start of Works. The Contractor shall deliver to the Principal, at least 20 Working Days before the Start of Works the POS, which shall include any integrations related to the specific risks deriving from the execution of the works pursuant to Article 100, Para 1 of the Legislative Decree no. 81/2008 and to the terms set out in Annex 7 thereto. The POS and its amendment are an integral part of this Contract and the Contractor undertakes to comply with them as well as with any statutory provisions and regulations in force, and shall be held directly and autonomously liable in the case of any breach of the same.

7.3 The Works Manager, who in any case shall not have the Principal's contractual powers of representation, shall supervise the Works to be performed in compliance with the contractual provisions and the law, the terms set out therein and, when the performance is carried out by sub-contractors, he must ensure the coordination between the individual works. In particular, without prejudice to the above, the Works Manager shall be responsible for the following:

- (a) Represent the Principal on site during the performance of this Contract;
- (b) Check compliance with the Project Implementation Schedule and, in the case of delay with reference to the latter, agree upon a new programme aimed at guaranteeing compliance with the dates established for the System's final delivery;

- (c) Monitor the site;
- (d) Check the effective coordination among the subcontractors, under the Contractor's liability;
- (e) Draw up the reports relative to the beginning and end of the Works, any suspensions and anything else that might concern the site Works;
- (f) Check the partial and final advance payments;
- (g) Analyse the costs indicated by the Contractor in the case of Discretionary Variations;
- (h) Ensure the execution of the Technical Inspection, the Operational Inspection, the Reassessment Tests, and the delivery of the Works;
- (i) Check that the Contractor's performance of the Works takes place in compliance with all the provisions of this Contract, of the Applicable Law and the Technical Specifications, and in a world class manufacturing way. In particular, the Works Manager shall:
 - (i) impart the technical directions required to guarantee the Contractor's compliance concerning the Works' performance conditions and, where necessary, formulate the relative remarks and/or objections and propose Variations;
 - (ii) validate the Technical Inspection and the Operational Inspection for the Principal's approval;
 - (iii) supply the Contractor with clarification and/or supplementary technical explanations concerning the projects' specific elements and/or technical descriptions necessary to carry on the Works;
 - (iv) order the amendments, which are necessary for technical reasons, related to specific elements of the Works that do not impair the substance and nature of the Works and that do not constitute Discretionary Variations;
 - (v) approve the drawings prepared by the Contractor with reference to their compliance with the Technical Specifications and the Executive Project approved by the Principal.

7.4 Within 5 (five) Working Days of the Communication of the Executive Project's approval, the Contractor shall inform the Principal in writing about the Site Manager's name, who must have the technical expertise and professionalism necessary to perform his appointment according to this Contract. In particular, in order to ensure the correct performance of the Contractor's obligations under this Contract and the Applicable Law, the Site Manager must:

- (a) cooperate with the Works Manager, the engineer appointed to draw up and sign the Executive Project and with the Health and Safety Coordinators; and
- (b) observe all the requirements and observations imparted by the above persons in the case they spot any inconsistency between the Works and the Applicable Laws.

7.5 Any instruction, request, integration or order from the Works Manager, the Health and Safety Coordinators and/or the Safety Coordinator shall be communicated to the Contractor in writing by means of specific Service Orders which must be progressively numbered and delivered to the Site Manager in two copies, one of which must be returned, duly signed, by the Contractor in receipt thereof. The Contractor shall not be entitled to refuse to perform the orders received, save for his right to draw up, in writing, his own remarks or reservations on signing the Service Orders which must, in any case, take place, on penalty of forfeiture, within 5 (five) Working Days of receipt of the Service Orders.

7.6 The Health and Safety Coordinators, the Works Manager, the Technical Consultant and/or the individuals indicated by the Principal shall be entitled to enter the site, at any time whatsoever, and to carry on the verifications that, at their unquestionable judgement, would be necessary.

7.7 The personnel employed by the Contractor to carry out the Works must be experienced and of a sufficient number in respect of the obligations undertaken by the Contractor. The Principal shall be entitled to require the immediate removal from the site of the personnel's members who, at his unquestionable judgement, do not offer sufficient guarantees for the timely performance and quality of the Works and/or whose conduct might prejudice the System and its performance. The Contractor's personnel, operating where the work is carried out, must be equipped with an identity badge.

7.8 The Contractor undertakes to comply with all the obligations derived from the Applicable Law's provisions regarding labour and social security, including the general, health rules on the work place, the provisions on accident prevention on the work place, the obligatory insurance for accidents in the work place and professional illnesses, social security for involuntary unemployment, invalidity or old age, tuberculosis and other professional illnesses, the protection of workers in the case of a contract with particular reference to the Legislative Decree Law No. 81/2008 and to any other provisions in force or which might arise during the Works aimed at protecting the workers. Furthermore, the Contractor shall grant his personnel an economic and juridical status in compliance with the applicable labour collective agreements, and shall provide, upon the Principal's written request, suitable documentation constituting evidence of the appropriate economic and juridical status and holding the Principal harmless from any claim raised by his consultants and/or employees.

7.9 Pursuant to Article 26, paragraph 5 of Legislative Decree no. 81/2008, **Annex 8** contains specific indications of the costs relating to safety in the Area, which is included in the Consideration, which the Contractor is obliged to draw up with accuracy and precision.

7.10 The Parties agree that the prevailing language for any correspondence between them in relation to the entire execution of this Contract, including correspondence, testings and inspections shall be the English language.

Article 8 – Performance of the Works

8.1 The Contractor shall deliver to the Principal, within 20 (twenty) Working Days of the date on which this Contract is executed, two copies of the Executive Project for the System, one on paper and one using editable software, for the Principal's approval.

8.2 Within 10 (ten) days from the Executive Project's delivery date to the Principal, pursuant to Article 8.1 foregoing hereto, the Principal shall provide the Contractor with his consent or his remarks and/or proposals for amendment and integration which are necessary in order to bring into line the Executive Project with the Decree Law and the Technical Specifications. The Contractor shall undertake, at his own expense and without this constituting a reason for requesting any variations to the Consideration, to amend the Executive Project in compliance with the Principal's proposals. The amended/integrated Executive Project shall be delivered to the Principal within the following 10 (ten) Working Days, in order to obtain his approval, provided that in the following 10 (ten) days the Principal shall communicate his decisions to the Contractor.

8.3 Once the Executive Project has been approved by the Principal, the latter shall provide the Contractor with a written communication (the "**Communication of the Executive Project's Approval**"), and the Parties shall meet within 7 (seven) days of the Contractor's receipt of said communication, in order to proceed with the delivery of the Area to the Contractor. On delivery of the Area, as a condition to allow the Start of Works, the Contractor shall provide the Principal with evidence that he has entered into the insurances provided under Article 15, in accordance with the terms thereof.

8.4 After delivery of the Area, the Contractor shall set up the site and commence the Start of Works for the System.

Article 9 – Completion Date and Delay Liquidated Damages

9.1 The Contractor undertakes to achieve Mechanical Completion and connection of the System to the grid (i.e. Commencement of Operation) within 120 (one hundred and twenty) days of the date Payment Milestone 1 shall be paid in accordance with the Contract ("**Completion Date**"). The Parties agree that in the case of delay by the Principal in the payment of the invoices in accordance with the terms set out in Article 4.3, provided that the procedure of inspection of the Works set out therein has been complied with, the Completion Date shall be postponed by a period of time equal to the days of delay in the relevant payment, save for any other remedy provided in this Contract.

9.2 In the case of an envisaged delay in respect of the date referred to in Article 9.1, the Contractor shall within 7 (seven) Working Days from the relevant date, deliver to the Principal a written delay recovery plan, specifying the relevant terms and procedures aimed at safeguarding, inasmuch as possible, the punctual achievement of the Completion Date. For the avoidance of doubt the submission of such recovery plan to the Principal shall not relieve the Contractor from any of its obligations under this Contract.

9.3 In the case of failure to comply with the date set forth in Article 9.1, the Principal shall be entitled to apply Delay Liquidated Damages equal to Euro 1.2/kWp (one point two) per day of delay up to a maximum amount of 5% (five percent) of the Consideration, save for any greater damages and all further compensation in the case of termination pursuant to Article 20.1 (b). The Contractor acknowledges that the above amounts are a genuine pre-estimate of the Principal's losses in the event of delays in the Completion Date.

9.4 During the first 90 (ninety) days of delay, the Principal shall offset the Delay Liquidated Damages against the Consideration, which shall accordingly be reduced. As from the 91st (ninety-first) day of delay, the Principal shall be entitled to the payment of the Delay Liquidated Damages accrued until such time (i.e., for the avoidance of doubt, during the first 90 days Delay Liquidated Damages). Further Delay Liquidated Damages shall be payable on a monthly basis upon receipt by the Contractor of the Principal's payment notice.

9.5 Without prejudice to the above, the Principal shall also be entitled (in its absolute discretion) to offset the Delay Liquidated Damages against any monies due, or to become due, to Contractor.

9.6 The payment shall not release the Contractor from its obligation to complete the Works or from any other duty, obligation or responsibility under the Contract.

9.7 In the event that the 2010 Incentive foreseen by the Decree is not awarded to the System, the Contractor shall be liable to grant to Principal a discount equal to the loss of profit discounted to present ("**Discount**"). The Parties agree that every 1 (one) cent reduction in the tariff shall result in the Consideration being reduced by Euro 100.00 per kWp (one hundred), on a pro-rata basis. The Discount shall become payable by the Contractor 30 days after it becomes clear that the System is not admitted to the 2010 Incentive foreseen by the Decree.

9.8 The Contractor explicitly waives any right to offset the amounts due to the Principal by way of Discount or Delay Liquidated Damages, pursuant to this Article 9, or pursuant to Article 20.1 against any amount that the Contractor might claim against the Principal. The Contractor acknowledges and considers that the Discount and the Delay Liquidated Damages are suitable to the Consideration and the prejudice that each delay might cause the Principal, and waives any claim or action aimed at obtaining a reduction of such Delay Liquidated Damages or Discounts.

Article 10 – Variations

10.1 The Contractor undertakes to perform any Variations to the Works, which are required both for the execution of the Works according to the best quality standards as well as if requested by the Principal.

10.2 In particular, for the purposes of this Contract, the Variations considered shall be the following:

- (a) Variations required for the correct fulfilment of the Works in a world class manufacturing way and in compliance with the Technical Specifications and the Applicable Law, pursuant to Article 1660 of the Civil Code ("**Necessary Variations**");

- (b) Variations requested by the Principal during the performance of the Works, or alternatively, proposed by the Contractor and accepted in writing by the Principal and/or the Financing Entity, subject to the favourable opinion of the Technical Consultant (“**Discretionary Variations**”).

10.3 In the case of Necessary Variations, the Contractor shall, if at any time whatsoever whilst the Works are being performed the necessity of any kind of quantitative and/or qualitative amendments concerning the same is found, to immediately inform the Principal in writing, indicating the type of Variations proposed with an indication of the relative quantity, materials and price per unit as well as the realization times required for said intervention. It is understood that no Necessary Variation may be performed without the prior consent to do so by the Principal and the Financing Entity (which shall base its consent on the Technical Consultant’s prior positive opinion). Similarly, in the case of Discretionary Variations, the Contractor, with the document proposing the same or within 10 (ten) Working Days in the case that the Variations have been proposed by the Principal, shall send to the Principal and to the Technical Consultant a communication setting out the relative quantity, materials, unit prices, realization times connected with said Variations and the relevant higher costs, if any, provided that in any case no Discretionary Variation can be performed without the Principal and Financing Entity’s prior written consent, also with regard to the Variations’ cost.

10.4 It is understood and agreed between the Parties that: (i) the costs related to the Discretionary Variations requested by the Principal, once agreed between the Parties in accordance with the above provisions, shall be added to the Consideration and paid according to the terms of Article 4 above; and (ii) the costs related to the Necessary Variations, provided that they do not exceed 4% (four per cent) of the Consideration, shall be entirely borne by the Contractor. The increase in the Consideration possibly due by the Principal shall not exceed an amount equal to the reasonable costs incurred by the Contractor in relation to the System in order to comply with the Applicable Law.

10.5 The determination of the Variation’s value for the purposes of paying for the additional costs and the application of Article 10.4 above, shall take place in compliance with the following criteria:

- (a) on the basis of the unit prices in the “Construction Work Price Information” published by the Chamber of Commerce of Padua;
- (b) the activities that cannot be evaluated according to the above criterion must be agreed on the basis of the market prices applicable to the Works, object of the Contract, as agreed in writing between the Parties.

10.6 In the case of delay of the Works due to the necessity to carry out any Discretionary Variations and Necessary Variations due to a change in the Applicable Law, the Parties accept that the Project Implementation Schedule shall be modified in agreement between the Parties. This extension must be at least equal to the period agreed between the Parties to be necessary to perform the Variations.

10.7 The Contractor waives the termination right foreseen by article 1660 of the Civil Code. Furthermore, Article 1661 of the Civil Code shall not apply to the Discretionary Variations requested by the Principal.

Article 11 – Force Majeure

11.1 Force Majeure shall imply any unforeseeable event, fact or circumstances which cannot be directly attributed to the Party invoking it, which is impossible to prevent by employing ordinary diligence and such as to make impossible, objectively and absolutely and either totally or partially, the performance of any of the obligations under this Contract, provided that said events, acts, facts or circumstances:

- (a) are outside the control, either direct or indirect, of the Party invoking them;
- (b) could not have been avoided by employing the normal diligence requested by the nature of the activities performed by such Party; and
- (c) have been invoked by the same as Force Majeure events (“**Force Majeure**”).

11.2 Merely by way of an example, without limitation and on condition that they satisfy the requirements listed in Article 11.1 above, the Parties mutually acknowledge that the following events constitute causes of Force Majeure:

- (a) general and category and national and local strikes (other than the Contractor’s corporate strikes);
- (b) wars or any other hostile acts, including terrorist attacks, revolts, uprisings and other civil disorder;
- (c) blockages or embargoes, even of a financial nature;
- (d) exceptional, adverse natural phenomena, including lightning, whirlwinds, earthquakes, fires, floods, overflows, drought, adverse weather conditions that impede the performance of the Works and which cannot be foreseen on the basis of weather forecast data for the current period, meteorites and volcanic eruptions;
- (e) explosions, radiation and chemical contamination.

11.3 The Contractor acknowledges and accepts that the following events do not constitute Force Majeure:

- (a) non-obtainment, revocation or non-renewal of any permit required to perform the Works and realization of the Systems, for facts attributable to the Contractor; and
- (b) any delays in the delivery of supplies and materials by the suppliers.

11.4 Each Party shall immediately inform the other one, in writing, about the occurrence of a Force Majeure event that shall hinder his obligations and, in any case, within 48 (forty-eight) hours from becoming aware of the same, indicating the possible impact that said event might have upon the Project Implementation Schedule. The Party concerned shall also promptly inform the other one when said Force Majeure cause ceases. In the case of no or delayed communication as to the existence of the end of a Force Majeure cause, the Party in breach of his obligations shall be liable for the damage sustained by the other Party, which could have been avoided or limited, in the case of the timely receipt of the relevant communication.

11.5 The Contractor acknowledges and accepts that he shall not be entitled to request any increase in the Consideration or different compensation in relation to the Force Majeure event, except for the costs sustained to adopt the measures referred to in Article 11.7. Subject to the Principal and Financing Entity's approval (which shall employ the Technical Consultant's positive prior opinion), the terms established in the Project Implementation Schedule for the Works' performance will be extended, further to the Contractor's written request, for a period equivalent to the duration of the Force Majeure even and for the time required to put together the Equipment and stores of materials that have eventually been damaged.

11.6 Should the aforementioned Force Majeure events continue, uninterruptedly, for a period of more than 90 (ninety) natural, consecutive days, or for more than 120 (one hundred and twenty) natural, non-consecutive days, as accumulated during the period of time in which this Contract is in force, the Principal shall be entitled to terminate this Contract.

11.7 In any case, the Parties shall use their best endeavours to reduce the consequence of the Force Majeure event and shall do what they can to re-establish normal conditions and mitigate any damages eventually sustained by the other Party.

Article 12 – Inspection of the Works for payment purposes

12.1 Payment Milestone 2 - Technical Inspection – TAC. Once the Mechanical Works are completed, the Contractor shall deliver to the Principal the notice of Mechanical Completion. This notice shall imply the suitability of the System, to be prepared and tested for connection to the national electricity grid except for the physical realization of the connection line to the national electricity grid. Within 10 (ten) Working Days from the Principal having received said communication, the Parties, together with the Works Manager and the Site Manager, as well as the Technical Consultant appointed by the Principal and/or the Financing Entity, shall start the Technical Inspection, in accordance with the procedure provided for in **Annex 10**, in order to verify that the Works have been carried out in accordance with the Technical Specifications, the Applicable Laws and in a world class manufacturing way. If the Technical Inspection is concluded in a positive way, the Principal shall sign the Technical Acceptance Certificate substantially in the form attached in **Annex 11**. Should the Technical Inspection not be passed, the Contractor shall remedy any defects found within a reasonable timeframe which shall be agreed by the Parties. Following the signing of the Technical Acceptance Certificate, the Contractor shall be entitled to issue the relevant invoice.

12.2 Payment Milestone 3 - Operational Inspection - PAC. Upon Commencement of Operation the Contractor will issue the Commencement of Operation notice as described in **Annex 12** to the Principal. Within the shortest possible delay provided that the System has been continuously producing energy for a minimum period of 5 (five) consecutive calendar days with a maximum interruption of 2 (two) blank hours, the Parties, with the collaboration of the Works Manager and the Site Manager, as well as the Technical Consultant appointed by the Principal and/or the Financing Entity, shall begin the Operational Inspection according to the procedure described in **Annex 10**, and in the presence of the Technical Consultant. In order to start the Operational Inspection, the Contractor must provide all the technical documentation required by the Principal and the Technical Consultant, the “*as built*” drawings of the Works, the instruction manuals and system maintenance documents. It is understood that the responsibility for all Operational Inspection activity shall be borne by the Principal. During the Operational Inspection, the Principal shall check if (i) the Works have been carried out in a world class manufacturing way and if (ii) they abide by the Technical Specifications and Applicable Law, and (iii) if the System performs in accordance with the MGPR. Upon receipt of the Technical Consultants’ commissioning report and a satisfactory evaluation by the Principal and the Financing Entity hereof the Principal shall issue the PAC substantially in the form attached in **Annex 14** and will attach the commissioning report of the Technical Consultants hereto. Should the Operational Inspection not be passed, the Contractor shall remedy any defects found within a reasonable timeframe which shall be agreed by the Parties. Specifically in case of non compliance of the System with the MGPR the Principal shall grant the Contractor, in writing, a period of no more than 25 (twenty-five) Working Days from the relative communication, within which the Contractor must remedy said defects and/or carry out any necessary action to achieve a positive result of the Operational Inspection. Following the signing of the Provisional Acceptance Certificate, the Contractor shall be entitled to issue the relevant invoice.

If the PAC has been passed with certain minor finish work still pending execution, the Principal shall sign the Provisional Acceptance Certificate, provided that the pending minor finish works (the **Punch List Works**) are listed in an attached document signed by the Parties (the **Punch List**), and that a period of up to thirty (30) days, or the different period agreed upon by the Parties on the basis of the general accepted commercial practice, is set therein for completion of the Punch List Works. Contractor shall use its best efforts to carry on the Punch List Works so as to minimize any interference with the operation of the relevant System and so as to minimize any reduction in performance or availability of the relevant System.

If, at the conclusion of the time period specified in the Punch List, the Punch List Works have not been performed by the Contractor, the Principal, without prejudice to any other rights it may have hereunder in respect of such not completed Punch List Works, shall give notice to the Contractor and the Contractor shall perform such Punch List Works within fifteen (15) days from receipt of the notice. Should the Contractor fail to do so, the Principal shall be free to perform such works directly or through third parties, and shall have the right to (a) deduct the related direct costs and expenses (duly documented in writing) from the Consideration, or (b) to enforce the Parent Company Guarantee for the amount of said direct costs and expenses.

12.3 Transfer of ownership of the System in favour of the Principal shall occur on issuance of the Provisional Acceptance Certificate.

12.4 On issuance of the Provisional Acceptance Certificate, the Contractor must make the O&M Agreement operative in relation to the accepted System.

12.5 Incentive Acceptance Certificate. The Principal shall issue the IAC as per **Annex 15** after having confirmed that all the following conditions have taken place:

- (a) Power Purchase Agreement is in force with reference to the collection of the electrical energy produced by the System;
- (b) Incentive Agreement is entered into with GSE in compliance with the terms foreseen in Article 5, paragraph 4, of the Decree Law, together with all the documents foreseen by the AEEG Resolution 90/07 and the Principal has been informed about the System's admission to the incentive tariff foreseen by the Decree Law.

12.6 Reassessment Tests. The First Reassessment Test of the MGPR shall be performed, in accordance with the procedure described in **Annex 10**, 12 (twelve) months after the PAC. The Second Reassessment Test of the MGPR shall be performed 24 (twenty four) months after the PAC.

The Contractor shall notify the Principal when the System is ready to be tested and both Parties will agree a date to carry out the Reassessment Tests for the corresponding annual period (such a date will not be later than the fifteen (15) working days following expiry of the 12 month period following the start of the Warranty Period or the date of the end of the Warranty Period as appropriate).

The First and the Second Reassessment Test of the System shall be subject to the Technical Consultant's consent.

12.7 Final Acceptance Certificate. The Principal, with the prior written consent of the Technical Adviser and of the Financing Entity, shall issue the Final Acceptance Certificate as per **Annex 16** upon the satisfaction of the following conditions,

- the System has passed successfully the First and Second Reassessment Test and/or any related Performance Liquidated Damages have been paid by the Contractor.
- the IAC has been issued;
- agreement with the GSE and the Incentive are in force with reference to the collection of the electrical energy produced by the System;
- all the obligations related to the regulation of access to the grids have been fulfilled;
- the O&M guarantee foreseen under the O&M Agreement is in place.

Article 13 – Warranties for Defects and Materials

13.1 The Contractor shall warrant the System's performances in compliance with the Technical Specifications and the MGPR as foreseen in **Annexes 6 and 9** for the period of 24 (twenty four) months after the issue of the PAC. The Contractor shall undertake, in any case, to promptly remedy the System's lower performance after having received from the Principal a written communication regarding the unsatisfying performance.

13.2 Penalties. If the effective performance ratio disclosed by the PAC test and/or the First Reassessment Test and/or the Second Reassessment Test is less than the MGPR, the Contractor shall pay to the Principal Performance Liquidated Damages equal to Euro 7.5 per kWp (seven point five), per each percentage point which is lower than the value indicated in the MGPR. It is understood that the total amount of Performance Liquidated Damages, shall be no more than 1% (one per cent) of the Consideration. Performance Liquidated Damages shall be payable at the end of the month in which the relevant test was held.

13.3 Without prejudice to the above, the Contractor shall provide the Principal with a guarantee for any defects concerning the Executive Project and the Works in accordance with Article 1667 and 1669 of the Civil Code. The terms of said guarantee will come into force from the date of issuance of the PAC, in accordance with Article 12 above, for a period of 24 (twenty four) months. The terms to give notice with reference to defects are ruled by Articles 1667 and 1669 of the civil code. Accordingly, the Contractor shall during such time:

- (a) replace, repair and/or adjust any defective Equipment;
- (b) guarantee availability of spare parts.

13.4 In addition to the above, the Contractor must also provide the following specific guarantees with regard to the photovoltaic modules:

- (a) Install a guaranteed potential by means of the issue of "flash test" certification of the modules. The power effectively installed must reach the quantity established in the relative manuals, in compliance with the Technical Specifications. Otherwise, the Contractor shall be obliged to replace the faulty modules and/or install additional modules in order to reach the nominal power as described in Recital D;
- (b) A photovoltaic module efficiency guarantee for a minimum period of twenty years after the issue of the PAC, provided that the cumulative deterioration of the photovoltaic modules does not exceed, for the first 10 (ten) years, 10% (ten percent) and for the first 20 (twenty) years, overall, 20% (twenty percent). The relevant guarantee's extension in compliance with the terms of the law has already been taken into consideration in calculating the MGPR.

Said guarantees must be accompanied by the modules' producer's counter-security, of which the Principal shall be entitled to choose to be the direct beneficiary, since the Contractor shall, in any case, be held jointly liable with said producer.

Article 14 – Assignment, Subcontracting and Sub-supply

- 14.1 The Contractor shall not be entitled to assign, either totally or partially, the Contract; however, the Contractor may be entitled to subcontract the performance of any portion of the Works to third parties, subject to the Principal’s prior written consent.
- 14.2 In the case of subcontracting, it is understood that the Contractor shall be totally and unconditionally liable to the Principal with reference to the complete, precise and punctual performance of the Contract, including with reference to the totality of the subcontracted works and the supplies and also with reference to compliance with the provisions relative to remuneration and social security and the Works meeting the requirements established by this Contract.
- 14.3 In any case, each of the subcontractors shall abide by and comply with the provisions set forth in the PSC and the POS, since the Contractor shall be held directly liable to the Principal in relation to this compliance.
- 14.4 The Principal shall be entitled to assign this Contract any third company indicated by the Principal, and the Contractor expressly consents as from now to such assignment.

Article 15 – Insurance

- 15.1 The Contractor, without prejudice to his own responsibilities, shall, at his own total expenses, enter into the following insurance policies with first-class insurance companies, with an S&P rating of no less than A- or equivalent or, in any case, that satisfies the Principal and the Financing Entity, if appointed, and maintain them operative for the entire period in which this Contract is in force. Said insurance policies must be submitted beforehand to the Principal and the Financing Entity, if appointed, for their approval:
- (a) Industrial accidents insurance in favour of the Contractor’s employees and/or any workers who are not the Contractor’s employees;
 - (b) employers’ liability, with a minimum limit of no less than Euro 5,000,000.00 per event and 2,000,000.00 per person;
 - (c) Insurance to cover third party civil liability, with a minimum limit per event of no less than Euro 5,000,000.00; the Principal and the Financing Entity, albeit maintaining the qualification of “third party”, they must be inserted as “additional party insured” and there must be an explicit clause waiving the party’s insured recovery against the Principal, the Financing Entity and their employees and consultants;
 - (d) Insurance to cover professional civil liability, with a minimum limit per event of no less than Euro 2,500,000.00;
 - (e) Insurance to cover vehicle civil liability, for all owned vehicles and/or in use, which must be provided with the mandatory insurance policy as foreseen by the Law No. 990/69 and subsequent amendments and integration, for a minimum limit of no less than Euro 5,000,000.00 per accident;

- (f) "All risks Property Damage", including theft, insurance, to cover all the goods and assets, including the main cabins, equipment and machinery used during the Works' realization, with the sum insured equivalent to the value incurred by replacing the same.

15.2 The Contractor, without prejudice to his own responsibilities shall, at his own total expenses, enter into the following insurance policies, with first-class insurance companies, with an S&P rating of no less than A- or equivalent or, in any case, which satisfy the Principal and the Financing Entity, if appointed, and maintain them operative for the entire period in which this Contract is in force. Said insurance policies must be submitted beforehand to the Principal and the Financing Entity, if appointed, for their approval:

- (a) *E.A.R. "Erection All Risks"* policy to cover the damages derived from the damage to total or partial destruction of the Works, which might occur while the Works are carried out. The cover shall also provide for cover for extended maintenance for a period of 24 months, the supply warranty, the section of third party civil liability (including the crossed liability between the participants and the works) and the advanced loss of profit section. The sum insured for the Works shall be equivalent to the Contract's value, whilst the civil liability upper limit shall be no less than Euro 5,000,000.00 per accident;
- (b) transport policy to cover the material damages and aimed at the assets required to realise the Works, including the advanced loss of profit section. The cover shall run from the place of departure anywhere in the world until arrival care off the site where the works are performed.

15.3 The insurance policies provided under paragraphs 15.1 and 15.2 shall as include the Financing Entity, if appointed, the Principal, and any other subcontractor among the insured parties. The Principal shall be entitled, at his own unquestionable judgement, to enter into other covers or policies in integration of and/or besides those foreseen by this Article 15, simply informing the Contractor of the same beforehand.

15.4 The Contractor acknowledges that the insurance cover referred to in Articles 15.1 and 15.2 may be object of encumbrance in favour of the Financing Entity. In this respect, the Contractor agrees that the Principle, at its discretion, may require that the insurance company issues an endorsement letter in favour of the Financing Entity, for the case that a Financing Entity is appointed. In addition the Contractor agrees to use reasonable endeavours to achieve any requirements of the Financing Entity relating to security over the insurance policies.

15.5 In any case, the amounts exceeding the upper limits and the indemnity limits insured, as well as the amounts corresponding to any type of excess liability relative to any policy shall be charged to the Contractor.

15.6 The Contractor shall be responsible for losses exceeding the insured limits and for policy deductibles. He shall also hold the Principal and the Financing Entity harmless from any claims for compensation for damages, liabilities, costs and expenses derived, directly or indirectly, from events covered by the insurance policies but which, for any reason whatsoever, are not compensated or by events that are not covered by the policies themselves.

15.7 It is understood between the Parties that the Principal shall, in any case, be free to commence legal proceedings against the Contractor to seek compensation of all the eventual and further damages that might result as not being covered by any policy and which can be ascribed to the Contractor by virtue of this Contract.

15.8 The Contractor shall deliver executed copy the aforementioned policies and evidence of the payment of the premiums for the entire duration of the relative period insured promptly after execution of this Contract and in any case within the terms foreseen in Article 8.3 and hereby undertakes not to make any changes to the policies without the Principal's prior authorisation to do so. The Contractor shall also undertake to check that sub-contractors underwrite, for the entire duration of the Works, suitable insurance cover in compliance with Articles 15.1 and 15.2 above, charged to the Contractor himself.

Article 16 – Performance Suspension

16.1 The Principal, by means of the Works Manager, shall be entitled to suspend the Contract, either totally or partially, at any time whatsoever and on more than one occasion, by providing the Contractor with written communication of the suspension sent by registered mail with return receipt. Said suspension cannot, in any case, exceed, as a whole, the overall duration of 45 (forty-five) calendar days.

16.2 The Contractor shall be entitled to receive a refund for the costs and expenses sustained due to suspension, which shall be provisionally defined (in order to permit continuation of the Works) by the Works Manager, except for the Parties being entitled to object the Works Manager's decision pursuant to Article 24. The Parties shall undertake, in any case, to provisionally apply the Works Manager's decision.

16.3 In the case of suspension arising pursuant to this Article, the Parties have accepted that the Project Implementation Schedule may be amended in agreement between the Parties. This extension must be at least equal to the period of suspension.

Article 17 - Unilateral Termination by the Principal

17.1 The Principal shall be entitled, at any time whatsoever, to unilaterally terminate the Contract, informing the Contractor by means of notice sent by registered mail with return receipt.

17.2 In the case of the Principal's exercising the unilateral termination right referred to in the previous paragraph and save for Article 17.4 here below, the Principal shall pay the Contractor, in addition to the Consideration for the Works, performed up until that time, an indemnity equal to 10% (ten per cent) of the value of the outstanding Works.

17.3 The Contractor shall withhold any advance payment on the Consideration made by the Principal in compliance with the Payment Milestones, save for the Contractor's right to claim payment of any further amounts due to the Contractor for all the Works that have been carried out until receipt of the termination notice.

17.4 The Principal shall be entitled to terminate the Contract pursuant to the above, should the Applicable Law change or should a Force Majeure event occur which renders the realization of the System impossible and leads to the revocation of any Applicable Permit. However, in this case and in derogation to what has been foreseen in Article 17.2, the Contractor shall only be entitled to payment of the consideration due for the Works carried out until the delivery of the termination notice, excluding any indemnity for the part of the Works that have not been performed.

17.5 Should the Principal terminate the Contract, it shall promptly return the Parent Company Guarantee to the Contractor.

Article 18 – Termination attributable to the Contractor

18.1 The Principal shall be entitled to terminate the Contract pursuant to Article 1456 of the Civil Code (*clausola risolutiva espressa*), by giving notice to the Contractor no later than 30 (thirty) calendar days of the Principal becoming aware of any of the following circumstances:

- (a) non-delivery of the Parent Company Guarantee and all the insurance policies to the Principal within the terms foreseen in Article 15 of this Contract and in compliance with the condition foreseen therein, or the Contractor's breach of its obligation of maintaining the Parent Company Guarantee and the insurance policies in force, at its own expense, in compliance with the terms and conditions foreseen in this Contract;
- (b) any of the representations or warranties provided in Article 5 is imprecise, untrue or misleading;
- (c) the Building Permit, the STMC, and any other Applicable Permit already obtained are not transferred to the Principal pursuant to art. 4.2.(a);

- (d) cancellation or revocation of a Building Permit, STMC, or any Applicable Permit for reasons attributable to the Contractor;
- (e) the circumstances provided under Article 11.6 occur;
- (f) non-admission to the 2010 Incentive or in any case non entry into force of the Incentive Agreement;
- (g) the Contractor has exceeded the maximum limit of Liquidated Damages and/or Penalties foreseen pursuant to Articles 9 and 13;
- (h) failure to pass the Operational Inspection and consequent non-issue of the PAC;
- (i) failure to release the Warranty Bond upon issuance of the PAC
- (j) failure to pass the Reassessment Tests;
- (k) failure to satisfy the condition in Article 12.7 and consequent non-issue of the FAC within 24 months from the issuance of the PAC

18.2 The Principal shall be entitled to send the Contractor notice to perform within the terms of no less than 30 (thirty) calendar days from receipt of the relevant notice (or any longer terms that are considered to be appropriate by the Principal in relation to the circumstances), pursuant to Article 1454 of the Civil Code in all events of the Contractor's breach, other than those referred to in Article 18.1 above, of his obligations, pursuant to this Contract. Should the Contractor not perform within such terms, the Principal shall be entitled to declare the Contract terminated.

18.3 The Contract shall be terminated pursuant to Article 81 of the Italian Bankruptcy Law (R.D. 267/1942 as amended and/or integrated from time to time), if the Contractor becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under Applicable Law) has a similar effect to any of these act or events, unless the Principal consents to continuation of the Contract.

Article 19 - Termination attributable to the Principal

19.1 In the case of the Principal's breach of its obligations pursuant to this Contract, the Contractor shall be entitled to send the Principal and the Financing Entity, if appointed, notice to perform within the terms of 30 (thirty) calendar days of receipt of such notice, pursuant to Article 1454 of the Civil Code. The Contractor acknowledges and accepts that termination of the Contract due to facts attributable to the Principal cannot, in any case whatsoever, be declared or requested unless notice demanding performance is sent to the Principal, with the Financing Entity in copy, pursuant to this Article.

19.2 The Contract shall be terminated pursuant to Article 81 of the Italian Bankruptcy Law (R.D. 267/1942 as amended and/or integrated from time to time), if the Principal becomes bankrupt or insolvent, goes in liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under Applicable Law) has a similar effect to any of these act or events, unless the Contractor consents to continuation of the Contract.

Article 20 – Termination Consequences

20.1 In the case of termination of the Contract attributable to the Contractor, in any of the events foreseen by the Applicable Law or by this Contract, the Principal shall be entitled to receive from the Contractor, save for any further damages, payment of a termination penalty equal to 10% (ten percent) of the value of the remaining Works, to be determined in the value of the Consideration less the amounts of the Payment Milestones become due on the time of termination. The Principal shall also be entitled to receive from the Contractor the refund of the amounts corresponding to the balance of the payments which have not been up to that time allocated to the subsequent Works.

Without prejudice to the above, the Principal shall also be entitled to:

- (a) prepare a report of completed Works setting forth the value thereof, in which case, upon termination, without prejudice to any provisions of this Contract, the Principal shall have the right to:
 - i. keep the completed Works, in which case the Contractor shall promptly abandon the Area and transfer the ownership of any completed Works if not already transferred; or alternatively,
 - ii. reject the Works, in which case the Contractor shall dismantle the Works bearing the relevant costs and expenses and return to the Principal any payment of the Consideration received, plus interest in accordance with Article 1224 of the Italian Civil Code.
- (b) quantify the amount of any and all penalties, Delay Liquidated Damages, Discounts, etc, owed by the Contractor to the Principal, in which case the Principal shall prepare a statement of amounts due to the Principal less any amounts due to the Contractor under this Contract; the statement of amounts outstanding shall be sent to the Contractor which shall send its observations to the Principal within ten (10) days. Failure to send observations within such ten-day period shall be deemed consent to the statement of amounts due to the Principal. Payment of the amounts indicated in the previous paragraph shall be made within 7 (seven) calendar days of receipt of the above-mentioned statement, and the Principal shall be entitled to enforce the Parent Company Guarantee and/or the Warranty Bond to recover any such amounts. In the event that the Contractor disputes the statement of the Principal within ten (10) days, and the Parties fail to reach an amicable settlement, the dispute shall be settled in accordance with Article 24 hereof. As soon as Contractor pays the amount due, Principal shall return the Parent Company Guarantee and the Warranty Bond. On the contrary, where Contractor fails to pay the amount due pursuant to the above statement, Principal shall be entitled to enforce the Parent Company Guarantee and/or the Warranty Bond;
- (c) have the Area vacated by the Contractor, at his own expenses, from all the material, equipment and machinery belonging to him and from any rubble, debris and rubbish within 15 (fifteen) days of termination.

20.2 In the case of termination attributable to the Principal, the Principal shall take definitive delivery of the Works that have been realised up to the time of termination and the Contractor shall be entitled to withhold any payment made by the Principal in compliance with the Payment Milestones pursuant to Article 4, save for the Contractor's right to claim payment of any further amounts due to the Contractor for all the Works that have been carried out until receipt of the termination notice and for any further damages. On the Principal's request, the Contractor shall vacate the Area and the site from all the materials, equipment and machinery that belongs to him at the Principal's expenses and provide for the removal of any rubble, debris and rubbish.

20.3 Without prejudice to the above, in the case of termination due to failure by the Principal to perform its payment obligations pursuant to Article 4, provided that the Contractor has fulfilled all its obligations under this Contract, the Contractor or any third party indicated by the Contractor shall be entitled to be transferred, by way of a line of business transfer, the Applicable Permits and the Building Right and to keep the Works, by paying to the Principal an amount equal to the percentage of the Consideration already paid by the Principal, upon deduction of an amount equal to Euro 400.00 per kWp (four hundred). It is understood that the in the case of exercise of such right the Contractor shall not be entitled to any other claim towards the Principal and hereby waives any such claim. It is understood that should a Financing Entity have been appointed at the time of termination, this Article 20.3 shall not be applicable.

20.4 Furthermore, in the event of termination attributable to the Principal, the Principal shall immediately return to the Contractor the Parent Company Guarantee and the Warranty Bond.

Article 21 – Confidentiality Obligation

21.1 Each Party declares that:

- (a) the Confidential Information, in any form in which it comes to the knowledge of the Parties, shall not be disclosed, in any case whatsoever, either totally or partially, to any third parties except where, further to termination of the Contract, the Contractor shall have to be replaced with another individual or entity in order to complete the System, in which case the Confidential Information may be disclosed to the individual appointed to the complete the Works object of this Contract;
- (b) said Confidential Information shall not be used for any purposes that is not solely and exclusively related to (i) the performance of this Contract or (ii) the drafting of a prospectus addressed to a fund of the System.

21.2 The Confidential Information may only be disclosed to the Parties' shareholders, the directors, executives, employees or consultants employed by the Party receiving the Confidential Information, and the Technical Consultant and the Financing Entity.

21.3 Neither of the Parties shall be entitled to make any declarations or announcements to third parties, the press or, in general, to the media, in relation to the Contract, without having received the other Party's prior, written authorisation, with the exception of the disclosure required by the Applicable Law or by the law applicable to the Principal or to the Principal's group.

21.4 The provisions contained in this Article 21 shall be effective from the date on which this Contract is entered into or from the date of the first communication of said Confidential Information and shall remain in force even after expiry of this Contract.

Article 22 – Miscellaneous

22.1 This Contract cannot be amended or integrated, in any way whatsoever, unless by means of a written agreement between the Parties.

22.2 The Contractor is aware that the Financing represents a priority for the Principal and represents that the project (including both the EPC and O&M Agreement) is at the time of execution technically and legally bankable. In particular, the Contractor is aware that the Financing Entity may require: (i) a Warranty Bond after PAC, in the form of an autonomous and first demand insurance bond covering 15% (fifteen per cent) of the Consideration; (ii) cross default clauses in the event that the Financing covers more than one EPC contract. The Contractor shall encounter such expectations, provided that they are reasonable and substantially in line with the banking standards practiced at the date of execution hereof. In addition, the Contractor shall provide all good faith cooperation as to obtain the Financing in the case that banking standards practiced at the time Financing is negotiated are substantially different from banking standards practiced at the date of execution hereof.

22.3 The Parties declare that in the future they are willing to enter into other EPC contracts in relation to other plants (“**New Contracts**”) and agree that the New Contracts shall be regulated, *mutatis mutandis*, in accordance with the terms and conditions of this Contract, save as otherwise agreed.

22.4 The Principal shall promptly refund to the Contractor any amount reimbursed by ENEL to the Principal in relation to the infrastructure works carried out by the Contractor outside the Area to connect the System to the grid.

22.5 In the case that any provision contained in this Contract is declared invalid on the basis of the Applicable Law by a judge or a board of arbitration, this shall not entail the entire Contract being void, it being understood that the Parties shall promptly meet in order to replace the invalid provision with another one which respects, as much as possible, its meaning.

22.6 The Contractor shall not assign the receivables derived from this Contract to any third parties without the Principal's prior written consent, it being understood that the term, “third parties”, also implies the companies belonging to the same group as the Contractor.

22.7 Any communication requested or consented in relation to this Contract must be made in writing and must be (i) delivered by hand, (ii) sent by registered mail with return receipt, or (iii) sent by fax. Any communication shall be considered as having been received (i) if delivered by hand, on its delivery to the addressee Party, (ii) if sent by registered mail with return receipt, on the date indicated in said notice, and (iii) if sent by fax, on receipt of confirmation of sending provided by the fax transmitting it. All communications shall be sent to the following addresses:

- if addressed to the Principal:

Elomay PV One Srl

Address: Galleria Borromeo, 3, 35137, Padova (Italy)

Fax no:

~~Ranf@ellomay.com~~ cranzi@ellomay.com

or any other address, also of third companies, that may be indicated from time to time by the Principal.

- if addressed to the Contractor:

Ecoware S.p.A.

Address: Via Nona Strada, 9, I-35129 Padua, Italy

Attention: Ing. Leopoldo Franceschini

Fax no.: +39 049 738 76 38

E-mail: L.Franceschini@ecoware.eu, I.Bovo@ecoware.eu

22.8 The risk related to the event referred to in Article 1664 of the Civil Code has been fully and knowingly undertaken by the Contractor. The risk relative to the event referred to in Articles 1660 and following of the Civil Code shall be attributed to the Contractor within the limits agreed in Article 10 of the Contract.

Article 23 - Technical Consultant

23.1 The Technical Consultant shall act in the interests of the successful outcome of the System in his capacity of technical adviser in the exclusive interests of the Principal and/or the Financing Entity. The Technical Consultant shall have access to the Works, the Area the project documentation and the one relating to the Works' performance.

23.2 The Technical Consultant shall be entitled to employ third parties to perform his duties provided that, in this instance, he shall procure that said employees comply with the rules in force on site and given by the Contractor or Works Manager.

Article 24 – Technical Dispute and Arbitration

24.1 The Parties undertake to amicably resolve any dispute arising out of or in connection with the interpretation, validity, performance and termination of this Contract.

24.2 In case of any technical dispute between the Parties in any matter relating *inter alia* to the achievement of a Payment Milestone, the extension of the Project Implementation Schedule, the Commencement of Operation (*entrata in esercizio*), the Technical Inspection, Operational Inspection, the First Reassessment Test and the Second Reassessment Test, the Variation procedure or any change in Applicable Law, the Parties can mutually agree to request the appointment of a technical expert (the "**Expert**") to settle the dispute. The proposal for the appointment of the Expert shall state in detail the technical question and include a list of at least three persons proposed for the appointment as Expert. The Parties agree to meet and discuss on the appointment of the Expert during the following ten (10) Working Days after receipt of the request. In the case that the Expert is not appointed by the Parties within fifteen (15) Working Days after the request, the Expert shall be appointed by the Chairman of the bar of the Engineers of Milan (*Ordine degli Ingegneri di Milano*) upon request of either Party. The Expert shall finally determine the technical matter in accordance with the provisions of this Contract, acting as arbitrator pursuant to Article 1349 of the Italian Civil Code. The Expert shall deliver its determination to the Parties in writing, including an explanation of the underlying reasons, within thirty (30) calendar days after the acceptance of the mandate. The Expert's determination shall (in the absence of patent error or unfairness) be final and binding upon the Parties. The costs of the determination, including fees and expenses of the Expert, shall be borne as determined by the Expert.

24.3 Without prejudice to Article 24.2 above, in all the other cases where an amicable solution to the disputes cannot be reached, the settlement of said disputes shall be referred to a Board of Arbitration formed of 3 (three) arbitrators, 1 (one) of whom shall act as the President, in accordance with the National Arbitration Chamber of Milan's Rules of International Arbitration, which the Parties have declared that they are aware of and fully accept.

24.4 The Board, which shall sit in Milan, shall decide under the procedure and law within 4 (four) months of it being formed. The award shall become immediately enforceable. The award's registration costs shall be borne by the unprevailing Party.

Signed by

on this date 4/3/2010

/s/ Ran Fridrich

Mr. Ran Fridrich

The Principal, Ellomay PV One S.r.l.

on this date March [●]

/s/ Leopoldo Franceschini

Ing. Leopoldo Franceschini

The Contractor, Ecoware S.p.A.

DEVELOPER'S ENDORSEMENT

The Developer hereby endorses this Contract and in so doing undertakes to cooperate with the Parties hereto and support the Contractor to ensure the proper performance of this Contract in relation to the transfer of the Building Permit, STMC and of the Land Use Rights.

/s/ Novaltek Servizi s.r.l

Ing. Giuseppe Politi

The Developer, Novaltek Servizi S.r.l.

Annexes

Annex 1:	Executed Land Rights Contract
Annex 2:	Area Map
Annex 3:	Equipment
Annex 4:	Definitive Project
Annex 5:	Parent Company Guarantee
Annex 6:	Technical Specifications
Annex 7:	Project Implementation Schedule
Annex 8:	Safety Costs
Annex 9:	Minimum Guaranteed Performance Ratio
Annex 10:	Testing Procedures
Annex 11:	Technical Acceptance Certificate model
Annex 12:	Commencement of Operation notice model
Annex 13:	Statement on estimate of Connection of Plant
Annex 14:	Provisional Acceptance Certificate model
Annex 15:	Incentive Acceptance Certificate model
Annex 16:	Final Acceptance Certificate model
Annex 17:	Model of O&M Agreement
Annex 18:	Option Agreement

Annex 1 [Land Rights Contract]
[Translated from Italian]

Inventory no. 41.573

Register number 15.248

LAND RIGHT CONTRACT IN RELATION TO THE CONSTRUCTION AND OPERATION OF A PHOTOVOLTAIC PLANT

ITALIAN REPUBLIC

Year two thousand and ten, twenty seventh day of January

27th of January 2010

In Fano, in my office located in Bruno Buozzi Avenue no.33.

Before me, Ms. ANNUNZIATA MORICO, Notary in Fano, registered on the Pesaro and Urbino Register of Notaries

have personally appeared Mr. and Ms.

COSTANTINI RAFFAELE, born in Senigallia, on 27 November 1966, resident in Senigallia, via Metauro, n. 8, Fiscal Code. CST RFL 66S27 I608Q, who declares to be married in separation of assets regime, COSTANTINI LUIGI, born in Senigallia, on 9 August 1965, resident in Senigallia in via Rossini, 9, Fiscal Code CST LGU 65M09 I608C, who declares to be married in separation of assets regime, but personal owner of the asset;
CESARIN FRANCESCO, born in Piove di Sacco on 20th October 1973, resident in Correzzola in Via Vanezza No 21, Fiscal Code CSR FNC 73R20 G693W, who attends not on his own behalf, but on behalf the limited liability company with sole shareholder "SUNEX 3 S.R.L.", with registered offices in Padua, Zona Industriale, in Via Nona Strada n.9, share capital Euro 10.000 (ten thousand) fully paid-up, registered at the Companies Registration Office of Padua, with tax code number, VAT registration number and business identification number 06085820964,
Duly appointed as attested by the power of attorney authenticated by Mr. Giorgio Fassanelli, Notary in Padua, on 25th January 2010, index number 73661, that the attorney declares is valid and has not been revoked and that the original is enclosed hereto under the letter "A", hereinafter also referred to as the "Grantee".

The persons before me, whose personal identity, qualification and authorisation for signature I, the notary, am certain, request that I receive this deed with which the parties agree and conclude as follows.

Art. 1- Definitions

Unless otherwise specified, the definitions reported herebelow will have the meaning attributed to them as follows, independently of the singular or plural use:

"Authorisations": any concession, authorisation, licence and / or nulla osta required to proceed with the construction, operation and maintenance of the plant, including all the concessions and necessary agreements with the National Agency for Energy or any another company, and the GSE (Power Supply Company) for the sale of the energy produced by the Plant;

"Rental Fees": the amount indicated in art. 5. A;

"Final Contract": the present final land right contract signed by the Parties;

"Consideration": the Rental Fees plus the Indemnity for Damages;

"Land Right": the Land Right constituted in favour of the Grantee with the present Final Contract;

"Financing": the credit line and more generally the financing granted by the Financing Entity to the Grantee or to any other entity indicated by the latter appointed in accordance with the modalities agreed between them which is required for the construction, testing, operation, management and maintenance of the Plant;

"Financing Entity": the company or the companies and/or the private and / or public institutes that grant the financing;

"GSE": Provider of the electric services - GSE Inc.;

"Plant": the photovoltaic Plant to be realised, including the accessories which, by way of example include the transformer station, the long-distance overhead power lines and the underground power lines;

"Indemnity for Damages ": the amount indicated in art. 5. E;

"Plot": the land identified by the Grantee on which the Plant will be built and managed, registered on the Land Register of the Municipality of Senigallia on Sheet 33, Map 54.

Art.2- Object of the contract

A. The Grantors, Mr COSTANTINI RAFFAELE and COSTANTINI LUIGI, grant the Grantee, who accepts and purchases the right to build and operate, in accordance with art. 952 of the Civil Code the terms and conditions set out in this contract and the authorisations, the Plant on the Plot located in the town of Senigallia, which is in their exclusive ownership, identified and registered as follows:

- Agricultural land, in one sole plot, total surface area equal to two hectares, twentyfive acres and seventy six centiares (Ha. 02.25.76), included in the "agricultural" zone, according to the current town planning regulations, registered on the Land Register of the Senigallia Municipality on Sheet 54 (formerly 11/c), 02.25.76 hectares, land revenue Euro 99.11 and agricultural revenue Euro 104.94.

Borders: other properties owned by the grantors from two sides, Vecchi Attilio save others.

With the purposes of cadastral continuity and transcriptions it is specified that the cadastral details of the divided parcels derive from subdivision no. 276295/2009 submitted to the competent Territory Agency on 31st December 2009, Protocol no. AN0276295.

This land became their ownership, in relation to a 2/4 percentage, by way of intestate inheritance from their father Mr Costantini Aldo, died on 20th August 1985, estate communication no. 3, vol. 255, registered in Senigallia and transcribed in Ancona on 5 September 1986, no. 8672 Special Registry and, in relation to the other 2/4, by way of intestate inheritance from their mother Ms Piersantelli Lidia, died on 3rd June 2003, estate communication no. 57, vol. 343, registered in Senigallia and transcribed in Ancona on 12 January 2006 no. 52, Special Registry.

B. The Grantors are aware of the technical characteristics of the Plant and declare that they have been informed of how the Plant itself shall be operated and of the operative standards normally required to manage such Plants.

The Plant will be realised and operated on the Plot and will include all the long-distance power lines and telephone lines which are necessary for, among other things, the connection of the Plant to the conversion groups and to the transformers as well as the connection point to the Provider's network of the national electricity grid, and also the related stations and the measurement groups, as well as other technical devices if necessary.

The Parties expressly agree that the Grantee will have the right to determine, at its own discretion, access and the most opportune management, also from an economic point of view, of the underground line of wires (no deeper than 80 cm) and will be allowed to protect the Plant permanently with fencing.

C. The Grantors, Mr. COSTANTINI RAFFAELE and COSTANTINI LUIGI, declare and guarantee:

(a) that they are the exclusive owners of the Plot, as specified above;

(b) that they are freely able to dispose of it;

(c) that the Plot is free of bond constraints, charges, easement, mortgages, privileges and / or taxes in any way able to bind or jeopardise the construction, the testing, the putting into service as well as the management and the maintenance of the Plant.

The Grantors also declare that they signed before Mr Rocco Cozza, notary in Senigallia on 8 November 2009, rep. no. 100429/16075, registered in Ancona on 23 November 2009 at no. 14765 Special Registry, a deed whereby they committed to remove the PV plant and procure that the sites are put to their original status after dismissal of the plant. The Grantee declares to be aware of said deed and accept it.

In particular, the grantee shall:

- 1) disconnect the plant from the grid;
- 2) remove all the panels and the sustaining structures, including any works on the land;
- 3) remove all infrastructures (electric lines, machineries and electromechanical equipment, electric cabin, accesses, internal roads, fences, etc), including any works on the land;
- 4) firstly, remove materials that can be re-used placing them in the stores; put the materials remaining for demolition in ad hoc authorised dump, complying with applicable regulations in case of hazardous materials;
- 5) restore the original agricultural land, also by cleaning and disposal of any leftover, such as metallic and cement bits or similar.

The Grantors also declare that the Plot is not the object of any proceedings of a civil, administrative or criminal nature nor are there any judicial, executive or conservative measures in force that could jeopardise either wholly or in part the sole and exclusive ownership or possession of the Plot with the purpose of carrying out the project. There are no circumstances that could limit or jeopardise the construction, the testing, the putting into service or the management and the maintenance of the Plant; it is not the object of a loan for use agreement, rent or tenant farming agreement; it is free of constructions, buildings, trees and plantations that could obstruct the construction and the functioning of the Plant (here included, by way of example only, any object that can darken the solar light panel of the Plant) and the activities carried out have always been realised in accordance with law and rules both at a national and a European level, with particular reference to the environmental and landscape provisions;

(d) that they are well aware of the use to which the Plot is destined and that they approve it without reserve or any exception and also declare and guarantee that the Plot and the subsoil (as is visible and to their knowledge) is free of piping, sluices or any other equipment which is generally incompatible or even only prejudicial or limitative to the use for which it will be destined.

Art. 3 - Delivery of the Plot

A. The Grantee shall start the construction works for the Plant, in the manner and in the terms that they consider to be the most appropriate for its own organizational and production demands.

Legal possession and material availability of the Plot is delivered on this day in favour of the Grantee, for all the useful and onerous effects.

B. At the date of the start of works the Plot will be free from any cultivations, plantations and/or trees that could obstruct the construction and / or the function of the Plant, it being understood that the Grantee will be able to proceed, at its own discretion, with the removal of above-mentioned if necessary.

C. It remains understood that no other indemnity or compensation shall be due other than the indemnity for damages provided in art. 5.E for the restoration or compensation of damages to cultivations, plantations and / or trees located on the Plot, which are destroyed, damaged, removed or cut off by the Grantee to allow the construction and / or the function of the Plant.

D. The Grantee discharges and exonerates the Grantors from any civil and criminal liability for damages to third parties (persons and / or things) of any title that may arise from the construction of the Plant and from its subsequent operation and maintenance, as well as from the removal of the plant and of the access road.

Art. 4 - Ownership, rights and easements

A. The Parties declare that the Plant as well as any other assets that the Grantee holds on the Plot shall remain ownership of the latter and shall not become part of the Plot.

B. The Grantors accept that the Plant as well as all the Grantee's assets that the latter may place on the Plot may be the object of a guarantee in favour of a Financing Entity or third parties. Vice versa, the Grantors undertake, for the whole duration of this contract, to maintain the Plot free from bonds, constraints, charges, easements, mortgages, privileges and/or taxes of any kind.

C. The Grantors undertake to grant and to constitute on other lands that they own and which are adjacent to the Plot, in addition to the ones established in accordance with Article 4.D hereof, easements for long-distance power lines, cable ducts, overground power lines (and also underground lines), access and passage by all means, including mechanical, as well as any other charge, burden or easement that may be required to operate and maintain the Plant. For this purpose, the Grantors undertake to attend to and execute any authenticated document or deed required in order to allow the regular constitution of any such easements and the related deed shall be transcribed at the relevant Registry at the Grantee's expense.

D. The Grantors, Mr. COSTANTINI RAFFAELE and COSTANTINI LUIGI, each for their individual right and together for the entire, set up:

- an access easement, with any means, for 5 (five) meters, on the plot owned by the Grantors and registered at Senigallia cadastral register at sheet 33, Map 52, Ha 00.03.24, in favour of the Plot.

- an electroduct easement in favour of the plant to be realised on the Plot on the plot owned by the grantors and registered at Senigallia cadastral register at sheet 33, Map 55, Ha 03.98.39, in accordance with the red lining in the plans enclosed hereto as Annex B.

The Grantors shall be entitled to enter the Plot, and the Grantee agrees, along the Plot's border with Mr Attilio Vecchi's property, for a space 5 (five) meters wide and for its entire length.

Art. 5 - Consideration

A. For all legal purposes the Parties declare, in lieu of affidavit, in accordance with Presidential Decree no. 445/2000 and made aware by myself, the Notary, of the criminal liabilities in case of false declaration, as well as aware of the powers of verification of the Financial Administration and of the applicable administrative sanctions in case of omitted, incomplete or false indication of data, as follows:

- the Grantee, as compensation for the concession of the building lease, undertakes to pay the Grantors, according to the methods and the terms indicated hereafter, for the whole duration of the building contract, an annual Rental fee equal to Euro 5,488.00 (five thousand four hundred eighty eight).

B. The Parties establish that the Rental fee will have to be paid to the Grantors in a single anticipated instalment by 1st December of each year by way of wire transfer to the Grantors' bank account at FINECO THE NEW BANK no. 000003169369 (IBAN IT11 L030 1503 2000 0000 3169 369), as indicated by the grantors.

C. The Rental Fee will be reassessed each year according to the percentage of 100 % (hundred percent) of the ISTAT index of the consumer prices of the families of workers and employees, with reference to the stipulated month.

For the current year of the signature date of this present building contract, the Rental Fee to be paid for the period between the date of signature of this document and December 31st is equal to Euro 5,488.00 (five thousand four hundred eighty eight) that the Grantee undertakes to pay within and no later than ten days after signing this Contract via a bank transfer as above indicated.

The Parties expressly agree that the bank documentation on which the bank transfer shall be shown, shall be considered as proof with full effect of the completed payment of the compensation for the Rental fee.

No interests shall accrue on the above amounts.

Thus being regulated payment of the consideration, the grantors expressly renounce the registration of the legal mortgage, expressly exonerating the competent conservative of the Land Registry from any liability.

D. The Parties recognise that the realisation of the Plant will inevitably compromise the fertility of the Plot. Therefore the Grantee corresponds to the Grantors, by way of compensation damages, the flat rate sum determined in total as Euro 23,050.00 (twenty-three thousand and fifty, the "Indemnity for Damages").

Such sum is paid on today's date in one single solution payment on 28 January 2010 by way of wire transfer to the bank account above indicated:

E. The compensation is understood to be an all inclusive amount, including the right of the Grantees to the constitution of the easement as indicated in art. 4. D, except for the right of the Grantors to the compensation provided by the laws regarding Telephone Easement and of Long-distance power lines, while the grantors have no right to obtain further amounts.

It is understood that each tax, fee, contribution, expense and other charges pertaining to the property of the area of the Plot, when due, will be the responsibility of the Grantors.

The amounts mentioned above are understood as negotiated even in relation to possible modifications of the regulating plan, for which the Grantors will not have the right to obtain any increase in the Rental fee or any Indemnity for Damages.

The present constitution of the building lease has been concluded without any mediation expense in accordance with article no. 1754 from the Civil code.

Art. 6 - Obligations of the grantors

A. The Grantors do not have the right to make any modification or works on the Plot, or on the neighbouring lands of which they may be in possession that are theoretically fit to reduce the power and the efficiency of the Plant, unless such modifications or works are authorised beforehand in writing by the Grantee.

The Grantors particularly undertake:

- not to carry out excavations and/or works that could compromise the safety of the Plant;
- not to plant trees with high trunks and not to build manufactured products of any kind that could compromise the function of the Plant;
- not to place underground pipes and/or other objects or manufactured products in the zone occupied by the long-distance power line, without previous agreement with the Grantee party.

B. The Grantors shall undertake to notify the Grantee of any circumstances known to them that could damage the Plant, to jeopardize or limit the functionality of it.

Article 7 - Duration

A. This present document is valid and binding upon the parties starting from today. The building right will last for twenty-one (21) years from today and will end on 27 January of the 2031 ("Initial Duration").

Before the contract expires, as stated in the first paragraph, the Grantee shall have the right to unilaterally extend the contract period for a further four (4) years ("Extension"), indicating their intention to the Grantors - who undertake to grant the extension from then on - by registered letter with return receipt and with a period of prior notice of at least twelve (12) months before the date of termination of the contract originally and/or subsequently provided.

The Charge for the grant of the building lease, in the updated contract, should be understood as equal to the amount of the last annuity increased by 20%, to be re-evaluated annually according to the ISTAT indexes. The grantor is obligated from then on to accept such extension to the specified conditions.

B. In the hypothetical cases stated in the subsequent articles 8.C and 8.D (resolution due to the Grantee's fault), as well as the normal expiry of the Contract or following the withdrawal operation under the successive art. 8A, within a maximum period of six (6) months from the termination of the Building Contract, the Grantee will proceed at its own expense to the removal of the Plant or any other operations carried out on the Plot as well as of the access road and electroduct.

In order to guarantee the removal of the Plant or any other work carried out on the Plot, the Grantee agrees to release within five (5) days from the date of the start of works a surety policy the amount of which shall conform to the amount required by the Company authorizing the project.

In order to guarantee the payment of the compensation indicated in art. 5.A, the Grantee agrees to pay the sum of Euro 5,488.00 (five thousand four hundred eighty eight), no later than 30th June, 2010, an annuity equal to the charge in the manner agreed as mentioned above in Article 5 B, as agreed between the parties.

The Grantors will forfeit that amount if the Grantee has not paid the Charge within the period referred to in art. 5.B and the Grantors have sent to the Grantee a written notice via registered mail with a return receipt with a declaration of default to comply with the term of ten (10) days from its receipt by the Grantee.

Such amount shall be deducted from the amount due as the last Rental fee payable on the twentieth year (lat rental fee).

Article 8 - Withdrawal and cancellation

A. The Grantee will have the right to withdraw at any time and at its sole discretion from the Building Contract with a notice period of ninety (90) days by means of a simple written notice, without the implication that any compensation is due to the grantor by way of indemnity or damages in addition to the payment of the charge for the duration of the notice.

B. The Grantee will have the right to declare the contract cancelled with immediate effect by means of written notice to the Grantors due to the fault of the latter, if the Grantors, in violation of their own obligations under the previous art.6.A, undertake building works and/or introduce crops or plantations on the Plot, on the property or on adjoining properties of which they may be in possession that are theoretically capable of reducing the power and effectiveness of the Plant or if the Grantors consider said acts likely to permanently affect the power and effectiveness of the Plant.

C. If the payment of the Charge is delayed for a period exceeding six (6) months, the Grantors will be entitled to send to the Grantee, by registered letter with return receipt, a warning to comply within a period of thirty (30) days.

The Grantors will be entitled to terminate this present Building Contract if the Grantee has not fulfilled its own obligations within thirty (30) days after receiving the formal notice. In the case that the Grantors are entitled to request the termination of this present Contract due to non-fulfilment of the Grantee and have the intention to exercise such right, the Grantors shall undertake to communicate this intention in writing to the Grantee and, even pursuant to and by effect of Article 1411 of the Civil Code, to the potential Financing Entity whose name and address has been notified in writing by the Grantee to the Grantors. Within 60 (sixty) days of receipt of the above-mentioned notice, the Financing Entity will have the right (I) to designate a third party who will take over from the Grantee in this present Contract or (ii) to inform the Grantors of its intention to directly cancel, or via the Grantee, the non-fulfilment of which the right to request the resolution is founded. In such cases, the Grantors may only request the termination of this present Contract in court and only if the causes of non-fulfilment from the Grantee, on which the right to request termination is based, will not be eliminated within 60 (sixty) days from the takeover of the third party or, as appropriate, upon receipt by the Grantors of the notice from the Financing Entity. The Financing Entity will also have the right to appoint a third party who will take over from the Grantee even when, although the latter has fulfilled its obligations under this present Contract, the Financing Entity notifies the Grantee of its intention to declare the forfeiture of the benefit of the term according to Article 1186 of the Civil Code or to terminate for non-fulfilment or cancel the financing contract.

D. This present contract is deemed to be automatically terminated if one of the Parties outside the cases expressly covered by the previous articles 8B and 8C, becomes a serious breach of its contractual obligations and does not adequately remedy the same within a reasonable time, or within thirty (30) days of the receipt of the notice communication of the other Party.

E. In case of cancellation of the building contract by the Grantee due to the fault of the Grantors (resolution under Articles. 8B and 8D, the Grantee shall have the right to decide whether to proceed with the removal of the Plant or of any other work carried out on the Plot, except the direct or indirect right of compensation for damages.,.

If the Grantee decides to remove the Plant, the Grantors shall be obliged to reimburse the Grantee for all costs and expenses incurred in such removal and restoration, apart from the right to compensation for additional damages.

Art.9 - Assignment of the building contract to third parties

A. The Grantors may assign this present contract to third parties, by giving written notice to the Grantee with at least ten (10) days of notice, provided that the third party undertakes in writing to abide by the contents of the Building Contract.

In case of sale and/or transfer of the Plot from the part of the Grantors, the latter are bound to oblige the third party to sign the following clause:

"The buyer/transferee shall substitute the vendor in all obligations under the building contract concluded on the 27th January 2010 with an deed received by the Notary Annunziata Morico, index number. [41575] and undertakes to comply with everything in it. "

In the absence of such express statement and signature of the vendor/transferee party, the Grantors will have to compensate the Grantee for any damage or prejudice that would result from this omission. In order to enable verification of compliance with this present agreement, the Grantor must send the Grantee a copy of the sale/transfer contract which will be signed by the third party.

B. The Grantee will have the right to dispose of this building contract at any time in the favour of a third party, by giving written notice to the Grantors within thirty (30) days, provided that the third party undertakes in writing to respect the contents of the Building Contract. The Grantee may also assign the Building Contract to more third parties as part of a total or partial disposal of the ownership of the Plant or its management. The Grantors must undertake to allow the transfer of the Building Contract, by giving their own consent in order to register the transfer on the Land Registry and make all the statements that may be required. The transfer will be effective in relation to the Grantors starting from the moment in which the the Grantors are informed of the transfer. From that moment on, the Grantee will be released from its obligations in relation to the Grantors, who shall immediately declare their intention to release the Grantee in the event of non-fulfilment by the third transferee.

C. Should this agreement be transferred to third parties through a transfer of part of the company, the Grantors shall renounce, from that moment, the right to terminate the contract under Article 2558, 2nd paragraph of the Civil Code.

Art.10 - Town planning situation

Pursuant to and by effect of article 30 of the Presidential Decree dated June 6th 2001 no.380 and subsequently extended and amended, the land use certificate is attached to this present document under letter "C", related to the land subject of this present document, issued by the Municipality of Senigallia on January the 25th 2010.

The Grantors declare that from the date of issue of the above-mentioned certificate until now there have been no modifications to the town planning regulations of the above-mentioned Municipality.

The Grantors also declare that there are no farmers settled on the land subject of this present document, or bordering the same land being entitled to an agrarian pre-emption under existing legislation.

Art.11 – Applicable Law. Sole jurisdiction

This present contract is governed by Italian law. All disputes arising from this Contract shall be the exclusive competence of the Ancona jurisdiction.

Art.12 - Communications

Unless otherwise stated by the specific clauses in the Building Contract, any communication between the parties shall be made by registered letter with return receipt, or by fax or email, with confirmation of receipt at the addresses indicated in the epigraph to this present document.

Communication by fax or email shall be deemed complete only when accompanied by a confirmation receipt.

13 - Final clauses

A. This present building contract completely covers the will of Parties related to the relationship they have established. Therefore any previous agreement or understanding, verbal or written, possibly exchanged between them and concerning the same report must be understood as cancelled and/or revoked.

B. Notwithstanding any stipulation in the foregoing regulations, whatever their nature, it will only be valid if made in writing and after the signature date of the building contract.

C. The fact that one of the Parties does not exercise at any time its rights that are acknowledged by one or more clauses of the building contract cannot be considered as a renunciation to such rights nor will it obstruct the latter to successively expect timely and thorough implementation.

D. If one of the clauses of the building contract should be declared invalid or inefficient by the competent jurisdiction, the same clause will continue in full effect for the part not affected by it.

E. Legal fees and taxes are the responsibility of the Grantee Party.

F. Each Party undertakes to process the data of the other party in respect of the Legislative Decree 196/2003. The Parties also undertake to maintain and ensure that its own staff, directors, employees and consultants maintain the strictest secrecy and confidentiality on this present document, but it is understood that no party shall be deemed in violation of this undertaking when making a communication that is required by law, made under a procedure provided by this present document or necessary for its execution.

The Grantors acknowledge and accept that the Grantee party can show this present contract and any related document to any potential financing bank or potential transfer.

Art.14 – General Terms

Pursuant to and by effect of articles 1341 and 1342 from the Civil Code, the Grantors expressly state that they agree to the following regulations:

Article 3, paragraphs A), B) and C) (Delivery of Plot);

Article 4, (Property, property rights and easement);

Article 5 letter A) (Charge), letter D) (Indemnity for Damages Compensation);

Article 7 paragraph A) (Duration and the Right of Extension);

Article 8 letter A) (Withdrawal of the Grantee), letter B) (Express Termination Clause), letter A) (Consequences of the Resolution);

Article 9 (Assignment of the Building Contract to third parties);

Article 11 (Jurisdiction).

The parties exonerate me, the Notary, from the reading of the Annexes and declare that they are perfectly aware of them.

I, the Notary, received this present document and I read it to the persons before me that approved it and together with me, the Notary, sign it at fifteen minutes past ten (22: 15).

This deed is typed by a person I trust and consists of four sheets on eleven pages, and the present twelfth page ends here.

Signed
Costantini Raffaele, Luigi Costantini, Francesco Cesarin
Lampa Maria Teresa,
Francesco Cesarini,
Annunziata Morico, Notary.

ANNEX 2

AREA MAP

[Translated from Italian]



ECOWARE S.p.A
Via Nona Strada, 9 - 35129 Padova - Italy
T. +39 049 7380423 F. +39 049 7387638
P.I./C.F./Reg. Imp. di Padova 03571330277
Cap. soc. 2.230.275,00 i.v.

LAND:

“COSTANTINI”

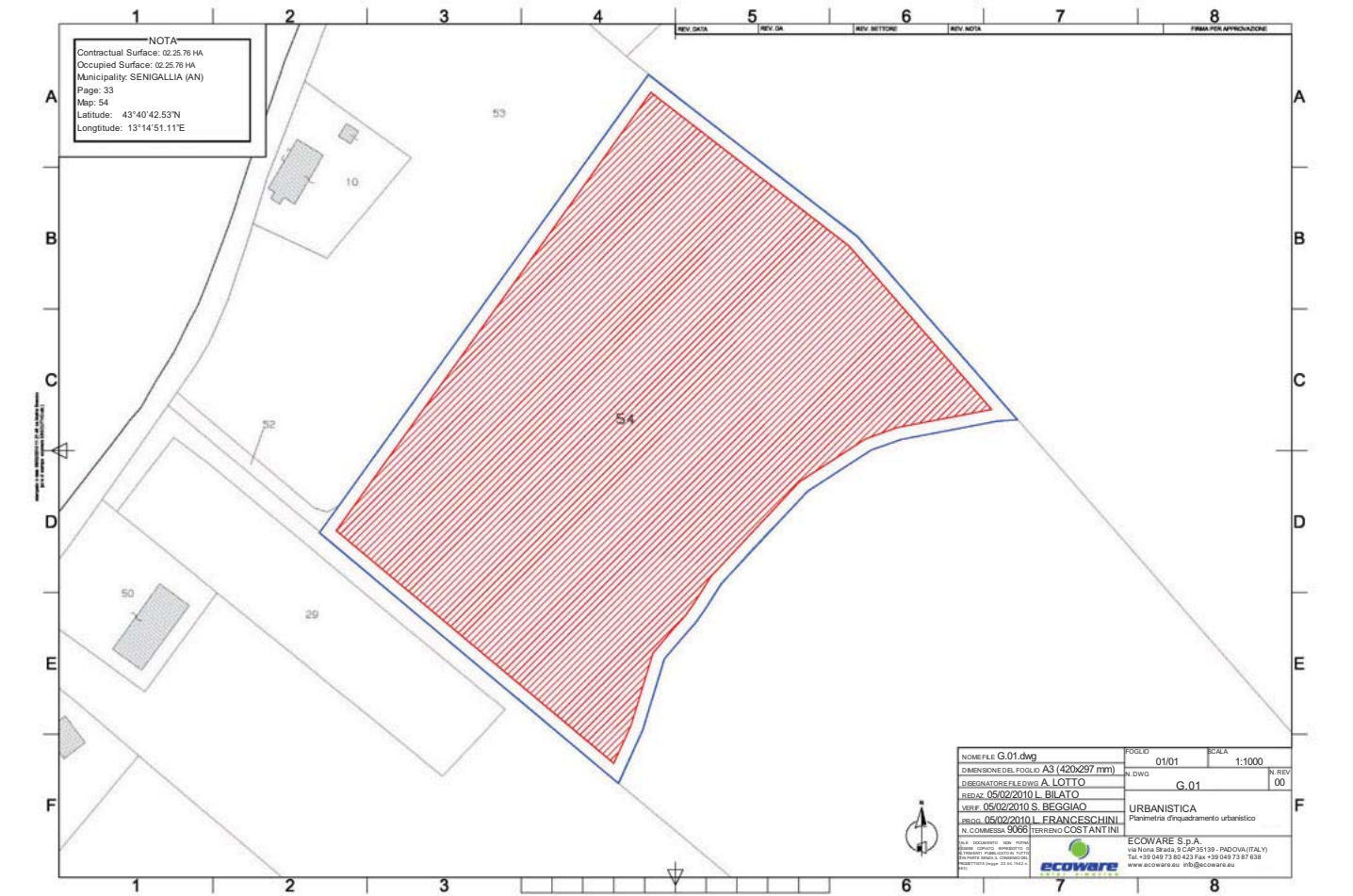
ORDER

9066

Annex 2

Plant Area on Cadastral Map

PV PLANT WITH POWER EQUAL TO 734.40 kWp



REV. DATE	REV.BY	REV.SECTOR	REV.NOTE LA YOUT VARIATION	SIGNATURE FOR APPROVAL
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NOTE
CONTRACTUAL SURFACE: 02.25.76 HA
OCCUPIED SURFACE: 02.25.76 HA
MUNICIPALITY: SENIGALLIA (AN)
PAPER: 33
MAP: 54
LATITUDE: 43°40'42.53 N
LONGITUDE: 13°14'61.11 E

FILE NAME G.01.dwg		SHEET 01/01	SCALE 1:1000	
PAPER SIZE A3 (420X297mm)				
DESIGNER DWG FILE A.LOTTO		N.DWG G.01	N.REV 00	
DRAFTED ON 05/02/2010 L.BILATO				
VERIFIED OF 05/02/2010 S.BEGGIAO		GENERAL LAYOUT GENERAL PLAN		
PROJECT 05/02/2010 L.FRANCESCHINI				
ORDER NUMBER 9066	TERRITORY: Costantini			
THIS DOCUMENT SHALL NOT BE COPIED, REPRODUCED OR PUBLISHED, FULLY OR PARTIALLY, WITHOUT THE DESIGNER'S CONSENT (Act 22.04.1942 n. 663)		<div><div>ECOWARE S.p.A. via Nona Strada, 9 CAP 35139 - PADOVA (ITALY) Tel. +39 049 73 80 423 Fax +39 049 73 87 638 www.ecoware.eu info@ecoware.eu</div></div>		

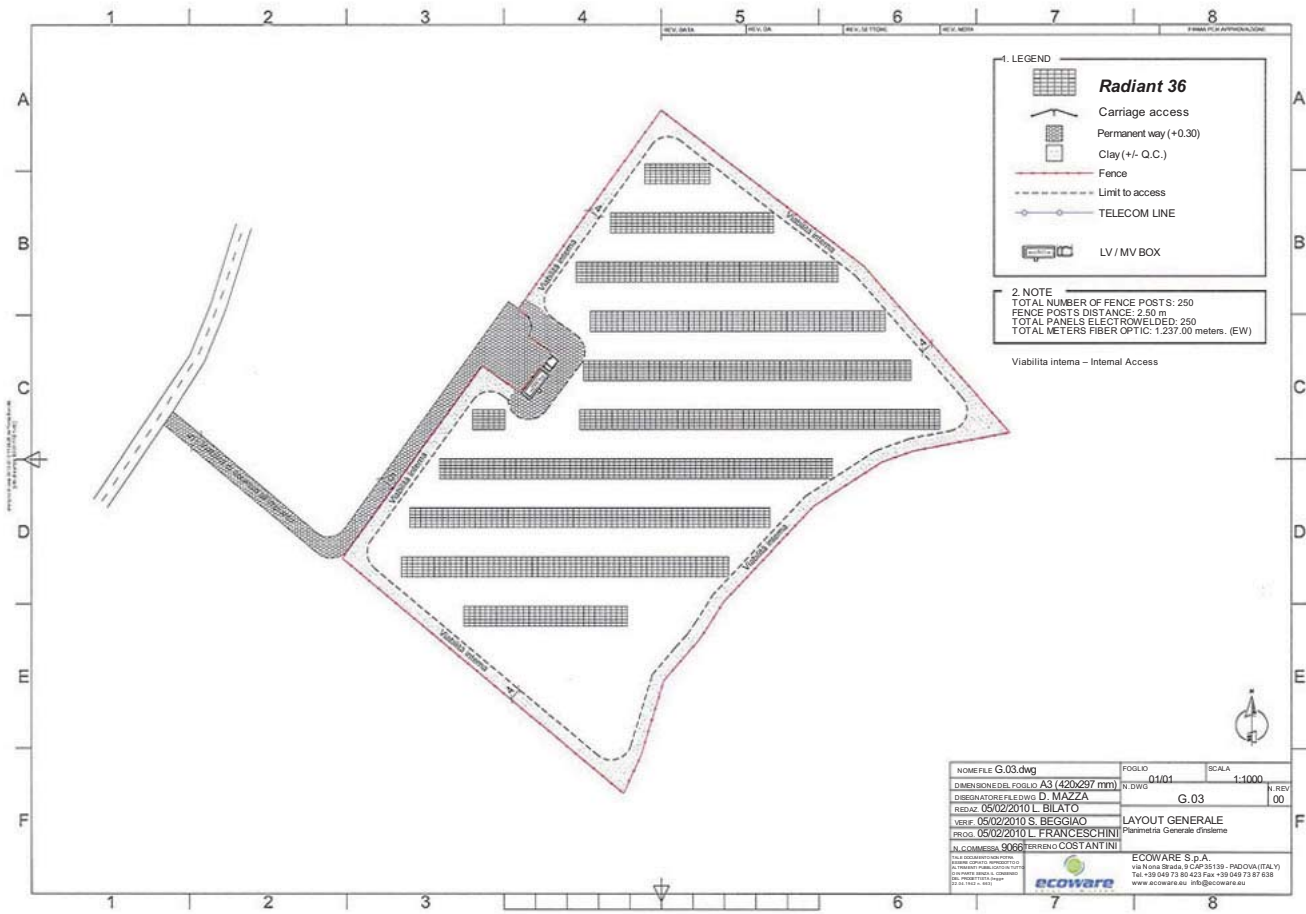
Annex 3 to EPC Contract – Senigallia

[See Annex to Exhibit 4.10 with corresponding Annex number]

ANNEX 4

Definitive Project - Costantini

[Translated from Italian]



REV. DATE	REV.BY	REV.SECTOR	REV.NOTE LAYOUT VARIATION	SIGNATURE FOR APPROVAL
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Viabilità interna – Internal Access

FILE NAME G.03.dwg	SHEET 01/01	SCALE 1:1000
PAPER SIZE A3 (420X297mm)	N.DWG	N.REV 00
DESIGNER DWG FILE D.MAZZA	G.03	
DRAFTED ON 05/02/2010 L.BILATO	GENERAL LAYOUT GENERAL PLAN	
VERIFIED OF 05/02/2010 S.BEGGIO		
PROJECT 05/02/2010 L.FRANCESCHINI		
ORDER NUMBER 9066	TERRITORY: Costantini	
THIS DOCUMENT SHALL NOT BE COPIED, REPRODUCED OR PUBLISHED, FULLY OR PARTIALLY, WITHOUT THE DESIGNER'S CONSENT (Act 22.04.1942 n. 663)	 <div>ECOWARE S.p.A. via Nona Strada, 9 CAP 35139 - PADOVA (ITALY) Tel. +39 049 73 80 423 Fax +39 049 73 87 638 www.ecoware.eu info@ecoware.eu</div>	

ANNEX 5

FORM OF PARENT COMPANY GUARANTEE

Dear Sirs,

Further to our recent discussions and in compliance with the provisions of the Contract (as defined below), we herewith submit to you a parent company guarantee to be executed by way of exchange of commercial letters pursuant to Article 1.1 letter a), Part Two, of the Tariff under Presidential Decree 26 April 1986, no. 131 and in accordance with the terms and conditions specified below between:

- Kerself Spa, a joint stock company organised and existing under the laws of Italy and having its registered office at Via della Tecnica 8, Prato di Correggio, registration with the *Registro delle Imprese* of 01777890359, Fiscal Code and Vat No. 01777890359, corporate capital of [●] (the **Guarantor**); and

- **ELLOMAY PV ONE S.r.l.**, with its registered offices located in Galleria Borromeo, 3, VAT Registration Number and Tax Code 04459950285, entered in the Companies Register of Padova under no. 391298 represented by Mr. Ran Fridrich in his capacity of Sole Director (hereinafter known as “**Principal**”).

WHEREAS:

- (A) By an agreement dated [●] 2010 (the **Contract**, which term includes all amendments to variations of or supplements to it from time to time in force) the Principal has agreed to engage Ecoware S.p.A. (the **Contractor**) for the design, supply, construction, assembly and start-up of a photovoltaic plant to be located in the Municipality of Senigallia (Ancona, Italy). Unless the context otherwise requires, words and expressions defined in the Contract have the same meaning when used in this Guarantee, as defined below.
- (B) According to the Contract, Contractors shall procure the delivery to Principal of a parent company guarantee in the form of this guarantee (“**Guarantee**”) within 7 (seven) Working Days of execution of the Contract and in any case before having received the first payment milestone.
- (C) The Guarantor has agreed to guarantee the due performance of the Contract by the Contractor.
- (D) The Guarantor is the Contractor’s Parent Company, as defined in the Contract.

IT IS AGREED as follows:

- 1. The Guarantor:
 - (a) guarantees to the Principal, as primary obligor and not as surety, the due and punctual performance by the Contractor of each and all of the obligations, warranties, duties and undertakings of the Contractor under the Contract when such obligations, duties and undertakings shall become due and performable according to the terms of such Contract;
 - (b) agrees, in addition to its obligations set out in clause 1(a) above, to indemnify the Principal against all losses, damages, costs and/or expenses which the Principal may incur by reason of any breach by the Contractor of its obligations, warranties, duties and undertakings under the Contract save that this shall not be construed as imposing greater or different obligations or liabilities on the Guarantor than are imposed on the Contractor under the Contract; and
-

- (c) agrees to indemnify the Principal on demand against any loss or liability suffered by it if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal as if the obligation guaranteed had not been unenforceable, invalid or illegal provided that the Guarantor's liability shall be no greater than the Contractor's liability would have been if the obligation guaranteed had not become unenforceable, invalid or illegal.
2. The liability of the Guarantor under this Guarantee shall not be reduced or discharged by any act, omission or other thing whereby (in absence of this provision) the liability of the Guarantor under this Guarantee would or might be reduced or discharged in whole or in part as a consequence of:
- (a) any amendment to the obligations undertaken by the Contractor whether, by way of any addendum or variation referred to in clause 3 below, any suspension of the Works, extension of the time or otherwise; or
- (b) amendment to, or any variation, waiver or release of, (any part of) the Contract or any security or other guarantee in respect thereof; or
- (c) the termination of the Contract under the Contract attributable to the Contractor; or
- (d) any legal limitation, incapacity or other circumstances relating to the Contractor or any other person; or
- (e) the dissolution, amalgamation, change in status, function, control or ownership, insolvency, liquidation or the appointment of an administrator or receiver of the Contractor or any other person.
3. In the event of change in control or ownership of the Contractor, the Guarantee shall remain in full force and effect. In the event of change in control or ownership of the Contractor, the Guarantor shall promptly notify to the Principal the name of the new controlling person or owner of the Contractor.
4. The Guarantor by this Guarantee authorises the Contractor and the Principal to make any addendum, variation or amendment to the Contract, the due and punctual performance of which addendum and variation shall be likewise guaranteed by the Guarantor in accordance with the terms of this Guarantee.
5. This Guarantee shall be a primary obligation of the Guarantor to perform or to take whatever steps may be necessary to procure the performance of the obligations of the Contractor under the Contract which have been breached, to assume jointly and severally with the Contractor all rights and obligations of the Contractor under the Contract and to pay the Principal from time to time any and all sums of money which the Contractor is at any time liable to pay to the Principal under the Contract; accordingly the Principal shall not be obliged before enforcing this Guarantor Guarantee to take any action in any court or arbitral proceedings against the Contractor, to make demand or any claim against the Contractor, to enforce any other security held by it in respect of the obligations of the Contractor under the Contract or to exercise, levy or enforce any distress, or other process of execution against the Contractor.
6. The maximum amount (*importo massimo garantito*) guaranteed by the Guarantor under this Guarantee shall be equal to the Consideration.
7. This Guarantee shall be effective upon delivery and shall expire 7 (seven) days following the FAC (the "**Expiry Date**"). Upon the Expiry Date, this Guarantee must be returned to us for cancellation.
8. Until all amounts which may be or become payable under the Contract or this Guarantee have been irrevocably paid in full, the Guarantor shall not, as a result of this Guarantee or any payment or performance under this Guarantee, be subrogated to any right or security of the Principal or claim or prove in competition with the Principal against the Contractor or any person or demand or accept repayment of any monies or claim any right of contribution, set-off or indemnity and any sums received by the Guarantor or the amount of any set-off exercised by the Guarantor in breach of this provision shall be held by the Guarantor in trust for and shall be promptly paid to the Principal.
-

9. The Guarantor shall not hold any security from the Contractor in respect of this Guarantee and any such security which is held in breach of this provision shall be held by the Guarantor in trust for and shall promptly be transferred to the Principal.
 10. Each payment to be made by the Guarantor under this Guarantee shall be made in Euro, without any set off or counterclaim and free and clear of all deductions or withholdings of any kind whatsoever or howsoever arising. If any deduction or withholding must be made by law (including double taxation treaties) the Guarantor will pay that additional amount which is necessary to ensure that the Principal receives on the due date a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding. The Guarantor shall promptly deliver to the Principal any receipts, certificates or other proof evidencing the amounts paid or payable in respect of any such deduction or withholding.
 11. The Guarantor shall have 5 (five) Working Days from the date of demand to make payment in full to the Principal of any amount due under this Guarantee. The Guarantor shall pay interest on any amount due under this Guarantee from the date which is 5 (five) Working Days from the date of demand until the date of payment in full (as well after as before any judgment) calculated on a daily basis at the six months Euribor plus 3 (three) percentage points.
 12. The Guarantor will reimburse the Principal for all legal and other costs (including non-recoverable VAT) incurred by the Principal in connection with the enforcement of this Guarantee.
 13. Any settlement or discharge between the Principal and the Contractor or the Guarantor shall be conditional upon no order to refund by virtue of any provision of any enactment relating to bankruptcy, insolvency or liquidation being issued by a competent court, in which case the Principal shall be entitled to recover from the Guarantor as if such settlement or discharge had not occurred.
 14. The Guarantor warrants that this Guarantee is its legally binding obligation, enforceable in accordance with its terms, and that all necessary consents and authorisations for the giving and implementation of this Guarantee have been obtained.
 15. The Guarantor warrants and undertakes to the Principal that it shall take all necessary action directly or indirectly to perform the obligations expressed to be assumed by it or contemplated by this Guarantee and to implement the provisions of this Guarantee.
 16. The Guarantor warrants and confirms to the Principal that it has not entered into this Guarantee in reliance upon, nor has it been induced to enter into this Guarantee by any representation, warranty or undertaking made by or on behalf of the Principal (whether express or implied and whether under statute or otherwise) which is not set out in this Guarantee.
 17. The Guarantor acknowledges and consents, also for the purposes of Article 1407 of the Italian Civil Code, that the Principal shall be entitled by notice in writing to the Guarantor to assign this Guarantee at any time in connection with an assignment of the Contract in accordance with the provisions of the Contract, to the Financing Entity.
 18. Any notice hereunder shall be duly given when delivered in writing by hand (in the case of personal delivery) or by registered letter with advice of receipt (*Raccomandata A.R.*), or by express courier to the Guarantor or by facsimile, provided an original of such facsimile is also received by us within three (3) Working Days and sent by one of the aforementioned notice methods and shall be duly signed by an authorised representative of the Principal.
-

19. No delay or omission of the Principal in exercising any right, power or privilege under this Guarantee shall impair or be construed as a waiver of such right, power or privilege nor shall any single or partial exercise of any such right, power or privilege preclude any further exercise of such right, power or privilege or the exercise of any other right, power or privilege.
20. Without prejudice to Article 1419 (*nullità parziale*) of the Italian Civil Code, if - at any time - any provision of this Guarantee is or becomes illegal, invalid or unenforceable, neither the legality, validity nor enforceability of the remaining provisions of this Guarantee will in any way be affected or impaired thereby.
21. The Guarantor shall pay all stamp duties and taxes, if any, to which the execution and delivery of this Guarantee may be subject and shall indemnify the Principal against any and all liabilities with respect to or arising from any delay or omission to pay any such duties and taxes.
22. This Guarantee implies, where necessary, a waiver, among other things, to the benefits, rights and exceptions under Articles 1247, 1939, 1945, 1953, 1955 and 1957 of the Civil Code.
23. This Guarantee shall be governed by and construed in accordance with Italian law. The courts of Milan, Italy, shall have exclusive jurisdiction of all matters arising out of or in connection with this Guarantee.
24. Notices or demands given under this Guarantee shall be sent to the following addresses:

(a) If to the Principal

ELLOMAY PV ONES.r.l.
Attention: Mr Ran Fridrich
Galleria Borromeo, 3
35137 Padova (Italy)
Telephone: +972-3-7971111
Fax: +972 972-3-7971122

(b) If to the Guarantor:

[Guarantor]
Attention: ●
Telephone: ●
Fax: ●

If you agree with the above terms and conditions, please send us by registered mail with return receipt or by express courier or deliver by hand a duly executed letter of acceptance incorporating the full text of this proposal.

Yours faithfully,

for and on behalf of the Guarantor

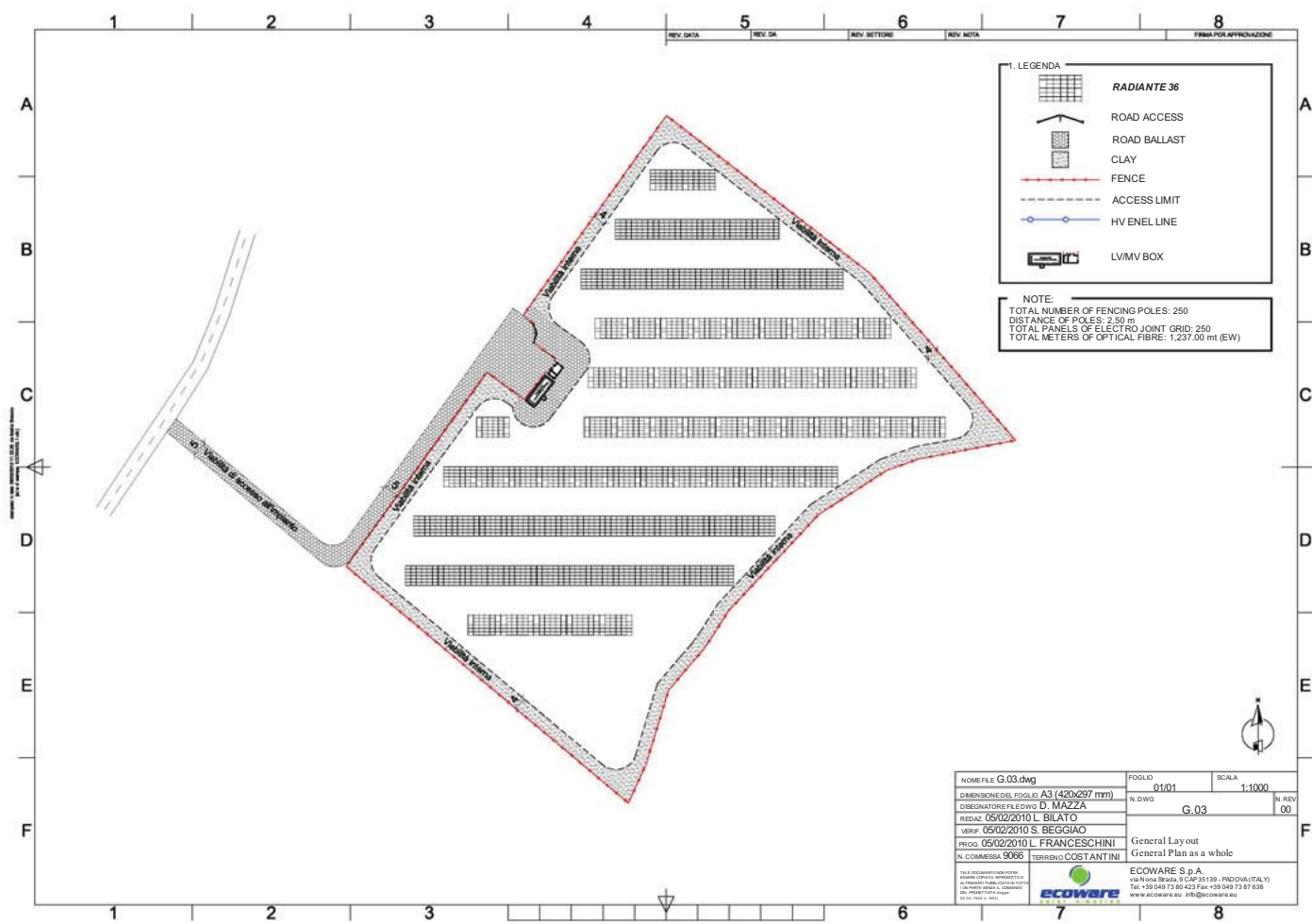
For acceptance

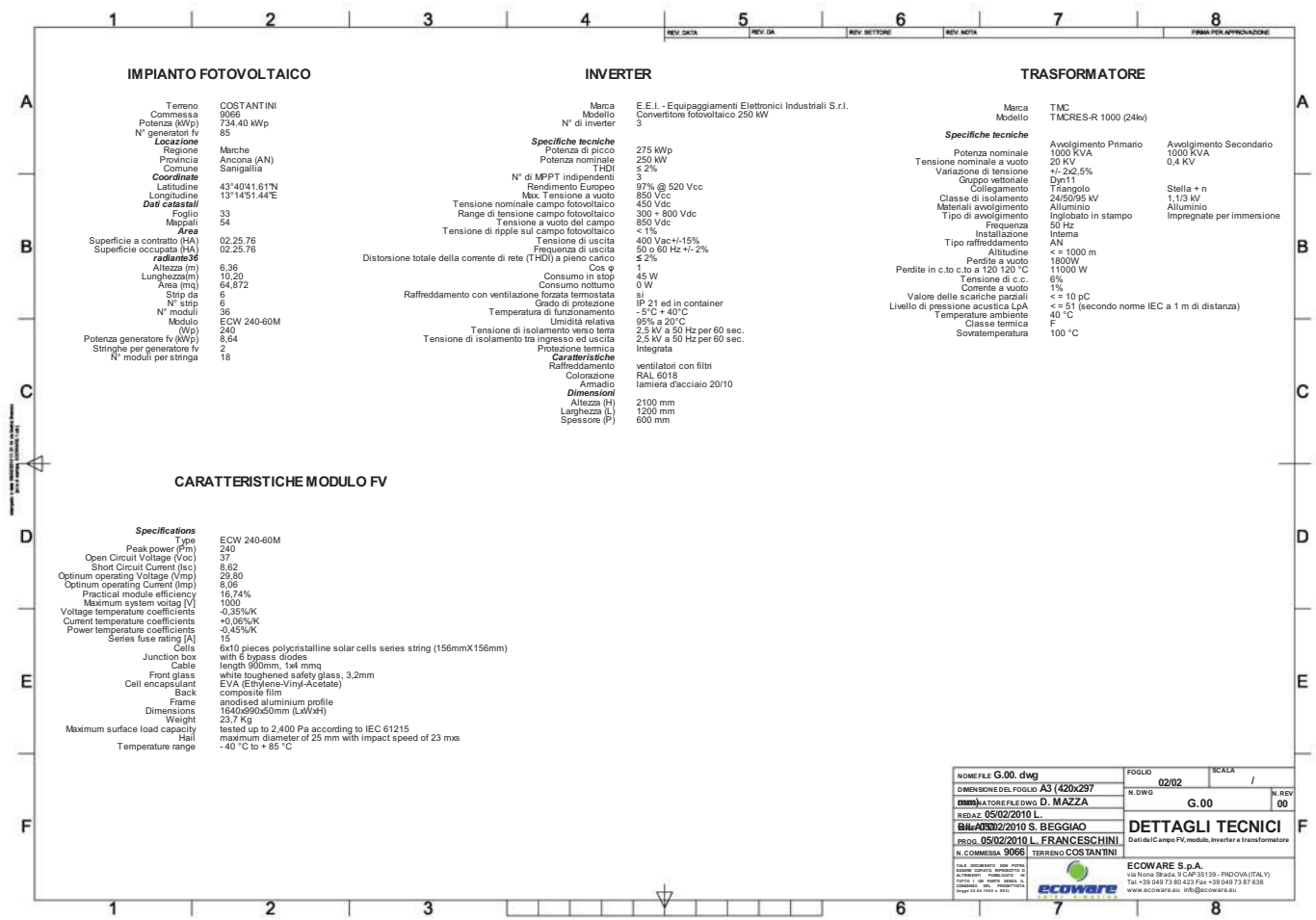
for and on behalf of the Principal

SITE: COSTANTINI
ORDER: 9066

ANNEX 6
Technical Specifications
[Translated from Italian]

Photovoltaic power plant with output of 734.40 kWp






Translation of Italian Terms

PV PLANT	INVERTER	TRANSFORMER
Land	Brand	Brand
Order	Model PV converter 250 kW	Model
Power kWp	Inverters number	Technical specifications
Number of PV generators		Primary rolling
Location	Technical specifications	Secondary rolling
Region	Peak power	Nominal power
Province	Nominal power	Nominal load-less voltage
Municipality	THDI	Voltage variation
Coordinates	Number of independent MPPT	Vectorial group
Latitude	European output	Link Triangle
Longitude	Maximum load-less voltage	Star + n
Cadastral Data	PV plant nominal voltage	Isolation class
Paper	PV plant voltage range	Rolling materials Aluminum
Maps	Field load-less voltage	Rolling type Moulded
Area	Ripple voltage of PV plant	Frequency
Contractual Survey	Out-voltage	Installation Internal
Occupied Survey	Out-frequency	Cooling type
Radiant 36	Overall distortion of the grid flow (THDI) at full load	Altitude
Height (meters)	Cos φ	Load-less losses
Length (meters)	Consummation at stop	Losses c.to c.to at 120 120 °C
Area (sq meters)	Night consummation	c.c. voltage
Strips of	Cooling with forced thermostat ventilation	Load-less stream
Number of strips	Protection degree	Partial discharge value
Number of modules	Function temperature	LpA acoustic pressure level <=51 (according to IEC at 1 m distance)
Modules	Relative humidity	Ambient Temperature
(wP)	Ground isolation voltage	Heath class
Power PV Generator (kWp)	Isolation voltage between entry and exit	Over temperature
Strings for PV generator	Heat protection Integrated	
Number of modules per string	Features	
	Cooling ventilators with filters	
	Colouring	
	Cupboard steel plate 20/10	
	Size	
	Height	
	Breadth	
	Thickness	

PV MODULE CHARACTERISTICS

FILE NAME G.00.dwg	SHEET 02/02	SCALE /
PAPER SIZE A3 (420X297mm)		
DESIGNER DWG FILE D.MAZZE	N.DWG	N.REV 00
DRAFTER ON 05/02/2010 L.BILATO	G.00	
VERIFIED OF 05/02/2010 S.BEGGIAO	TECHNICAL DETAILS	
PROJECT 05/02/2010 L.FRANCESCHINI	Field data form PV inverter and transformer	
ORDER NUMBER 9066	TERRITORY: COSTANTINI	
THIS DOCUMENT SHALL NOT BE COPIED, REPRODUCED OR PUBLISHED, FULLY OR PARTIALLY, WITHOUT THE DESIGNER'S CONSENT (Act 22.04.1942 n. 663)		
		<div><div></div><div><div>ECOWARE S.p.A.</div><div>via Nona Strada, 9 CAP 35139 - PADOVA (ITALY)</div><div>Tel. +39 049 73 80 423 Fax +39 049 73 87 638</div><div>www.ecoware.eu info@ecoware.eu</div></div></div>

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NAME OF FILE G.03.dwg01 - Technical report - Radiant 36
Resources Operations L. BILATO - R. Schiesari

no.REV
00

L. EDITION 29/10/2009 BILATO - R. Schiesari
VERIFICATION 29/10/2009 S. BEGGIO
DESIGNER L. 29/10/2009 FRANCESCHINI
REV. ---
REV. DESCR.
9069 TERRITORY COSTANTINI

TECHNICAL REPORT

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radiant 36

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TECHNICAL REFERENCE NORM

1.1 URBAN PLANNING PART

1.1.1 Laws and Regulations

LR, 12 April 2007, no. 11

Norms for environmental impact assessment

LR, 14 June, no. 17

Provisions in the environmental field, including those in relation to the decentralization of administrative functions related to the environment

DPR 6 June 2001, no. 380

Consolidated text of legal provisions and regulations on construction Planning Law of 17 August 1942, no. 1550

Planning Law

Law of 28 January 1977, no. 10

Rules on Buildable land

Law of 28 February 1985, no. 47

Rules on control of urban development - building Administrative and criminal sanctions LR, 21 October 2008, no. 31

Rules governing the production of energy from renewable sources and for the reduction of emissions and

for environmental issues

Presidential Decree of 1198, no. 447

Regulation laying down rules for simplification of procedures for authorization for construction, expansion, renovation and conversion of production facilities, for the execution of internal works to buildings, and for determining the sites for the production plants in accordance with Article 20, paragraph 8 of the Law of 15 March 1997 No. 59 Decree of 5 February 1997, no. 22

1.2 ELECTRICAL PART

1.2.1 Laws and Decrees

CEI 0-2: Guide for the definition of project documentation for electrical installations. 2002).

CEI 0-16: Technical Connection Rules (TCR) for active users and passive users of AT and MT networks from distribution companies for electricity. 2010

CEI 11-1: Electrical plants with voltage over 1 kV AC. (1999 and subsequent variants)

CEI 11-17: Power plants, and plants for transmission and distribution of electricity - Cable line.

(2006)

CEI 11-20: Plants for the production of electricity and UPS connected to networks of categories I and II (2000 and later variants)

CEI 82-25: Guide to the realization of photovoltaic generation systems connected to electrical networks of medium and low voltage. (2007)

CEI 64-8/1-7: Electrical plant users at rated voltage not exceeding 1000 V AC or 1500 VDC. (2007 and later variants)

CEI 81-10 (EN 62305): Protection of structures against lightning. (2006)

Law no. 186 dated March 1968 "Provisions concerning the production of materials, equipment, machinery, installations and electrical and electronic systems; Requirements of the electricity distribution companies

1.3 STRUCTURAL - MECHANICAL PART

1.3.1 Laws and Regulations

DM Public Works January 16, 1996, "Technical standards relating to general criteria for the verification and security of construction and loads and overloads and Circ. Min of Public Works 4 July 1996, no. 156AA.GG./STC, "Instructions for the application of the "Technical standards on general criteria for the verification of security for construction and overloading" of the Ministerial Decree 16 January 1996";

DM Public Works 9 January 1996, "Technical standards for the calculation, implementation and testing of structures in reinforced concrete, both normal and pre-stressed and for metal structures ";

Ord. PCM March 20, 2003, no. 3274 "Early elements in the general criteria for seismic classification of the national territory seismic and technical regulations for buildings in seismic areas" with its attachments and subsequent additions;

DM Public Works March 11, 1988, "Technical standards concerning the investigation of soils and rocks, the stability of natural slopes and escarpments, the general criteria and requirements for the design, implementation and testing of support operations for land and foundation work" and Circ. LL.PP. September 24, 1988 No. 30483.

2 INTRODUCTION

This project documentation identifies the project design choices made for the realization of a photovoltaic plant in relation to the characteristics of the places where it will be installed, with particular reference to safety, reliability and functionality.

The completion of the works should be preceded by approval from the client and by the submission of the documents necessary for the authorization and execution of the works themselves and by the preparation of a project of execution.

The photovoltaic plant must be implemented in compliance with all technical requirements indicated below, and in total compliance with laws, regulations and norms in force, when they are applicable, even where these are not directly cited in this report.

2.1 General Information

The project involves the construction of 1 photovoltaic plant on land in an agricultural property in the Municipality of Senigaglia (Ancona) called "COSTANTINI". The photovoltaic plant will be made with monocrystalline silicon photovoltaic modules mounted on 85 structures (Radian 36) for a total nominal power of 734.40 kWp. The photovoltaic plant is intended to produce electricity and will be connected to the electricity grid for public distribution of medium voltage (20 kV) of Enel Distribuzione (hereafter referred to Enel).

2.2 LOCATION

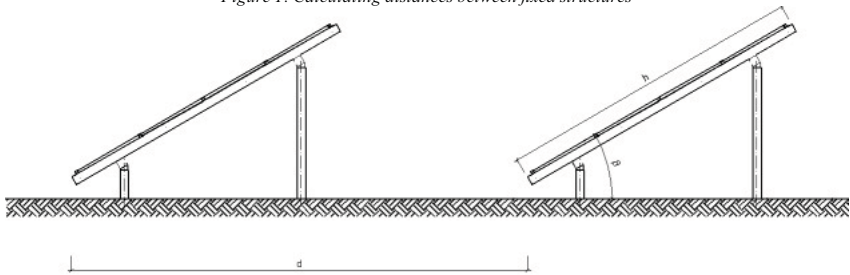
Region:	Marche
Province:	Ancona
Commune:	Senigaglia
Map Sheet / Parcel	33 / 55
Latitude:	43°40'41,61"
Longitude:	13°14'51,44"
Area occupied	64,872 square meters

2.3 MORPHOLOGICAL AND WEATHER CHARACTERISTICS OF THE SITE

The land on which the plant will be built is flat, with an area of approximately 64,872 square meters and located as reported in the project drawings.

There were no special problems relating to frequent weather events such as snow, fog, hail, or wind.

Figure 1: Calculating distances between fixed structures



2.4 GENERAL CHARACTERISTICS OF THE INSTALLATION

The photovoltaic plant will be connected to Enel's public MT distribution network and will be composed of the following elements:

- PV array (or photovoltaic generator);
- parallel frameworks for strings;
- conversion groups and power control (inverter);
- LT / MT transformer;
- protective devices, and devices for control and MT interface;
- supply of auxiliary utilities;
- uninterruptible power supplies (UPS) for power and ancillary services and protections of electrical substation;
- pipes for connecting the various components of the installation and grounding, and for connection to the public MT network of Enel.

The field will consist of photovoltaic solar modules installed on structures called Radiant 36 arranged as shown in project drawings.

Such equipment will be installed in dedicated technical rooms to be built and will be connected as indicated in the project drawings. In the same location the equipment for protection and the MT interface will be installed.

The supply of auxiliary utilities is derived from the low-voltage AC before the MT / LT transformer.

The group to measure the energy produced and incentivized is installed in the technical area and immediately downstream of the inverter on the AC side.

Particular attention was paid to the definition of:

- the characteristics of the modules constituting the photovoltaic field,
- the connection mode of the same,
- the characteristics of the DC / AC conversion ,
- the characteristics of control devices and protection on the DC side and AC side
- the characteristics of the interface device and the network-side security device to safely manage the connection to the distribution network and the internal users.

The equipment installed will be protected from the weather, mechanical, thermal and chemical stresses (degree of protection of the components of at least IP2X).

2.5 SHADING

For the arrangement of the Radiants on the ground, the Studies & Research Office of Ecoware has concluded that the best available position on the ground is that resulting from the following formula:

2.6 TECHNICAL FRAMEWORK USED



This project has been prepared on the basis of surveys and technical documentation acquired, namely:

- 1. Topographic Relief
 - 2. Geological Report
 - 3. Structural report of calculations for reinforced concrete structures
 - 4. Manufacturers' datasheet for the equipment used
-

3 DESCRIPTION OF PLANT



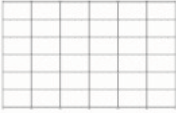


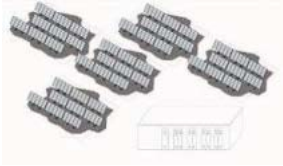

The following describes the major components of the installation

Sheet 1: Radiant 36

Generating system Photovoltaic	Radiant 36
Manufacturer	<div> Ecoware SpA Via Nona Strada, 9 35129 - PADOVA</div>
Characteristics of the system	<div><p>Sestante is the name under which the property is identified for the support of photovoltaic modules designed and built by Ecoware for the implementation of fixed photovoltaic installations.</p><p>Figure 2: Radiant 30</p><div></div><p>The radiant is composed entirely of metal sheets of galvanized steel. The wing, consisting of a system of beams and stringers, shall be fixed to the earth by four stakes driven into the ground. The work of fitting the stand is easy and repetitive, making it possible to reduce drastically the time for installation of the equipment.</p><p>The wing is the part of the structure that houses the photovoltaic modules. It is composed of two strips that come from the factory with the photovoltaic modules assembled according to the Ecoware technology known as Shell PV (SPV), which brings significant advantages in terms of mismatch, transportability, insulation, safety and installability.</p></div>

3.1 THE STRUCTURE OF THE PHOTOVOLTAIC INSTALLATION

Scheme 1: Summary of installation and components

1		Module Photovoltaic	Set of cells	Brand: Ecoware Photovoltaic power: 240 Wp
2		Strip	Set of panels and metal structure to keep them together. The strips beside are fixed together, forming sails	
3		Sail	More strips assembled together.	Availability strip: 6 +6 +6 +6 +6 Total modules on Sail: 36 Dimensions (WxH) mm: 10200x6360
4		Radiant 36		
5		Subfield	This is the set of <i>n</i> Sextants forming a framework for Parallel Strings The creation of strings for Radiant 36 micro areas laid out in several rows is executed through the passage of production cables in a buried pipe.	
6	 	Photovoltaic plant	The plant consists of: PHOTOVOLTAIC FIELD: the set of subfields referring to the same measure group for energy DATA NETWORK: ELECTRICAL PLANT Provision: This is to be understood as the no. of panels for each strip arranged vertically POWER SERVICES sub-station for CONVERSION /Transformation	

3.2 CIVIL WORKS

3.2.1 Roads

The roads will be implemented

- in BALLAST: Used to access the property and for the movement area in front of the sub-station

3.2.2 Access gates

The access routes to the plant foresee provision of galvanized iron gates opening in two parts - with concrete foundations.

3.2.3 Fence

The enclosure is accomplished by posts in the soil (depth of 1.30 m) made up of poles of a C profile, 30x60x120x60x30 thickness 3, separated from each other by 2.5m. They serve as support for the network of panels of Orsopanel type, 6x3 (h 1930 mm)

3.3 HYDRAULICS OF THE SOIL

The existing agricultural hydraulic system on the land assigned for the photovoltaic plant will not be altered by the latter, so that namely:

1. levelling operations will not be performed to such an extent as to alter the slopes creating the natural gradients to run off storm water towards the existing natural drains serving the area.
2. streets for development will be made in ballast laid out above the countryside level for a total height of 30 cm + cm: from the slope detected, such roads will not act as a barrier to the natural run-off slope of the water, where it appears that the opposite is true, driveways should be provided for each channel each 15-25 m for the flow of water.

4 MECHANICS

The entire structure is protected by galvanizing and this is such as to ensure the protection of the same for the *Conto Energia* 20-year duration (except marine areas or particular exceptions). Finally a special mention must be made about the system of junction between the different components of the frame of the solar sail.

These are made using a "clinch" technique that unites the two parts of material through a simple mechanical deformation, and this joining technique (imported from the automotive sector) has a number of important advantages over the traditional technique of welding.

These advantages may be summarized as follows:

- Absence of changes in the protection of the material (zinc coating, painting) in areas of junction
 - Homogeneity and Certification of holding for individual joints
 - Reduction in production time
-

5 STRUCTURES

This chapter aims to describe the structural part of the entire Radiant (sail + stand + foundation) and provide the preliminary level of the calculation methodology that will be used at the executive level.

5.1 General

The structure of the sails that hold the photovoltaic modules is of a size so it can hold the loads, as required by the regulations (wind, snow, seismic effects), without resorting to electronic controls.

The structure of the Radiant is designed to withstand a wind speed of 28 m/ s with gusts of 41 m/ s

This choice, though punitive in economic terms, appears to be the only possible one in legal and regulatory terms which also ensures the operator of the photovoltaic plant the best duration of the same over time.

5.2 MATERIALS USED

The structure is composed of:

- 1. Profiles of folded cold metal compounds with S235 blades;
- 2. tubular UNI

All bolted joints are made with screws and bolts in cl. 8.8

5.3 CHARACTERISTICS OF SOIL FOUNDATION

The characteristics of the soil foundation for each site are derived from a Geotechnical SPT test campaign which was carried out at a depth of 4 m , which is appropriate to characterize the layers of soil affected by the loads. The sampling points and the results are reported in the geological report.

5.4 METHOD USED

5.4.1 Calculation Methodology

The methodology of calculation used for the verification of resistance to permanent actions and the weather-based strains is the ultimate limit state, with elastic calculation of the effects of the actions of calculation.

In verifying flexing of sections, for cold formed profiles, the effective elastic moduli were taken, performing the reductions foreseen to prevent instability of the dishes.

5.4.2 Combination of actions

In determining the loads on structures under consideration the slope of the sail, equal to 30 degrees, is essential.

For the sizing of beams that form the edges of the panels and stringers, the combination of its own weight, snow and wind with solar panels above the wind level will be critical. However, for the foundations, we must also consider the combination of its own weight and wind with solar panels under the wind level, due to the danger of lifting as a result of the upward action.

The calculations and the results of structural checks are specified in the "structural calculation report.

6 ELECTRICAL

6.1 DESCRIPTION OF THE INSTALLATION

6.1.1 PV generator

The photovoltaic generator, built on fixed structures of Ecoware type model Radiante 36, will be made up of 170 strings in parallel (2 for each Radiante), each consisting of 18 PV modules in series with nominal power of 240 Wp each.

The modules will be of Ecoware type, monocrystalline silicon, each with rated power equal to 240 Wp (see Section 2: Module Datasheet)

Each PV module will be equipped with bypass diodes, so as to exclude the part of the module containing one or more cells which are broken / shaded in order to avoid the counter-power and resulting in damage (these diodes will be included in the junction box coupled to the PV module itself).

The connection between the modules in each string will be established, wherever possible, with the cables with which the modules are provided.

Where these are not sufficient, the features needed to form the string will be made with unipolar sheathed ,rubber insulated cables, with rated voltages of at least 0.6 / 1 kV with sections of at least 4 mm² , with MC4 connectors or similar.

Total peak power of the plant is therefore equal to:

$$P = \text{TOTP (nr. tot. Mod.240 power mod 3060 * Wp)} = 734.40 \text{ kWp}$$

More details of calculation are shown in the attached calculation tables.

Section 2: Datasheet Form Ecoware 240 W.



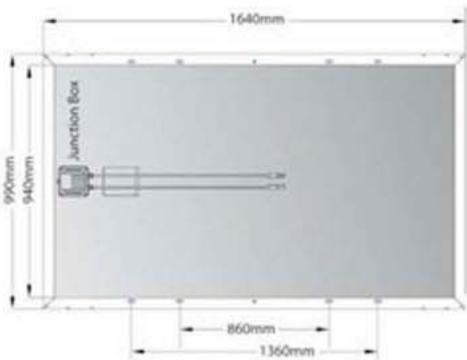
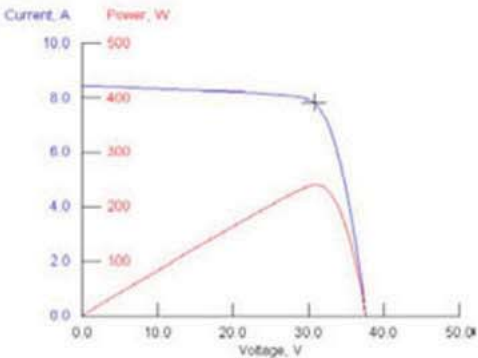
Specifications of ECW 240-60M Monocrystalline solar module

Type	240-60M
Peak Power (Pm)	240W
Open Circuit Voltage (Voc)	37V
Short Circuit Current (Isc)	8.62A
Optimum operating Voltage (Vmp)	29.8V
Optimum operating Current (Imp)	8.06A
Practical module efficiency	16.74%
Maximum system voltage [V]	1000
Voltage temperature coefficients	-0.35%/K
Current temperature coefficients	+0.06%/K
Power temperature coefficients	-0.45%/K
Series fuse rating [A]	15
Cells	6x10 pieces monocrystalline solar cell strings (156mmx156mm)
Junction box	with 6 bypass diodes
Cable	length 900mm, 1x4mm ²
Front glass	White toughened safety glass, 3.2mm
Cell encapsulation	EVA (Ethylene-Vinyl-Acetate)
Back	composite film
Frame	Anodised aluminium profile
Dimentions	1640x990x50mm(LxWxH)
Weight	23.7 Kg
Maximum surface load capacity	tested up to 2,400 Pa according to IEC 61215
Hail	maximum diameter of 25mm with impact speed of 23 m·s ⁻¹
Temperature range	-40°C to +85°C

The electrical data relates to standard test conditions [STC]: 1,000 W/m²; AM 1.5; 25°C.
Performance deviation of Pmpp: ±3%; Performance deviation of Voc(V), Isc(A), Vmpp(V) and Imp(A): ±10%.
Certified in accordance with IEC 61215, IEC 61730-1/2 and UL 1703.

Characteristics

Dimensions



SPI-Sun Simulator4600

Title: ECW 240-60M Vmp= 29.8V
Isc= 8.62A FF= 0.75
Voc= 37V η= 16.74%
Pm= 240W Rs= 0.52 Ω
Imp= 8.06A Rsh= 90.69 Ω



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6.1.2 Framework of parallel string

The *frames of parallel strings* (hereinafter for brevity called *QPS*) are the elements of the plant which carry out the parallel connection *of the strings* and connect them to the *INVERTER*.

Figure 3: Board of Parallel Strin

The set of *strings* connected in parallel through the appropriate *QPS* is a *subfield*.

The *QPS* are devices that, in addition to their main function, can also act as protection against discharges or surges. Each string is attached to a framework of parallel strings (*QPS*) suitable for connecting up to a maximum of 10 strings, suitable for outdoor installation (IP54 grade protection). The connection between the strings and the *QPS* will be achieved with single-core sheathed, rubber insulated cables, with rated voltages of at least 0.6 / 1 kV and with section of 10 mm2 to limit losses in the cables.



Each *QPS* will be provided with the following devices for cut-off and protection:

- A general cutout switch with an appropriate current rating and a user voltage of at least 900 VDC and category of use of at least DC2I-A a connection of 2 breaker poles in series is foreseen);
- 15 A fuse, type gG, suitable for use up to 1000 VDC, for each string;
- SPD suitable for use in DC, to guarantee a voltage discharge which is less than or equal to the holding voltage of the inverters indicated by their manufacturer (2.3 kV in the absence of indications); Each *QPS* will be connected to the same inverter as shown in the project drawings.

The outgoing lines from each *QPS* will be executed with unipolar sheathed, rubber insulated cables, with nominal voltages of at least 0.6 / 1 kV, in a section appropriate to limit losses in the cables.

These lines will be laid in underground conduits (PVC corrugated pipes, suitable for burying, type at least 450 N) of appropriate diameter (see project tables).

Each line will be protected with fuses of type gG, suitable for use up to at least 900 V DC installed in the input columns of the inverter.

The indicated location of the excavation may be deduced from the project drawings.

6.1.3 Sub-station for MT delivery

The MT delivery sub-station will be a newly-built concrete structure, , subdivided into:

1. a delivery area (for the exclusive use of Enel);
2. A measuring area (for use by Enel and users);
3. a user area (for the exclusive use of users).

The delivery and measuring areas will be implemented in strict compliance with the technical requirements of the distributor and of the CEI 0-16 norms.

A bi-directional meter (Enel) will be placed in the measurement area to measure the energy collected and

fed into the grid. In the user area the MT frame will be connected to protect the line connecting the technical area, the sub-station's auxiliary services frame and an uninterruptible power supply (UPS) for power for medium voltage protections.

6.1.4 Technical Area

A technical area will be located in the position shown in the project tables which will contain:

- The MT frame, containing the overall MT device (DG);
- The protection of the transformer, with cutting and grounding of the MT line;
- The three EEI model 250 inverters;
- The MT / LT 20 / 0.4 kV transformer, which is rated 1000 kVA;
- The auxiliary frame (conditioning, lighting and service outlets, etc.).
- An uninterruptible power supply (UPS) to supply ancillary services and protections for electrical substations.
- The GSE measurement groups for the energy produced and promoted installed on the AC side at low voltage at the parallel point of the inverters;

The connection between the Enel delivery area and the MT frame will be implemented with three wire unipolar cable of type RG7H1R 12/20 kV, section 95 mm².

The general device (GD) will consist of an automatic MT switch, equipped with a circuit for opening and a coil for absence of tension on which the general protection (GP) will act, the switch will be of fixed type, combined with a three-pole switch on the network side.

The switch will be equipped with a protection system consisting of:

1 relay protection in accordance with the requirements of Enel and CEI 0-16, with a maximum of three thresholds for maximum current, two with adjustable time delay (51) and one instant-triggering (50), and a threshold of intervention for homopolar current (51N) with adjustable delay, to be set according to the requirements set out by Enel;

- (1/3) phase TAs, with transformation ratios of 300 / 5, accuracy class 5P30, u = 24 kV, nominal performance 5 VA;
- No1 TA homopolar toroid, with transformation ratio 100 / 1, accuracy class 5P20, u = 0.72 kV, 2.5 VA nominal performance.

The device interface (ID), unique for the entire photovoltaic plant, will consist of an automatic LT switch, equipped with a coil circuit for opening on absence of tension on which the security interface (SI) acts

The protection interface (PI) will be constituted by a relay protection conforming to the requirements and prescriptions of Enel and

CEI 0-16, with the following protections:

- Minimal protection - absence of tension (27);
- Protection of maximum tension (59);
- Protection of minimum frequency (81 <);
- Protection of maximum frequency (81 >);

Such protections will be calibrated according to the specifications set out by Enel.

The location and characteristics of the inverter cabin and the components installed in it are to be inferred from the project drawings.

6.1.5 Auxiliary Power

The supply for ancillary services will be derived directly from the MT / LT transformers and will be connected to the general auxiliary frame(QAUX) that will feed:

- Auxiliary equipment in the technical room;
- The anti-intrusion system;
- The security cameral system and its lighting system

6.2 PROTECTION AGAINST DIRECT CONTACT

Protection against direct contact is to protect people from the dangers arising from contact with live parts of an electrical installation.

6.2.1 Protection by Insulation

Live parts are to be completely covered with insulation which can only be removed by destruction.

6.2.2 Protection by barriers or enclosures

Live parts are placed within enclosures or behind barriers such as to ensure at least the degree of protection of IPXXB (finger test) or IPXXD (test wire of 1 mm) if within reach. Wrappers or barriers should be removable only with the use of keys or tools.

6.3 Protection against direct contact

Protection against indirect contact is to protect people from the dangers arising from contact with accessible metal parts which not normally live, but that could be for accidental reasons or due to failure of the main insulation.

6.3.1 Faults in Medium Voltage

In the case of single-phase ground faults on the medium voltage, upstream of the general device, interruption of the faulty current I_F is guaranteed by the protection of the distributor of electricity.

For correct size of the ground installation, the distributor shall communicate the values of:

- Single-phase ground fault current MT (I_F)
- Time of the elimination of the fault (t_F)

The earth faults on medium voltage lines present in the photovoltaic plant will be interrupted by protection present in the plant.

People's safety will certainly be guaranteed if the ground devices of the photovoltaic installation ensure an earth resistance ER such that (CEI 11-1, art. 9.9):

$$E_k T_p R I \leq U_1$$

Table 1: UTP values from norm CEI 11-1 and the CEI 11-37 guide

Where IK1 is the maximum single-phase ground fault current and UTP is the contact voltage allowable and corresponding to the time required to eliminate the fault in the MT protection. The values of UTP indicated in the CEI 11-1 norm and in the CEI 11-37 guide, are given in the Table below.

tF (s)	UTP (V)	tF (s)	UTP (V)
0.04	800	0.55	185
0.06	758	0.60	166
0.08	700	0.64	150
0.10	660	0.65	144
0.14	600	0.70	135
0.15	577	0.72	125
0.20	500	0.80	120
0.25	444	0.90	110
0.29	400	0.95	108
0.30	398	1.00	107
0.35	335	1.10	100
0.39	300	3.00	85
0.40	289	5.00	82
0.45	248	7.00	81
0.49	220	10.00	80
0.50	213	10.00	75

The values of IK1 (maximum fault current phase to earth) and UTP (contact voltage) are communicated by the distributor of electricity in the process of completion of the process to connect the installation to the medium voltage network.

If the above ratio $and Tp R I k \leq U 1$ can not be guaranteed, you should take a reading of the contact voltages and step voltages and verify that they comply with the limits allowed. If this is done, you should implement the protective measures referred to in the IEC norm 11-1 (equipotentials, surfacing, etc.).

6.3.2 Faults in Low Voltage

The protection against indirect contact is made with low voltage side automatic disconnection circuit as required by IEC standard 64-8, art. 413.1.

The relationships that govern the choice of features that the devices for protection must have change according to the methods of earthing, defined as TN, TT and IT.

TN system= The system has one point connected directly to the ground while the masses of the installation are connected to the same point by means of a conductor for protection. More specifically, we have a TN-S system when the neutral conductor and protective conductor are separate,

TN-C when the neutral conductor and protective conductor are combined into a single conductor (PEN), a TN-CS system when TN-C system is limited to a part of the plant.

TT = The system has one point connected directly to the ground while the masses of the plant are connected to a ground system electrically independently of the earthing system for the power feed.

IT System= The system has the active parts separated from the ground (floating) while the masses of the installation shall be earthed individually, in groups or collectively.

The TN system relates to plants at low voltage on the AC side placed inside and outside the technical area, whose power is derived from the auxiliary frame. The common (neutral) is connected to the earth of the technical room and the masses are connected to the earth sinks placed near the control frames

The individual sinks and the ground of the technical area are connected by conductors to the ground.

The system is therefore attributable as type TN-S

The TN system is also found in the plant for PV production on the DC side in which the masses (frames) of the modules are connected to ground through the support structures which are themselves directly connected to ground and positive pole is connected to ground at each inverter.

The protective devices should interrupt power to the circuit automatically when in case of failure, between an active part and a mass or a protective conductor there is a contact voltage above 50 V ac and 120 V dc

The tension of contact should be eliminated in times sufficiently low, set conventionally, identifiable by the "safety curve" and never be more than 5s. For the TN system the condition to be met is as follows:

$Z_s \cdot I_a = U_o$ where:

= **Zs** is the impedance of the ring fault that includes the source, the active conductor until point of failure and the protective conductor from the point of failure and the source **Ia** = is the current that causes the automatic interruption of food within the time defined in the table 41A of Article. 413.1.3.3 of the IEC 64-8 according to the nominal voltage

Uo

Uo = is the nominal voltage AC, effective triphase and earth that corresponds to the voltage at phase-neutral

The choice of device in a TN system can be made between:

- Differential current protection device, in particular of selective anti-disturbance type;
- Overcurrent protection device;

More specifically:

- TN-C system, that is when the neutral and protective functions are combined into a single conductor, called PEN; differential current protection devices should not be used;
- TN-CS system, that is when the neutral and protective functions are combined into a single conductor in one part of the system; if differential protection devices are used, no

PEN conductor should be used downstream of the same.

It is stated that for the plant in question, where photovoltaic modules have been adopted, equipment and cabling systems in class II, a kind of passive protection is achieved that does not require automatic interruption of the circuit according to CEI 64-8 art. 413.2.

It is understood that, despite the intervention of the safety devices (fuses), the heads of the strings remain under a dangerous voltage (> 120V) while the terminals of the photovoltaic modules are still at a level of voltage below the voltage limit set by the rules of contact.

In conclusion it is necessary that before any maintenance operation at the photovoltaic plant any alarm signals emitted by the inverter will be noted and that due care will be taken on the DC circuit, especially along and at the heads of the lines connecting the strings to the inverter.

6.4 PROTECTION OF CONDUCTORS AGAINST CURRENT SURGES

The conductors must be protected by one or more devices from the occurrence of current surges that may be caused by overload or short circuits.

The devices that provide these protections are:

- Circuit breakers equipped with overcurrent releases;
- Fuses.

6.4.1 Overload protection

In order to avoid current overload, which could lead to harmful overheating of the insulation or of the surrounding environment, a conduit, with operating current **I_b** and range **I_z**

(**I_b ≤ I_z**), must be protected by a device having a **rated** current and $(/I)$

conventional working current **I_f** such that these satisfy the conditions:

$$I_b \leq I_n \leq I_z$$

$$I_f \leq 1.45 \times I_z$$

The switches comply with IEC 23-3 and 17-5 and fulfill the second condition.

6.4.2 Protection against short circuits

The protective devices should interrupt short circuit currents that may occur in the plant in a way that ensures that the conductor does not reach dangerous temperatures according to the ratio:

$$I^2 t \leq K^2 S^2 \text{ where:}$$

$I^2 t$ = Joule's integral, so that the specific energy passing through in a time equal to the duration of the short circuit

K = coefficient characteristic of each cable;

S = section of the conductor.

6.4.3 DC side protection

The cables of the PV system are chosen for the maximum current that the modules can generate in the most critical conditions, namely the short circuit current **I_{sc}**, then it is reasonable to suggest that they should be protected against overload due to surges.

Protective devices are chosen so as to interrupt short circuit currents that, in a photovoltaic plant, can be determined by:

- Failure between two poles of the DC system;
- Ground fault for systems with a ground point;
- Double earth fault systems isolated from ground

The devices are generally fuses, installed either in frames for parallel strings (to protect the wire string against overcurrent due to the sum of the currents of the other strings in parallel) or at the input of the inverter (to protect the cable for connection between this and the framework for parallel strings).

6.4.4 AC side protection

The cables between the inverter and the point of parallel are also sized for the maximum current produced thus making it unnecessary to provide protection against overcurrent due to overload.

However protection is provided against overcurrent due to short circuits which usually coincides with the master switch for low voltage as this is suitable for strong currents on the network side.

Indeed, in the case of short circuit, the inverter limits the output current to a maximum value of approximately double its current rating by involving the internal protection when a short circuit is fed directly from the network.

6.5 METHODS FOR DIMENSIONING AND CALCULATION

6.5.1 Cable Sizing

The sizing of the cables is such as to ensure the protection of the conductors for currents against overload.

According to IEC 64-8/4 (para.433.2) the protective device must be coordinated with the conductor so that the following conditions are fulfilled:

- a) $I_b \leq I_n \leq I_z$
- b) $I_f \leq 1.45 I_z$

To satisfy condition a) it is necessary to size the cable on the basis of the nominal current for protection upstream.

From the current I_b we determine the nominal current for the upstream protection (normalized values) and with this we proceed to the choice of the section.

The choice is made according to the table showing the permissible current I_z according to the type of insulation of the cable you want to use, the type of installation and number of active conductors; the range that the cable will have will therefore be:

$Minimum I_z = I_n / k$

where the coefficient k for downgrading also takes into account any parallels. The section is chosen so that its range (multiplied by a coefficient k) is immediately higher than that calculated using the current rating (I_z minimum). Any parallel calculation, assuming they all have the same section, length, pose, etc.. (para. 433.3), considering the minimum range as a result of the sum of individual ranges (graded by the number of parallels in the derating factor for proximity).

Condition B does not require verification for the switches that respond to the standard 23.3 IV Ed have a ratio between conventional current I_f and nominal current in less than 1.45 and constant for all calibrations below 125A. For industrial equipment, however, the CEI 17.5 and IEC 947 norms establish that this ratio can vary according to the nominal current but it must remain less than or equal to 1.45. It follows that under these regulations condition B will always be satisfied.

Conduits dimensioned according to this criterion are therefore protected against surges.

From the section of the phase cable we derive the calculation of $I^2 t$ of the cable or maximum permissible specific energy for the cable as:

$I^2 t = K^2 S^2$

The constant K is given by the standard 64-8/4 (para.434.3), depending on the conductive material and insulating material.

6.5.2 Voltage Drops

The voltage drops are measured on the UNEL 35023-70 scales.

Consistent with these tables, the voltage drop of a single branch is evaluated as:

$$CDT(Ib) = kcdt \times Ib \times (Luke / 1000) \times [Rcavo \times \cos \varphi + \sin \varphi \times Xcavo] \times 100 / Vn [\%]$$

where

$kcdt = 2$ for single-phase systems

$kcdt = 1.73$ for three-phase systems.

Parameters $Rcavo$ and $Xcavo$ are taken from the UNEL Table and depend on the type of cable (unipolar / multipolar), and the section of the conductors and the values of $Rcavo$ reported refer to 80 ° C, while the $Xcavo$ refers to 50Hz, both being expressed in ohms / km.

The voltage drop from upstream to downstream (total) of a number of users is determined by the sum of voltage drops, absolute for one conductor, of the branches upstream of the users in question, and from this we then find a percentage of the voltage drop in the system (three-phase or single-phase) and the rated voltage of the user concerned.

6.5.3 Sizing protective conductors

The IEC 64.8 (para. 543.1) provide two methods for sizing of conductors Protection:

- Determination in relation to the section of phase;
- Determination by calculation.

The first criterion is to calculate the section in the following format:

- $Spec = Sf$ where $Sf < 16 mm^2$;
- $Spec = 16 mm^2$ if $16 \leq Sf \leq 35$;
- $Spec = Sf / 2$ if $Sf > 35 mm^2$.

The second criterion is to determine the value by the integral of Joule.

The method adopted in this project is the second.

6.5.4 Calculation of Faults

The calculation of faults is done in order to determine the minimum and maximum short circuit currents immediately downstream of protection (starting line) and downstream of users (end of line).

The conditions in which they are determined are:

- Tri-phase fault (symmetrical);
- Ground phase fault (asymmetrical).

The parameters for the sequences of each user are initialized from those of user input and the first should, in turn, initialize the parameters of the line downstream.

6.5.5 Calculation of the maximum short circuit current

The calculation is performed under the following conditions:

- a) the nominal voltage must be multiplied by a factor of tension equal to 1;
- b) the minimum impedance fault is calculated at 20 ° C.

6.5.6 Calculation of short circuit currents

The calculation is performed under the following conditions:

- a) the nominal voltage must be multiplied by a factor of tension equal to 1;
- b) the minimum impedance fault is calculated at 20 ° C.

Neglecting the lowering of line voltage and raising the temperature would give:

$$I_{cc} = \frac{V}{\sqrt{R^2 + L^2}}$$

Norm 64-8 proposes a formula that takes into account some parameters previously neglected, stating that *values obtained by this formula are used to verify the timeliness for intervention by protection devices, but not for the determination of the power for interruption "*

$$I_{cc} = \frac{0.8 \cdot V \cdot S}{1.5 \cdot \rho \cdot 2l}$$

where:

- I_{cc} = short-circuit current in A
- 0.8 = factor taking into account voltage sag
- V = voltage in V
- S = conductor cross section in mm²
- 1.5 = factor which takes into account the temperature
- ρ = resistivity of conductor at 20 ° C in mm² / m
- 2 = factor for single phase
- l = length of line in m

6.6 PROTECTION AGAINST VOLTAGE SPIKES

On the terminals of each frame for parallel strings (QPS) there have been adopted surge dischargers (SPD) type CPT CS3-40/600 to protect against surges induced by discharges of atmospheric origin.

6.7 INSTALLATIONS FOR GROUNDING

6.7.1 Grounding the technical side area (MT / LT sub-station)

The grounding device will consist of:

- metallic screens for MT cables, earthed at both ends;
- From the ground ring of the sub-stations, made with steel rod section at least 50 mm 2;
- Four stakes in galvanized steel, length at least 1.5 m, at the head of the ring;
- The earth nodes of the sub-stations and protective conductors and equipotentials.

All the masses, the outside masses, and the neutral conductor, should be connected to the track.

6.7.2 Grounding on photovoltaic field side

The ground device will consist of:

- The metal structures supporting the photovoltaic modules are designed as natural dispersers;
- dispersers positioned near the vertical control panels.

All the masses and the masses outside the plant should be connected to the ground device. The determination of the section of the protective conductor is calculated by the formula:

$$S_p^2 \cdot K^2 = I^2 \cdot t$$

S_p = Chamber of protective conductor;

I = fault current that runs through the protective conductor for a fault free on mass

t = Tripping time of the protection device;

K = Characteristic value of the conductor.

7 SECURITY SYSTEM

The security system adopted by Ecoware for photovoltaic systems consists of two main components that married together, provide a high level performance, reducing costs compared to normal devices adopted and a speed of installation that goes directly from the pre-wired cable to the company. They are:

1. Fiber optic perimeter anti-intrusion system

2. PICS ®

More details are contained in the tables IS.01, 02, and 03.

7.1 FIBER OPTIC PERIMETER ANTI-INTRUSION SYSTEM

The security system is a 24 hour-a-day fiber optic perimeter system , which provides protection from intruders from within the protected area. It uses fiber optic technology for sensors and as a support element for the transmission of the alarm. Since the fiber optic line is made of glass and an internal light (not electrical) signal passes down the same, , the system is 100% reliable as an alarm signal. The system is not affected by bad weather (hail, thunderstorms, fog, sun, rain), wind (there is no wind effect), magnetic fields or electrical interference from radio frequencies, or vibrations of any kind. Finally, birds do not cause false alarms because the system, through the management software, deletes all optical stress points, by continually reading an average of the signals arising from the fiber optics. The perimeter fiber optical system is composed of:

- Central FOSE microprocessor that runs from 1 to 8 transponders
- Optical protection in the field
- Support poles for the system with taut strings
- Fiber optic link between central microprocessor and alarm zones.

PICS ® 7.2

Each network consists of a control unit and area microprocessor controllers which are connected to sensors (PICS-node).

The PICS-node consists of an electronic circuit of small size, protected from weathering by a coating of acrylic / polyurethane resin and fixed permanently on the back of each photovoltaic module.

Depending on the manufacturer and the process for mounting, the attachment of the PICS-node will be ensured by a safety bolt and / or a two-component epoxy adhesive that once dried crystallizes and makes it impossible to remove.

PICS-Each sensor node contains an identification code that resides on a 64-bit nonvolatile memory (lasered ROM).

The sensors are electrically connected together with bus cable thus forming areas.

The electrical connection of the cables is by a crimped termination in heat-shrunk nylon that ensures resistance to weathering.

Each area is connected to a microprocessor called the "area controller" which is housed in the field frame for the Tracker installations while for the Radiantes it is necessary to use one dedicated frame fixed to the poles of the structure.

The microprocessor checks the status of the PICS-nodes and in case of damage or tampering transmits an alarm signal via wireless or RS485 control unit.

In turn, the control unit notifies the operations center of Ecoware in Padua via RF, GSM or satellite, and Ecoware can thus also see the area where the alert was generated and intervene promptly.

The whole system offers maximum security due to the continuous dialogue between the monitoring station, the control unit, the microprocessors and single-node PICS allowing the immediate identification of the infringement and prompt action by supervision staff.

The PIC control system can be integrated into the general plant control system that monitors and manages the production of energy, alarms and access control.

8 Integrated Security

To protect the entire site from intrusion attempts, as required by the commission, a system will be installed composed of these main elements:

VIDEOSURVEILLANCE: camera and lighting

ANTI-INTRUSION: microwave barriers

The INTEGRATED SYSTEM has an innovative appearance and firmware to facilitate programming operations and normal use of the instrument. Architecture modular, with MDV motion detection for outdoor environments, interference filters against atmospheric agents variation of natural and / or artificial light, dimension of objects, from 8 to 16 masking areas for each video input, SDD Slow Down Detection - real time image analysis through Neuro Type Algorithm (patented) with smart features, MPX software and a multi-level video-map for alarm management. Sixteen supervised video inputs and sixteen video outputs Loophrough, sixteen alarm inputs and two video outputs for analog monitors, represent the characteristics of reference of this model. Due to its high level of flexibility, the integrated digital system MDV + Alexys + MPX is used in the management of high security video control systems in environments of different types, such as the banking, industrial and service sectors, where it is necessary both to ensure high quality image definition and long range recording. Thus rendering it Ideal for perimeter protection against intruders and terrorists. The system comes standard with a Linux operating system, and an internal Hard Disk with 250GB (MDV) + 320GB (Alexsys) with internal expandability up to 640GB. Integrated Virtual Keyboard. Motion detector performed in real time using cutting edge technology with dynamic masking zones and levels of sensitivity. Activity detector. Multiplexers and demultiplexers of recorded images.

MOTION DETECTION

This special and extremely important function is independently programmable for each individual camera. By defining masking zones and sensitivity levels and thus optimising the analysis and recording stages and employment of the hard drive, only the images characterized by the actual presence of motion detected within the preset areas will be recorded and static images shall be discarded as insignificant.

Moreover, this feature allows you to proactively manage the alarm, activating a warning to the Control Center, from which you can acquire images directly and decide on the possible intervention of on-site personnel.

CENTRALIZATION

This is an extraordinary feature that gives the devices that are equipped with it a level of expandability ranking among the most advanced on the market today: the centralization of images using public lines (PSTN-ISDN-ADSL-HDSL) or LAN, WAN networks. Simultaneous management of local video-recording and communication with the Control Center provides a powerful means of Video-surveillance.

DESCRIPTION OF THE EQUIPMENT

Integrated system

- 1 Integrated system with access to 16 points
- 1 Software for management and remote control
- 1 digital color LCD Monitor 19 "

VIDEO-SURVEILLANCE: camera and lighting



Cameras

- 15 1 / 3 6mm diagonal Sony Super HAD Color Day & Night CCD Cameras .
- 15 Auto Iris Lenses (with optics of a type variable from 4 to 9 mm, infrared-sensitive for better resolution during the night)
- 15 Waterproof outdoor housings
- 1 Professional Camera Speed Dome mod.DH801 Color, high-speed use, Indoor / outdoor - New high strength plastic body, polycarbonate transparent dome - Function Day & Night + Accessories
- 3 Boost Modules
- 1 Safety cabinet
- Special 75Ohm coaxial cable, RG-59 shielded type
- UTP-CAT5 network cable
- Network 220V power cable rubberized with section of 3xl.5.
- coaxial BNC connectors.



Lighting

- 1 + dim clock to switch on and off the lamps.
- 16 bulbs
- No. 16 posts 7.80m
- FGO cable
- Switches

ANTI-INTRUDERS: microwave barriers

- 1 Central multiarea microprocessor mod.ETR/100 with 8 inputs
 - expandable to 104
 - 1 Command keyboard and programming mod. NIRVA
 - 1 volumetric dual technology detector mod DT2000
 - 7 Microwave Outdoor Barriers mod.BM-200Q
 - 1 indoor electronic internal siren - piezoelectric
 - 2 powered external siren mod.SA/101
 - 6 Group autonomous power mod.C/11-K
 - 6 serial concentrators with 8 inputs, mod. RIVER
-

9. INTEGRATED CONTROL SYSTEM FOR PRODUCTION, ENERGY AND SURVEILLANCE: PROTEO

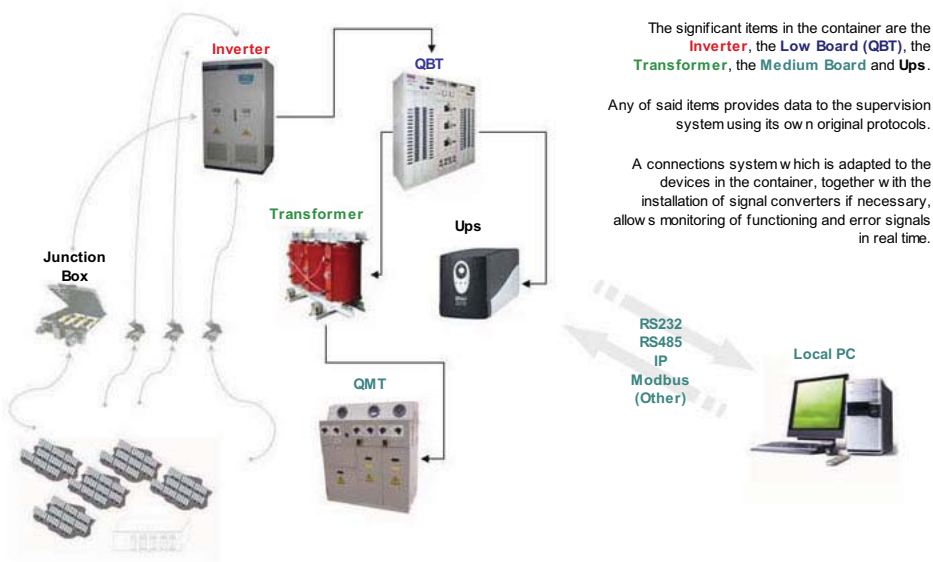
This document specifies the **hardware** and **software** for the architecture of the **Proteus** supervision system.

Supervision is based on networks of communication at many levels and on software applications which allow monitoring of devices present in the plants.

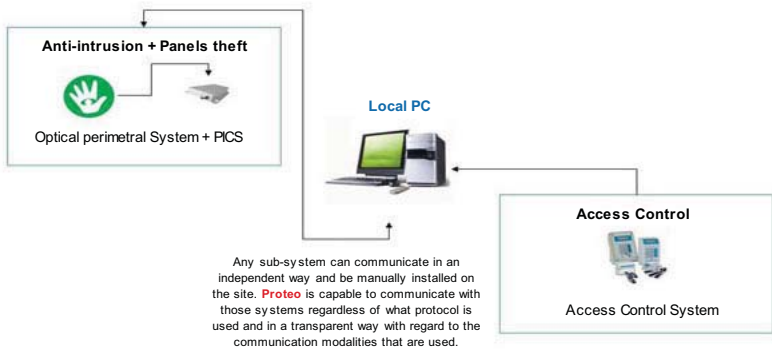
The generic definition of the elements is a key factor in that the entire system provides for monitoring of devices regardless of their make and model, of their modes of communication and of the transmission protocols that they can use.

If some elements are not equipped with "outputs" capable of meeting the demands for **Proteo's** data collection signal converters or other accessories will be installed which do meet these requirements.

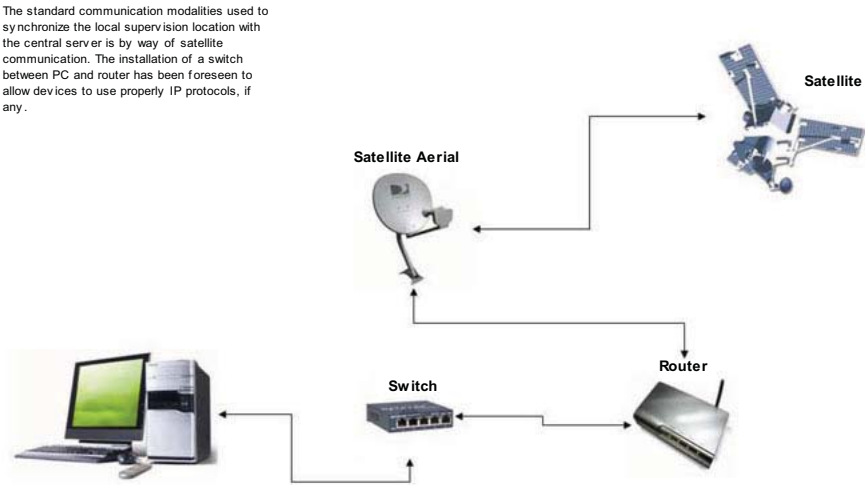
Scheme 2: Control of energy production and alarm management



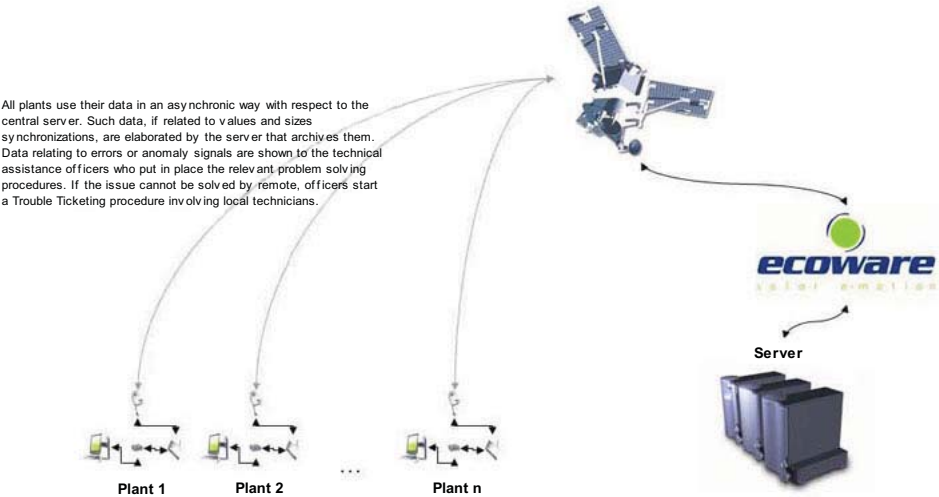
Scheme 3: Security



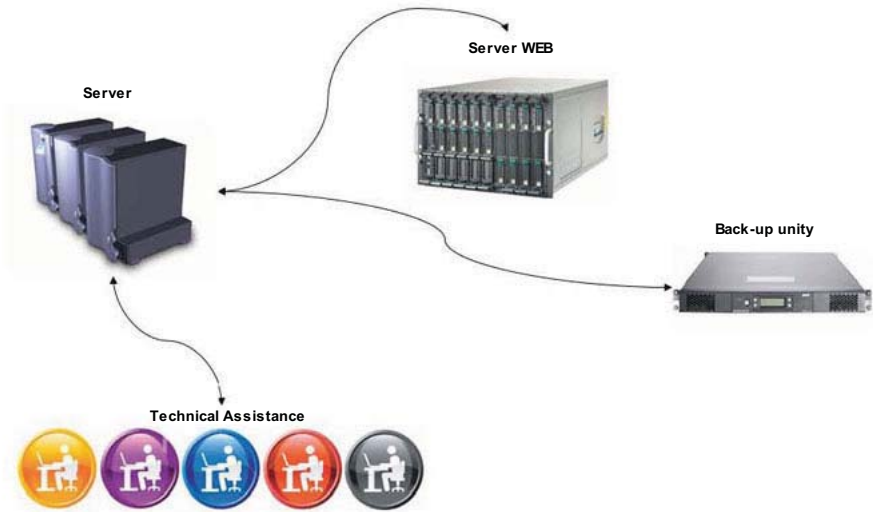
Scheme 4: Data transmission



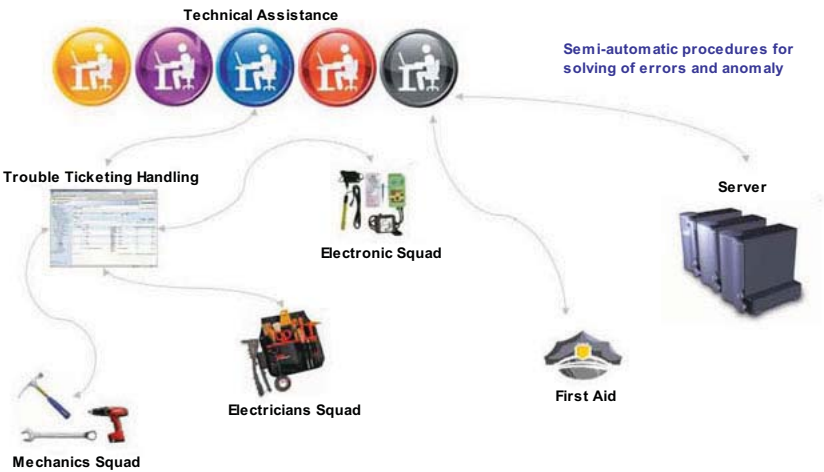
Scheme 5: Central elements for supervision



Scheme 6: Internal Data Management



Scheme 7: Management of Technical Assistance and Emergency Information



Annexes 7-18 to EPC Contract – Senigallia

[See Annexes to Exhibit 4.10 with corresponding Annex numbers]

EX-4.12 4 exhibit_4-12.htm EXHIBIT 4.12

Exhibit 4.12**AGREEMENT**

This Agreement is entered into on 5 March 2010

between

ELLOMAY PV ONE S.R.L., a company incorporated under the laws of Italy, with registered office at Galleria Borromeo, 3, Fiscal Code no. 04459950285 represented by Mr. Ran Fridrich, in his capacity as Sole Director ("**Ellomay**");
and

ECOWARE S.P.A., a company incorporated under the laws of Italy, with registered office at Via Nona Strada 9, 35129 Padova (Italy), enrolled in the Padova Companies Register, at number 03571330277, represented by Mr. Leopoldo Franceschini, in his capacity as legal representative ("**Ecoware**");

hereinafter collectively the "**Parties**".

Whereas:

- A. On 4 March 2010 Ellomay, as principal, and Ecoware, as contractor, entered into two contracts for the supply, construction, installation and start-up of two photovoltaic systems of nominal power equal to approximately 750KWp, located in the Marche region, respectively in the municipalities of Cingoli and Senigallia (the **EPC Contracts**), at the price of Euro 3,050,000.00 per MWp (the **EPC Price**).
- B. Ecoware is ready to provide a Warranty Bond in the form of a bank bond, at the terms and conditions of this Agreement.
- C. Without prejudice to Ecoware's obligations arising out of the EPC Contracts, including *inter alia* all delay liquidated damages, penalties, warranties, etc., the Parties have agreed that Ellomay will buy the panels required for the construction of the relevant photovoltaic systems (the **Panels**) directly from Ecoware's panels supplier, namely the company C.E.E.G. Solar Science Technology Co. Ltd with registered offices in Hongqiao Rd, Shanghai, China (the **Supplier**), in accordance with the terms and conditions normally applied by the Supplier to Ecoware as per **Annex 1**, such as, *inter alia*:
 - (i) price equal to Euro 1,350,000.00 per MWp (which includes any custom duties, taxes, levies, freight, as well as any other cost whatsoever, the **Panels Price**);
 - (ii) terms of payment: 60 days from bill of lading date;
 - (iii) deferred payment guaranteed by way of letter of credit substantially in the form attached hereto as **Annex 2** to be issued simultaneously with making the order;
 - (iv) delivery terms: CIF Venice port - Incoterms 2000.

The Panels will be supplied to Ecoware to allow the same to carry out its contractual obligations under the EPC Contracts.

- D. The Parties wish to take into account the above arrangements by entering into this Agreement, which shall be intended as an integration of the EPC Contracts.
- E. Recitals shall be an integral part of this Agreement.

- F. Words defined in the EPC Contracts shall have the same meaning attributed to them in the EPC Contracts when used in this Agreement, unless the context otherwise requires.

Now, therefore, the Parties agree as follows:

1. OBJECT

- 1.1 Upon Ecoware's instruction, Ellomay shall order and purchase from the Supplier the Panels in the quantity, quality and type indicated by Ecoware and provide the latter with copy of the purchase order. Ecoware shall bear all liabilities for the choice of the Supplier and of the Panels, pursuant to the EPC Contracts.
- 1.2 Ecoware shall procure that the Supplier apply to Ellomay the most favourable terms and conditions of supply applied in the past 6 (six) months by the Supplier to Ecoware, which shall in any case be in accordance with recital C.
- 1.3 Ecoware shall procure that the Supplier ships the Panels to the port of Venice, constantly liaising with the Supplier. Following arrival of the Panels to the port of Venice, Ecoware shall take care, at its own costs, of delivery of the Panels to Ecoware's premises and/or to the Area, as the case may be, as well as of any formalities related therewith, including but not limited to customs clearance and payment of relevant levies, if any. In particular, Ecoware shall check compliance of the delivered Panels with the supply order on behalf of Ellomay and under its own responsibility.
- 1.4 The Parties agree that on issuance of PAC, as a condition precedent for payment of Payment Milestone 3, in addition to the ones set forth in the relevant EPC Contracts, Ellomay shall sell the relevant Panels to Ecoware, which shall buy, at the Panels Price (the **Sale Transaction**). Simultaneously, Ecoware shall transfer title to the System, including the Panels, to Ellomay, which shall buy, pursuant to Article 12.3 of the relevant EPC Contracts.
- 1.5 On issuance of the PAC, Ellomay shall be entitled to issue the relevant invoice in accordance with the above terms and the invoice shall be evidence that the Sale Transaction has effectively been completed (the **Completion**).
- 1.6 It is understood that title to the Panels shall remain with Ellomay until Completion, and shall thereupon be transferred to Ecoware and back to Ellomay immediately thereafter, in accordance with Article 1.4.
- 1.7 Ellomay shall be entitled, at its own discretion, to opt for one of the following payment modalities in relation to the Sale Transaction:
 - (i) instruct Ecoware not to pay the Panels Price, in which event the amount of the Panels Price shall be deducted from Payment Milestone 3 under the relevant EPC Contracts;
 - (ii) instruct Ecoware to pay Ellomay the Panels Price, in which event Ellomay shall pay Ecoware the entire EPC Price, in accordance with the EPC Contracts.

2. ECOWARE'S OBLIGATIONS IN RELATION TO THE PANELS

- 2.1 Ecoware shall warrant that the Panels comply with all the terms and technical requirements provided under the EPC Contracts and the O&M Agreements and shall be liable for any loss and/or defect relating to the Panels, even if attributable to the Supplier's fault, from the time of delivery of the Panels at the Port of Venice.

- 2.2 Ecoware shall be entitled to keep the Panels at its premises to carry out the assembling activities before delivery to the relevant Areas, as long as this may be reasonably required, and shall for such time keep them duly segregated from all other goods stored at its premises in such a way as to avoid any risk of confusion with goods that are not in the ownership of Ellomay. In addition, Ecoware shall label the Panels belonging to Ellomay with clear and well visible indication "*Proprietà di di Ellomay PV One S.r.l.*". Ellomay shall be entitled, at any time and from time to time, to carry out inspections at Ecoware's premises in order to verify compliance with the above.
- 2.3 Ellomay shall be entitled at any time to take possession of the Panels, in the event that Ecoware breaches the obligations entailed in Article 2.2, or materially breaches its obligations under the relevant EPC Contract and such breach is not cured by Ecoware within 7 (seven) working days from receipt of Ellomay's written notice reporting the events giving rise to the breach.
- 2.4 Ecoware shall bear the risk of loss, theft and damages relating to the Panels from the time of delivery thereof at the Port of Venice until transfer of title of the System pursuant to the relevant EPC Contracts. The Panels will be covered by the full insurance policy package pursuant to article 15 of the relevant EPC Contracts, and Ellomay shall be included as beneficiary of said policies.

3. WARRANTY BOND

- 3.1 Without prejudice to Article 22.2 of the EPC Contracts, Ecoware represents that, should Ellomay encounter difficulties as to obtain the Financing due to the provision by Ecoware of a Warranty Bond in the form of an insurance bond, Ecoware shall in a timely manner provide Ellomay with a Warranty Bond in the form of a one year renewable first demand and autonomous bank bond issued by a primary and leading financial institution covering at least 10% (ten per cent) of the EPC Contract's Consideration.

4 MISCELLANEA

- 4.1 Any variation to this Agreement must be in writing and signed by both Parties.
- 4.2 Ellomay shall be entitled at any time to assign, either totally or partially, its rights and obligations arising hereof, on the other hand Ecoware shall not be entitled to assign this Agreement, neither totally nor partially, without Ellomay's prior written consent.
- 4.3 This Agreement derogates and supersedes any conflicting provision of the EPC Contracts, which shall otherwise remain fully effective.
- 4.4 This Agreement shall be governed by the laws of Italy and any disputes arising in connection with this Agreement shall be resolved in accordance with the relevant provisions of the EPC Contracts.
- 4.5 This Agreement is entered into in English and the Parties agree to exchange signatures via fax or e-mail.

On behalf of Ecoware S.p.A.

/S/ Leopoldo Franceschini

Mr. Leopoldo Franceschini, in his capacity as legal representative

On behalf of Ellomay PV One S.r.l.

/S/ Ran Fridrich

Mr. Ran Fridrich, in his capacity as CEO

ANNEX 1

MODEL OF SUPPLY TERMS APPLIED BY THE SUPPLIER [omitted]

ANNEX 2

MODEL OF LETTER OF CREDIT [omitted]

GIACHE' BUILDING RIGHT AGREEMENT¹**English summary of Italian version²****1. PRELIMINARY NOTE**

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant ("**PV Plant**") on the land (Municipality of Filottrano, Ancona, sheet 15, parcels 283, 288, 289, 290, 291, 292, 84, 85, 86, 87, 294) ("**Land**"), Ellomay PV Two S.r.l. entered into a definitive building right agreement on July 14, 2010. The agreement has been executed in Mondolfo, locality Marotta, before the Notary Enrico Cafiero, *Repertorio* no. 109433, *Raccolta* no. 24249, registered in Fano no. 5371 on August 5, 2010, filed with the *Conservatoria dei Registri Immobiliari* on August 10, 2010.

2. MAIN CONTENT OF THE AGREEMENT

1 Execution date	July 14, 2010
2. Grantors	Mr. Claudio Giaché Mr. Franco Trillini
3 Grantee	Ellomay PV Two S.r.l.
4. Land plot identification	Municipality of Filottrano (AN), sheet 15, parcels 283, 288, 289, 290, 291, 292, 84, 85, 86, 87, 294 size: 3.81.02 hectares .
5. Consideration	<p>The Grantee shall pay the Grantors an annual rent equal to Euro 2,500.00 per hectare (i.e. Euro 9,525.00) for the entire duration of the agreement ("Rent"). The Rent shall be paid as follows:</p> <p>Euro 6,607,75 each year to Mr. Giaché for the parcels owned by him; Euro 2,917.75 each year to Mr. Trillini for the parcels owned by him.</p> <p>The first instalment of Euro 4,763.00 (Euro 2,204.00 to Mr. Giaché and Euro 1,459.00 to Mr. Trillini) for the period from July 14 to December 31, 2010, shall be paid by wire transfer within 10 days from the execution of the building right agreement.</p> <p>The following annual instalment of the Rent shall be paid by wire transfer by December 31 of each year as an advance payment for the following year.</p> <p>An indemnity equivalent to Euro 40,006.00 shall be paid on execution of the building right agreement as compensation for damages caused by the PV Plant to the Land ("Indemnity"). The Indemnity was split as follows:</p> <p>Euro 27,752.00 to Mr. Giaché; Euro 12,254.00 to Mr. Trillini.</p>

¹ This Agreement is attached as Annex 1 to the Giaché EPC Contract.

² The original language version is on file with the Registrant and is available upon request.

6. Consideration adjustment	The annual Rent shall be adjusted each year by 100% of the previous year inflation rate as resulting in national official rates.
7. Duration	21 years (until July 14, 2031)
8. Extension and Renewal	<p>6 (six) months before the expiry date, the Grantee may extend the duration of the building right agreement for further 4 (four) years. No more extensions of the building right are foreseen.</p> <p>The rent for the extension shall be equal to the last year's Rent increased by 15%, and to be re-valuated according to the annual variation of the inflation rate as resulting in national official rates.</p>
9. Withdrawal/Termination (Grantee)	<p>The Grantee shall be entitled to withdraw at anytime from the agreement by sending a 90 day prior written notice to the Grantors. In such event the Grantee shall pay to the Grantors only the rent for the duration of the notice.</p> <p>The Grantee shall be entitled to terminate the building right agreement with immediate effect in the case that the Grantors, in breach of their obligations foreseen by the agreement, carry out building works or any activity which might prejudice permanently the PV Plant's power and efficiency.</p>

**10. Withdrawal/Termination
(Grantors)**

Grantors shall be entitled to terminate the building right agreement in the case that payment of the Rent is delayed for more than 6 months and the deposit mentioned under item 12 is not reconstituted, provided that the Grantee has not cured the breach within 30 days of the Grantor's written request.

Grantors shall send a written notice of termination to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantors of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantors shall be entitled to terminate the building right agreement only by a judicial order and provided that the non-fulfilment has not been cured within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of receipt by the Grantors of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event that the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term of payment (*decadenza del beneficio del termine*), or to terminate for breach of contract or to withdraw from the loan agreement.

11. Easements

The Grantors agree to grant and constitute all the easements necessary for the PV Plant to operate and to be constructed on any neighbouring lands owned by the Grantor.

Mr. Giachè constitutes a perpetual **passage easement**, pedestrian and carriage (5 mt width) **over the parcels no. 281, 284 and 285**, cadastral sheet 15, of his exclusive ownership.

12. Guarantee and Deposit

In order to guarantee the PV Plant's removal or any other works performed on the Land, within 5 days from the date of commencement of works the Grantee shall issue an insurance guarantee (*polizza fideiussoria*) whose amount shall comply with the requirements set out by the Municipality. No additional removal guarantee is to be issued in favour of the Grantors.

In order to guarantee payment of the Rent, the Grantee shall deposit, not later than December 31, 2010, Euro 9,526.00 ("**Deposit**"), which will be withheld by Grantors in the event of failure by the Grantee to pay the annual rent, without prejudice to the Grantee's obligation to restore the Deposit in such circumstance.

If not used throughout the term of the agreement, such amount shall be deducted from the Rent to be paid for the period from January 1, 2030 to December 31, 2030, save for the Grantee's obligation to pay the Rent relating to the 1.1.2031 – 7.7.2031 period.

13. PV Plant removal	Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expense. The ownership of the PV Plant shall remain with the Grantee.
14. Assignment	The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising thereof, sending the relevant notice to Grantors. Grantors shall be entitled to assign the building right agreement to third parties and/or rights and obligations arising thereof, by a (at least) 10 day prior notice, provided that the third party undertakes to comply with the agreement.
15. Governing Law and Competent Court	Italian law applies. Exclusive jurisdiction of the court of Ancona.

MASSACCESI BUILDING RIGHT AGREEMENT¹**English summary of Italian version²****1. PRELIMINARY NOTE**

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant ("**PV Plant**") on the land (Municipality of Arcevia, Ancona, sheet 24, parcel 254) ("**Land**"), Ellomay PV Two S.r.l. entered into a definitive building right agreement on July 7, 2010. The agreement has been executed in Cagli (PU) before the Notary Stefano Manfucci, *Repertorio* no. 33767, *Raccolta* no. 13612, registered in Urbino no. 2348 on July 30, 2010, filed with the *Conservatoria dei Registri Immobiliari* on October 3, 2010.

2. MAIN CONTENT OF THE AGREEMENT

1 Execution date	July 7, 2010
2. Grantor	Mr. Nazzareno Massaccesi
3 Grantee	Ellomay PV Two S.r.l.
4. Land plot identification	Municipality of Arcevia (PU), sheet 24, parcel 254, size: 3.61.91 hectares.
5. Consideration	<p>The Grantee shall pay the Grantor an annual rent equal to Euro 2,800.00 per hectare (i.e. Euro 10,133.48) for the entire duration of the agreement ("Rent").</p> <p>The first instalment of Euro 5,066.74 for the period from July 7 to December 31, 2010, shall be paid by wire transfer within 10 days from the execution of the building right agreement.</p> <p>The following annual instalment of the Rent shall be paid by wire transfer by December 31 of each year as an advance payment for the following year.</p> <p>An indemnity equivalent to Euro 38,000.55 shall be paid on execution of the building right agreement as compensation for damages caused by the PV Plant to the Land.</p>

¹ This Agreement is attached as Annex 1 to the Massaccesi EPC Contract.

² The original language version is on file with the Registrant and is available upon request.

6. Consideration adjustment	The annual Rent shall be adjusted each year by 100% of the previous year inflation rate as resulting in national official rates.
7. Duration	21 years (until July 7, 2031)
8. Extension and Renewal	<p>6 (six) months before the expiry date, the Grantee may extend the duration of the building right agreement for further 4 (four) years. No more extensions of the building right are foreseen.</p> <p>The rent for the extension shall be equal to the last year's Rent increased by 18%, and to be re-valuated according to the annual variation of the inflation rate as resulting in national official rates.</p>
9. Withdrawal/Termination (Grantee)	<p>The Grantee shall be entitled to withdraw at anytime from the agreement by sending a 90 day prior written notice to the Grantor. In such event the Grantee shall pay to the Grantor only the rent for the duration of the notice.</p> <p>The Grantee shall be entitled to terminate the building right agreement with immediate effect in the case that the Grantor, in breach of its obligations foreseen by the agreement, carries out building works or any activity which might prejudice permanently the PV Plant's power and efficiency.</p>
10. Withdrawal/Termination (Grantor)	<p>Grantor shall be entitled to terminate the building right agreement in the case that payment of the Rent is delayed for more than 6 months and the deposit mentioned under item 12 is not reconstituted, provided that the Grantee has not cured the breach within 30 days of the Grantor's written request.</p> <p>Grantor shall send a written notice of termination to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantor of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantor shall be entitled to terminate the building right agreement only by a judicial order and provided that the non-fulfilment has not been cured within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of receipt by the Grantor of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event that the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term of payment (<i>decadenza del beneficio del termine</i>), or to terminate for breach of contract or to withdraw from the loan agreement.</p>

11. Easements	The Grantor agrees to grant and constitute all the easements necessary for the PV Plant to operate and to be constructed on any neighbouring lands owned by the Grantor.
12. Guarantee and Deposit	<p>In order to guarantee the PV Plant's removal or any other works performed on the Land, within 5 days from the date of commencement of works the Grantee shall issue an insurance guarantee (<i>polizza fideiussoria</i>) whose amount shall comply with the requirements set out by the Municipality. No additional removal guarantee is to be issued in favour of the Grantor.</p> <p>In order to guarantee payment of the Rent, the Grantee shall deposit, not later than December 29, 2010, Euro 10,133.48 ("Deposit"), which will be withheld by Grantor in the event of failure by the Grantee to pay the annual rent, without prejudice to the Grantee's obligation to restore the Deposit in such circumstance.</p> <p>If not used throughout the term of the agreement, such amount shall be deducted from the rent to be paid for the period from January 1, 2030 to December 31, 2030, save for the Grantee's obligation to pay the Rent relating to the 1.1.2031 – 7.7.2031 period.</p>
13. PV Plant removal	<p>Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expenses.</p> <p>The ownership of the PV Plant shall remain with the Grantee.</p>
14. Assignment	<p>The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising thereof, sending the relevant notice to Grantors.</p> <p>Grantor shall be entitled to assign the building right agreement to third parties and/or rights and obligations arising thereof, by a (at least) 10 day prior notice, provided that the third party undertakes to comply with the agreement.</p>
15. Governing Law and Competent Court	Italian law applies. Exclusive jurisdiction of the court of Ancona.

THIS SETTLEMENT AGREEMENT AND RELEASE is dated 27 July 2010 between:

- (1) Ellomay Capital Limited (formerly known as Nur Macroprinters Ltd.), whose registered office is 9 Rothschild Blvd., Tel Aviv 66881, Israel ("**Ellomay**"); and
 - (2) Hewlett-Packard Company, whose principal business office is 3000 Hanover Street, Mail Stop 1032, Palo Alto, CA 94304, USA ("**HP**").
- a) **WHEREAS** pursuant to an Asset Purchase Agreement dated December 9, 2007 between Ellomay and HP (and as amended by the First Amendment to the Asset Purchase Agreement dated February 29, 2008) (together, the "**APA**"), HP acquired certain assets and liabilities from Ellomay (the "**Transaction**");
 - b) **WHEREAS** under the terms of the APA, an Escrow Fund was set up;
 - c) **WHEREAS** pursuant to clause 8.2 (f) of the APA, in the absence of any claims for indemnification by HP prior to the Survival Date, USD\$9.5 million (plus accrued interest) was due to be released to Ellomay from the Escrow Fund on August 29, 2009 and the balance of \$5 million (plus accrued interest) at the end of the Escrow Period;
 - d) **WHEREAS** on August 24 and August 28, 2009, HP requested that (i) the Escrow Agent release to it an amount of USD\$8,094,392 out of the Escrow Fund (the "**Initial Amount**"), such request attached hereto as Appendix 1; and (ii) the Escrow Agent release to it an amount of €2,415,460 out of the Escrow Fund (the "**Second Amount**"), such request attached hereto as Appendix 2;
 - e) **WHEREAS** on October 21, 2009, Ellomay responded and put forth its position that HP's indemnification claims for the Initial Amount and the Second Amount should be rejected, except for the amount of USD\$312,395 (the "**Released Amount**") which Ellomay authorized the Escrow Agent to release to HP (the Released Amount was transferred to HP by the Escrow Agent on October 22, 2009), such response attached hereto as Appendix 3;
 - f) **WHEREAS** on December 8, 2009, Ellomay notified HP and the Escrow Agent that of the Released Amount, Ellomay believed HP was not entitled to indemnification with respect to an amount of USD\$172,927, such notification attached hereto as Appendix 4;
 - g) **WHEREAS** on January 19, 2010, HP sent an additional Officer's Certificate to the Escrow Agent requesting the release of USD\$2,786,056 (the "**Third Amount**"), attached hereto as Appendix 5 (the First, Second and Third Amounts are referred to collectively as the "**Claims**"); on January 21, Ellomay responded to the Escrow Agent and to HP with respect to the aforementioned letter, contending HP was not entitled to indemnification with respect to the Third Amount claim; Ellomay's letters to HP and the Escrow Agent are attached hereto as Appendices 6 and 7;
-

- h) **WHEREAS** in addition to the above, the parties have been discussing and corresponding between them concerning other matters as set out further in Clause 2 of this Agreement (the “**Other Matters**”); and
- i) **WHEREAS**, the Parties understand and accept that resolving any and all the above issues between them likely would involve costly litigation and arbitration proceedings and that further new matters may arise in the future which may then lead to further disputes between the Parties. Therefore, the Parties met and discussed the above Claims and Other Matters and have come to the conclusion that they wish to fully, finally and irrevocably settle and resolve the Claims and Other Matters and any and all outstanding matters and waive, discharge and relieve one another from any responsibility or liability concerning any and all matters which might arise between them in connection with the Transaction, whether known or unknown at the time of this Agreement, all pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in exchange and consideration for the mutual promises, agreements, and releases (including without limitation those set forth in Clause 3 hereof) contained herein, the parties have agreed to resolve all outstanding Claims and Other Matters and release each other from any and all future claims which may arise between them in connection with the Transaction and have agreed on terms for the full and final settlement of these matters and wish to record those terms of settlement, on a binding basis, in this Agreement.

Capitalised terms have the meaning given to them in the APA, unless otherwise expressly defined in this Agreement.

1. SETTLEMENT: RELEASE OF ESCROW FUNDS

- 1.1 In consideration for the full, final and irrevocable mutual release as provided pursuant to Clause 3 herein, the Parties agree to authorize the Escrow Agent to allocate the Escrow Amount between the parties as follows:
 - (a) An aggregate amount of US\$7,400,000 (seven million four hundred thousand US dollars) together with accrued interest thereon shall be allocated to HP and an amount of US\$7,100,000 (seven million one hundred thousand US dollars) together with accrued interest thereon, shall be allocated to Ellomay, each amount adjusted in accordance with Clause 1.1 (b) (i) and (ii) below.
 - (b) The Escrow Agent shall therefore be authorized and instructed to release the remaining Escrow Fund in accordance with the Notice attached in Appendix 8, as follows:
 - (i) an amount of US\$7,077,411.94 (representing the amount of US\$7,400,000 less the amount of US\$312,395 already released to HP, plus accrued interest of US\$98,972.94, and less the amount of US\$109,166 (being 50% of the amount due to the Employee Severance Funds)) shall be released and transferred to HP; and
 - (ii) an amount of US\$7,304,126.53 (representing the amount of US\$7,100,000 plus accrued interest of US\$94,960.53, plus the amount of US\$109,166 (being 50% of the amount due to the Employee Severance Funds)) shall be released and transferred to Ellomay.

- 1.2 The parties shall execute and send a copy of the Notice substantially in the form set out in Appendix 8 to the Escrow Agent concurrently with the signing of this Agreement.
- 1.3 Notwithstanding the fact that the Escrow Amount to be released to HP pursuant to Clause 1.1 above is in settlement of the Claims and Other Matters as a whole, the amount released to HP shall be allocated between the Claims and Other Matters as set out in Appendix 9. It is hereby clarified that the allocation of the amounts as set out in Appendix 9 shall not bind Ellomay or serve as evidence in any proceeding between the parties concerning this Agreement or the Transaction.

2. OTHER MATTERS

2.1 Stillachem

Ellomay agrees, confirms, represents and warrants that HP, its subsidiaries and its and their associates and affiliated companies have no liability in respect of the sale of a property situated in Charleroi, rue Louis Bleriot in the zoning l'Aeropole at Gosselies by Igretec (Intercommunale pour la Gestion et la Realisation d'Etudes Techniques et Economiques) and that this matter is settled between Ellomay and Igretec without possible recourse against, or obligation or liability to Nur Europe or any HP entity.

2.2 Continuing Business Employees Severance Funds

Ellomay confirms that per discussions held with the Israeli Tax Authority (the "ITA"), the following arrangement with respect to the Continuing Business Employees' severance funds was approved and certified by the ITA:

- (i) Concurrently with the signing of this Agreement, and in accordance with the instructions of the ITA, Ellomay shall deposit the amount of NIS 635,303 into the Continuing Business Employees severance funds resulting in the severance funds being fully funded as of the date of Closing; and
- (ii) Concurrently with the signing of this Agreement Ellomay shall reimburse HP for the amount of NIS 205,061 which HP deposited into the Continuing Business Employees severance funds regarding the Continuing Business Employees whose employment was terminated prior to this Agreement.

2.3 Litigation involving the Acquired Subsidiaries

2.3.1 Ellomay confirms, warrants and represents that:

- (a) to the best of its knowledge, except as set out below, all litigation and enforcement proceedings involving Acquired Subsidiaries that were ongoing at the date of the closing of the APA and that pursuant to its terms were to be managed by Ellomay have been settled or have ended and there exist no outstanding obligations or liabilities in connection with any such proceedings and that, in any event, Ellomay shall be solely responsible for the litigation proceedings of the Acquired Subsidiaries existing prior to Closing and the results of such litigation shall be for the benefit or liability of Ellomay, as the case may be. Ellomay undertakes to bear all costs and expenses relating to such proceedings and shall fully indemnify and hold HP harmless in the event that HP incurs any liability in connection with such proceedings; and
- (b) as of the date of this Agreement, the Atlantica case conducted in the Brussels courts (details of which are set forth in Appendix 12 (the “**Atlantica Case**”), which is Ellomay's responsibility pursuant to clause (a) above, is the only litigation proceeding that existed prior to Closing that is still in pending court proceedings, and Ellomay undertakes to use commercially reasonable endeavours to conclude the Atlantica Case as soon as reasonably practicable and, once concluded, shall notify HP in writing (including any final court judgement or settlement agreement (as the case may be)); and
- (c) as of the date of this Agreement, Ellomay confirms that it has ceased and it shall not resume the enforcement proceedings Ellomay was conducting on behalf of Nur Europe in the Dataware (Farazis Bros partnership) case. All costs, expenses and liabilities relating to any proceedings relating to the Dataware case shall be borne by Ellomay and Ellomay shall fully indemnify and hold HP harmless in this respect.

2.3.2 HP undertakes to promptly transfer to Ellomay an amount equal in value to any amount received by HP or any of its affiliates from a party to and in connection with the Atlantica Case and the Image Press settlement, whether such amounts shall be received prior to the signing of this Agreement or after the signing of this Agreement.

2.3.3 Ellomay confirms and represents that, except as set out above, as from the date of this Agreement, it and its affiliated companies shall refrain from acting on behalf of Nur Europe or any other of the Acquired Subsidiaries.

2.4 Belgian Government Grants

Concurrently with the signing of this Agreement, HP shall transfer to Ellomay an amount equal to US\$500,000 withheld by HP pursuant to clause 4.2 of the First Amendment of the APA dated February 29, 2008 by wire transfer to Ellomay's account which details are specified in Appendix 10 attached hereto.

3. RELEASE

This Agreement is a full, final, unconditional and irrevocable settlement of, and each party hereby releases and forever discharges the other party of, all and/or any actions, claims, rights, demands, adjustments, obligations, liabilities, causes of action, suits, debts and set-offs (except in the case of fraud), in any jurisdiction, whether or not presently known to the parties or to the law, whether or not presently existing, whether or not presently suspected, whether matured or unmatured, and whether in law or equity, that it, its subsidiaries, parents, affiliates, assigns, transferees, representatives, principals, agents, officers and directors or any of them now have, ever have had, may have had or hereafter can, shall or may in the future have against the other party or any of its parent, subsidiaries, affiliates, assigns, transferees, representatives, principals, agents, officers or directors arising out of, either directly or indirectly, or connected with the Claims, the Other Matters and any other matter arising out of or connected with the Transaction or the APA whether such matter is an Acquired Asset, Assumed Liability, or an Excluded Liability so far as such Excluded Liability relates to the Acquired Assets, pursuant to the APA, but, for the avoidance of doubt, does not include the Excluded Assets, and HP shall bear sole responsibility for any demand or claim made by a third party against Ellomay (its parents, affiliates, assigns, transferees, representatives, principals, agents, officers and directors or any of them) or HP with respect to any such matters (collectively, the “**Released Claims**”) and the parties shall not, except as set out in this Agreement, have any further obligations or liabilities towards one another.

4. AGREEMENT NOT TO SUE

Except for an action arising out of a breach of the terms of this Agreement, each party agrees, on behalf of itself and on behalf of its parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors, not to sue, commence, voluntarily aid in any way, directly or indirectly, prosecute or cause to be commenced or prosecuted against the other party or its parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors, any action, suit or other proceeding concerning the Released Claims, in any jurisdiction.

5. COSTS

The parties shall each bear their own legal costs in relation to the Claims, the Other Matters and this Agreement.

6. WARRANTIES AND AUTHORITY

6.1 Each party warrants and represents that it has not sold, transferred, assigned or otherwise disposed of its interest in the Released Claims or in the APA.

6.2 Each party warrants and represents to the other with respect to itself that it has the full right, power and authority to execute, deliver and perform this Agreement and upon execution and delivery thereof shall constitute the valid and binding obligations of each party enforceable against it in accordance with its terms.

7. NO ADMISSION

This Agreement is entered into in connection with the compromise of disputed matters and in the light of other considerations. It is not, and shall not be represented or construed by the parties as an admission of liability or wrongdoing on the part of either party to this Agreement or any other person or entity.

8. EFFECT OF THIS AGREEMENT

The parties hereby agree that this Agreement shall immediately be fully and effectively binding upon them.

9. ENTIRE AGREEMENT

9.1 This Agreement constitutes the entire understanding and agreement between the parties in relation to the subject matter of this Agreement and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each. This Agreement supersedes all other agreements of the parties relating to the subject matter hereof.

9.2 Each party acknowledges that it has not entered into this Agreement in reliance wholly or partly on any representation or warranty made by or on behalf of the other party (whether orally or in writing) other than as expressly set out in this Agreement.

10. CONFIDENTIALITY

10.1 The terms of this Agreement, and the substance of all negotiations in connection with it, are confidential to the parties and their advisers, who shall not disclose them to, or otherwise communicate them to, any third party other than:

- (a) to the parties' respective auditors, insurers, lawyers and the Escrow Agent on terms which preserve confidentiality;

- (b) as required by either party to disclose due to its status as a public company, provided that each party shall inform and consult with the other regarding the text of such disclosure;
- (c) the announcement that Ellomay shall make to the market in its immediate report following the signing of this Agreement, the text of which is to be as set forth in Appendix 13;
- (d) pursuant to an order of a court of competent jurisdiction, or pursuant to any proper order or demand made by any competent authority or body where they are under a legal or regulatory obligation to make such a disclosure or as otherwise required to comply with the requirements of the law, regulation or rules of applicable stock exchange; and
- (e) as far as necessary to implement and enforce any of the terms of this Agreement.

10.2 HP confirms that it has been informed by Ellomay that Ellomay has certain duties and responsibilities to disclose information with respect to this Agreement (including under certain circumstances filing the Agreement itself), among other things in an immediate report and in its financial reports (and 20-F) which are submitted to the relevant authorities and published to the public, and the Parties shall keep this Agreement and the details thereof confidential until such information has been released by Ellomay or as otherwise agreed to by Ellomay.

11. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with the laws of the State of Israel. Any dispute arising out of or in connection to this Agreement shall be exclusively submitted to the jurisdiction of the competent courts in the District of Tel Aviv-Jaffa, Israel.

12. CO-OPERATION

The parties shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary or desirable, and shall take any other action reasonably requested by the other party for the purpose of putting this Agreement into effect and for the implementation and execution of any provision thereof.

13. NO THIRD PARTY BENEFICIARY

Unless otherwise set forth in this Agreement, this Agreement shall not be construed as an agreement to the benefit of any third party hereto.

14. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which, when signed, shall be an original and all of which together evidence the same Agreement. For the purposes of completion, faxed or PDF signatures by the authorized representative of each party shall be binding.

15. NOTICES

All notices, requests and other communications in connection with this Agreement shall be in writing and will be delivered by hand or faxed or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and will be deemed given when so delivered by hand or faxed, or three business days after being so mailed (one business day in the case of overnight courier service). All such notices, requests or other communications will be addressed as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice in accordance with Appendix 11 Attached hereto.

IN WITNESS WHEREOF, each of the undersigned hereby executes this Agreement to be effective as of the date and year first above written.

ELLOMAY CAPITAL LIMITED

By: /s/ Ran Fridrich

Name:

Title:

HEWLETT-PACKARD COMPANY

By: /s/ Paul T. Porrini

Name: Paul T. Porrini

Title: Vice President, Deputy General
Counsel and Assistant Secretary

TROIA 8 BUILDING RIGHT AGREEMENT¹

English summary of Italian version²

1. PRELIMINARY NOTE

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant (“**PV Plant**”) on the land (Municipality of Troia Foggia, sheet 26, parcel 289) (the “**Land**”), the company House S.r.l. entered into a definitive building right agreement on October 13, 2010. The agreement has been executed in Lucera (FG), before the Notary Orfina Scrocco, *Repertorio* no. 51882, *Raccolta* no. 23745, registered in Lucera and filed with the *Conservatoria dei Registri Immobiliari* on November 16, 2010.

The building right has been granted for 1 year with the option for the Grantee to substitute the 1-year building right with a 21-year building right (“**Option 1**”) and to extend the duration of the building right agreement for further 4 + 4 years (“**Option 2**” and “**Option 3**”).

Please note that on November 29, 2010 House S.r.l. has changed its business name to “Ellomay PV Six S.r.l.” and on December 24, 2010 the Land changed its registration number at the Cadastral Land Registry from parcel 289 to parcel 292. After that, on December 28, 2010, the PV Plant built on the Land has been registered in the Cadastral Building Registry with the numbers 292 sub 1 and 292 sub 2.

On December 30, 2010 Ellomay PV Six S.r.l. exercised the option of replacing the 1-year building right with the 21-year building right (Option 1) and sold the PV Plant to the leasing company Leasint S.p.A.³

¹ This Agreement is attached as Annex 1 to the Troia 8 EPC Contract.

² The original language version is on file with the Registrant and is available upon request.

³ These developments are not reflected in the building right agreement that appears as Annex 1 to the Troia 8 EPC Contract as such EPC Contract was executed prior to the consummation of the agreement with Leasint S.p.A.

1 Execution date	October 13, 2010
2. Grantor	Mr. Pietrantonio Casoli
3 Grantee	House S.r.l.
4. Land and PV Plant identification	Municipality of Troia (FG), sheet 26, parcel 289, size 2.42.15 hectares.
5. Duration	1 year (until October 13, 2011)
6. Extension and Renewal	<p>The Grantor grants to the Grantee the option for setting up of a 21-year building right (Option 1), and at the end of the 21 period, a new 4-year building right (Option 2) and another 4-year building right (Option 3)</p> <p>The Consideration for Option 1, Option 2 and Option 3 is equal to Euro 500.00 and has been paid on execution of the building right agreement.</p> <p>The Options may be exercised at any time, respectively, before the termination of the 1 year, 21-year and 4-year building right by executing a unilateral notarial deed.</p>
7. Consideration	<p>The Consideration for the 1-year building right is equal to Euro 8.875.00 and shall be paid within 10 days of execution of the building right agreement.</p> <p>Grantee shall pay an overall amount of Euro 262,500.00 as consideration for the 21-year building right (Option 1), to be paid in 21 annual instalment of Euro 12,500.00 by October 13 of each year. The payment is made in advance for the following year.</p> <p>The consideration for the Option 2 and the Option 3 shall be equal to the last annual instalment increased by 75% of the previous year inflation national rate as resulting by official statistics.</p>
8. Consideration adjustment	The annual payment shall be adjusted each year by 75% of the previous year's inflation national rate as resulting by official statistics.
9. Withdrawal/Termination (Grantee)	Starting from the date of execution, the Grantee shall be entitled to withdraw at any time before the expiry date of the agreement. The withdrawal shall be communicated to the Grantor by registered letter.

EX-4.14 6 exhibit_4-14.htm EXHIBIT 4.14

Exhibit 4.14**TROIA 9 BUILDING RIGHT AGREEMENT¹****English summary of Italian version²****1. PRELIMINARY NOTE**

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant (“**PV Plant**”) on the land (Municipality of Troia, Foggia, sheet 24, parcel 251) (the “**Land**”), the company Urbe Sunsystem S.r.l. entered into a definitive building right agreement on October 13, 2010. The agreement has been executed in Lucera (FG), before the Notary Orfina Scrocco, *Repertorio* no. 51881, *Raccolta* no. 23744, registered in Lucera and filed with the *Conservatoria dei Registri Immobiliari* on November 16, 2010.

The building right has been granted for 1 year with the option for the Grantee to substitute the 1-year building right with a 21-year building right (“**Option 1**”) and to extend the duration of the building right agreement for further 4 + 4 years (“**Option 2**” and “**Option 3**”).

Please note that on November 29, 2010 Urbe Sunsystem S.r.l. has changed its business name to “Ellomay PV Five S.r.l.” and on December 23, 2010 the Land changed its registration number at the Cadastral Land Registry from parcel 251 to parcel 255. After that, on December 28, 2010, the PV Plant built on the Land has been registered in the Cadastral Building Registry with the numbers 255 sub 1 and 255 sub 2.

On December 30, 2010 Ellomay PV Five S.r.l. exercised the option of replacing the 1-year building right with the 21-year building right (Option 1) and sold the PV Plant to the leasing company Leasint S.p.A.³

¹ This Agreement is attached as Annex 1 to the Troia 9 EPC Contract.

² The original language version is on file with the Registrant and is available upon request.

³ These developments are not reflected in the building right agreement that appears as Annex 1 to the Troia 9 EPC Contract as such EPC Contract was executed prior to the consummation of the agreement with Leasint S.p.A.

2. MAIN CONTENT OF THE AGREEMENT

1 Execution date	October 13, 2010
2. Grantors	Mr. Pietrantonio Casoli Ms. Antonietta Vernier
3 Grantee	Urbe Sunsystem S.r.l.
4. Land and Plant identification PV	Municipality of Troia (FG), sheet 24, parcel 251, size 2.39.23 hectares.
5. Duration	1 year (until October 13, 2011)
6. Extension and Renewal	<p>The Grantors grant to the Grantee the option for setting up of a 21-year building right (Option 1), and at the end of the 21 period, a new 4-year building right (Option 2) and another 4-year building right (Option 3)</p> <p>The Consideration for Option 1, Option 2 and Option 3 is equal to Euro 600.00 and has been paid on execution of the building right agreement.</p> <p>The Options may be exercised at any time, respectively, before the termination of the 1 year, 21-year and 4-year building right by executing a unilateral notarial deed.</p>
7. Consideration	<p>The Consideration for the 1-year building right is equal to Euro 9,025.00 and shall be paid within 10 days of execution of the building right agreement.</p> <p>Grantee shall pay an overall amount of Euro 283,500.00 as consideration for the 21-year building right (Option 1), to be paid in 21 annual instalment of Euro 13,500.00 by October 13 of each year. The payment is made in advance for the following year.</p> <p>The consideration for the Option 2 and the Option 3 shall be equal to the last annual instalment increased by 75% of the previous year inflation national rate as resulting by official statistics.</p>
8. Consideration adjustment	The annual payment shall be adjusted each year by 75% of the previous year's inflation national rate as resulting by official statistics.
9. Withdrawal/Termination right (Grantee)	Starting from the date of execution, the Grantee shall be entitled to withdraw at any time before the expiry date of the agreement. The withdrawal shall be communicated to the Grantors by registered letter.

10. Withdrawal/Termination right (Grantors)	<p>Grantors shall be entitled to terminate the building right agreement in case payment of the Consideration is delayed for more than 6 months.</p> <p>In the case of termination, Grantors shall send a written notice to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantors of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantors shall be entitled to terminate the building right agreement only by a judicial order and provided that the non-fulfilment has not been cured the within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of the receipt by the Grantors of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term for payment (<i>decadenza del beneficio del termine</i>), or to terminate for breach of contract or to withdraw from the loan agreement.</p>
11. Easements	<p>Grantors agree to grant and constitute all the easements necessary for the PV Plant to operate and to be constructed on any neighbouring lands owned by the Grantors.</p> <p>Grantors constitute a perpetual passage easement, pedestrian and carriage over the parcels no. 252 and 253, cadastral sheet 24.</p>
12. Plant removal	<p>Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expense.</p> <p>Ownership of the PV Plant shall remain with the Grantee.</p> <p>The Grantee shall pay a monthly amount of Euro 300.00 for each month until final removal of the PV Plant.</p>
13. Assignment	<p>The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising thereof, sending the relevant notice to Grantors.</p>
14. Pre-emption	<p>Should the Grantors decide to sell the Land, they shall send the Grantee notice indicating the terms and conditions for the sale. The Grantee shall be entitled to exercise a pre-emption right for the purchase of the Land by sending a letter within 60 days of receipt of the notice of sale.</p>
15. Governing Law and Competent Court	<p>Italian law applies. Exclusive jurisdiction of the court of Lucera.</p>

DORI ENERGY INVESTMENT AGREEMENT**English summary of Hebrew version¹****1. PRELIMINARY NOTE**

The Investment Agreement (the "Investment Agreement") among U. Dori Group Ltd. ("Dori"), U. Dori Energy Infrastructures Ltd. ("Dori Energy") and Ellomay Clean Energy Ltd. ("Ellomay Energy") was executed on November 25, 2010.

Dori Energy is a private Israeli company and a subsidiary of Dori. The Investment Agreement provides for the issuance to Ellomay Energy, following the fulfillment of certain conditions precedent set forth in the Investment Agreement, of ordinary shares of Dori Energy which constitute forty percent (40%) of Dori Energy's issued and outstanding share capital on a fully diluted basis, in consideration for NIS fifty million (50,000,000). This transaction was consummated on January 27, 2011.

2. MAIN CONTENT OF THE AGREEMENT

Ellomay Energy was granted with a call option (the "Option") to increase its holdings in Dori Energy, subject to certain terms and conditions which are set forth in the Investment Agreement, to up to fifty percent (50%) of Dori Energy's issued and outstanding share capital on a fully diluted basis. The price applicable to the exercise of the Call Option is two and a half million (2,500,000) NIS in consideration for each percent (1%) of Dori Energy's issued and outstanding share capital. The Option is divided into two tranches – an option to purchase up to an additional 9% of Dori Energy's issued and outstanding share capital is exercisable starting from the Closing Date and ending six (6) months after the completion and delivery of the Project (as herein defined) (the "First Tranche"), and subject to the full exercise of the First Tranche, an option to purchase an additional 1% of Dori Energy's issued and outstanding share capital shall be exercisable starting six (6) months after the completion and delivery of the Project and ending twenty four (24) months thereafter.

The Investment Agreement includes representations of Dori Energy, including with respect to Dori energy's holdings of 18.75% of Dorad Energy Ltd. ("Dorad") issued and outstanding share capital.

The Investment Agreement further provides that Ellomay Energy shall extend corporate guarantees to Dori Energy, if and to the extent such guarantees are required to facilitate the obtainment of up to 40% of the bank finance required for Dori Energy with respect to its pro rata share of the equity required to be injected to Dorad by the shareholders thereof (Ellomay Energy shall not be required to extend any further collaterals in this respect). In the same manner, Dori undertook to provide to Dori Energy corporate guarantees of up to 60% of such bank finance. Dori further undertook that in case such bank finance could not be obtained by Dori Energy, Dori shall provide the debt finance required for Dori Energy up to an amount of NIS 117.75 million pursuant to the terms provided in the Investment Agreement.

¹ The original language version is on file with the Registrant and is available upon request.

DORI ENERGY SHAREHOLDERS AGREEMENT**English summary of Hebrew version¹****1. PRELIMINARY NOTE**

The Shareholders Agreement (the "Shareholders Agreement") among U. Dori Group Ltd. ("Dori"), Ellomay Clean Energy Ltd. ("Ellomay Energy") and U. Dori Energy Infrastructures Ltd. ("Dori Energy") was executed on November 25, 2010.

2. MAIN CONTENT OF THE AGREEMENT

The Shareholders Agreement sets forth the respective and reciprocal rights and obligations of the shareholders of Dori Energy in their capacity as shareholders, and includes certain restrictions with respect to the sale and/or purchase of shares of Dori Energy, including: (i) a restriction period commencing from the closing date of Ellomay Energy's investment in Dori Energy (January 27, 2011) and terminating two (2) years after the completion and delivery of the Dorad Energy Ltd. ("Dorad") private natural gas operated power plant in Ashkelon, Israel (the "Restriction Period") throughout which the sale of Dori Energy shares by Ellomay Energy and/or Dori is not allowed other than to a permitted transferee of such shareholder, (ii) reciprocal Rights of First Refusal applicable as of the termination of the Restriction Period, (iii) reciprocal Tag Along rights applicable as of the termination of the Restriction Period, and (iv) restrictions on the imposition of liens and other third party rights with respect to the shares of Dori Energy.

The Shareholders Agreement also sets forth a mechanism with respect to the nomination of members of the board of directors of Dori Energy ("Directors") and the proceedings at Dori Energy's board meetings. The board of directors of Dori Energy shall include four (4) Directors - two (2) Directors shall be nominated by each of Dori and Ellomay Energy (the number of Directors nominated by each shareholder may be adjusted in accordance with certain changes in the holdings in Dori Energy).

¹ The original language version is on file with the Registrant and is available upon request.

Furthermore, the Shareholders Agreement sets forth agreements with respect to:

- (1) special majorities that are required for the passage of the following resolutions in the board and/or general meeting of Dori Energy, or a subsidiary thereof – (a) voluntary dissolution of Dori Energy, (b) material changes in the business of Dori Energy, (c) issuance of shares and/or any instrument convertible into shares of Dori Energy other than in accordance with the Investment Agreement entered into among Dori, Dori Energy and Ellomay Energy on November 25, 2010, (d) sale, transfer and/or termination of the majority of Dori Energy's assets or a material change with respect to such assets, (e) the imposition of liens and/or charges on the assets and/or rights of Dori Energy, other than in accordance with the credit facility agreement among Dorad and a consortium lead by Bank Hapoalim Ltd. (the "Financing Agreement"), (f) the consolidation, merger or reorganization of Dori Energy, (g) the entry into an agreement the value or impact or potential value or impact of which exceeds, in the aggregate, 1,000,000 USD, (h) material changes in the Financing Agreement and/or the shareholders agreement of Dorad, (i) transactions of Dori Energy with related parties, (j) the approval of Dori Energy's annual budget and business plan, (k) the performance of any distributions by Dori Energy, (l), the appointment and employment terms of Dori Energy's officers, and (m) the appointment and employment terms of Dori Energy's auditors;
 - (2) a separation mechanism between Dori and Ellomay Energy;
 - (3) the purchase, by Dori Energy, of additional shares of Dorad; and
 - (4) dividend distribution policies in Dori Energy.
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DISCOUNT BANK AGREEMENT IN CONNECTION WITH DORI ENERGY**English summary of Hebrew version¹****1. PRELIMINARY NOTE**

On January 26th, 2011, U. Dori Energy Infrastructures Ltd. ("Dori Energy"), a subsidiary (40%) of Ellomay Clean Energy Ltd. ("Ellomay Energy"), a wholly owned subsidiary of Ellomay Capital Ltd. ("Ellomay Capital"), entered into an agreement with Israel Discount Bank Ltd. ("Discount Bank") for the extension of a bank guarantee by Discount Bank to Dorad Energy Ltd. ("Dorad") (the "Discount Agreement").

2. MAIN CONTENT OF THE AGREEMENT

Pursuant to the Discount Agreement and subject to its terms, Discount Bank extended an autonomous bank guarantee of one hundred and twenty million (120,000,000) NIS to Dorad, which guarantee constitutes an injection of equity by Dori Energy to Dorad pursuant to, and in accordance with, the undertaking conferred upon Dori Energy under the finance documents that were entered into by Dorad and its shareholders with respect to a Credit Facility that was extended to Dorad by an Israeli banking and financial consortium in conjunction with the Ashkelon power plant project (the "Guarantee").

The Discount Agreement stipulates that the Guarantee shall remain valid until January 26th, 2012 and afterwards Discount Bank shall not be obligated to comply with any disbursement request made by Dorad pursuant to the Guarantee. It was further agreed that Dori Energy shall pay Discount Bank any amount actually paid by the latter under the Guarantee pursuant to a disbursement request made by Dorad no later than five (5) business days following the relevant payment by Discount Bank.

As a guarantee for securing the payments due to Bank Discount from Dori Energy pursuant to the Discount Agreement (the "Secured Amount"), each of Ellomay Energy and U. Dori Group Ltd. extended a guarantee to Discount Bank with respect to 40%, or 60%, respectively, of the Secured Amount, and granted Discount Bank with a first ranking fixed charge on their holdings in Dori Energy and any and all shareholders loans that were, and/or shall be, extended thereby to Dori Energy. Furthermore, Dori Energy also granted Discount Bank with: (i) a floating charge on all its properties, rights and assets, of any kind whatsoever, excluding Dori Energy's holdings in Dorad; (ii) a fixed charge on the non paid share capital, goodwill, and any rights of Dori Energy to any exemption, easement or reduction of any tax, pursuant to any law; and (iii) a first ranking fixed charge on the rights of Dori Energy in a designated account and in a deposit of twenty five million (25,000,000) NIS.

The Discount Agreement also includes customary acceleration provisions, including without limitation, the incorporation of events of default pursuant to that certain finance documents that were entered into by and among Discount Bank and certain shareholders of Ellomay Capital, and only with respect to non compliance with certain financial covenants that were set forth in such finance documents with respect to the financials of Ellomay Capital.

The Discount Agreement further includes: (i) customary representations and warranties extended by Dori Energy; and (ii) provisions with respect to the fees payable to Discount Bank with respect to the Guarantee, including a guarantee fee of 1.8% of the amount of the Guarantee and other customary fees.

¹ The original language version is on file with the Registrant and is available upon request.

ENGINEERING PROCUREMENT & CONSTRUCTION CONTRACT

FOR THE CONSTRUCTION OF A PHOTOVOLTAIC PLANT

BETWEEN

URBETECHNO S.R.L.

AS CONTRACTOR

AND

PEDALE S.R.L.

AS PRINCIPAL

ENGINEERING PROCUREMENT & CONSTRUCTION CONTRACT

With this contract

Pedale S.r.l., with registered office in Milan, Via Arco 2, VAT Registration Number and Tax Code Number 06819300960, entered in the Companies Register of Milan, represented by Ran Fridrich, in his capacity as legal representative (hereinafter known as “**Principal**”);

and

Urbe Techno S.r.l., with registered offices at Bari, via Rodolfo Redi, 3, VAT Registration Number and Tax Code Number 06880000721, entered in the Companies Register in Bari at number 516283, represented by Vicente Zaragoza Zaragoza, in his capacity as legal representative (hereinafter known as the “**Contractor**”);

(hereinafter known individually as a “**Party**” and jointly as the “**Parties**”);

Whereas:

- (A) The Principal is a company operating in the field of development and operational management of photovoltaic systems.
- (B) The Contractor is a company operating in the construction of photovoltaic plants and has the expertise to perform the Works, as defined below, in accordance with the terms and conditions hereof.
- (C) The Principal intends to proceed with the construction and operation of a photovoltaic plant located in the province of Bari, Municipality of Corato, made up of polycrystalline modules, with trackers technology and having a capacity equivalent to 3,015 MWp (the “**Plant**”);
- (D) The Principal holds *inter alia* the following Applicable Permits in relation to the Plant:
 - (i) an AU, as defined below, published on 12 August 2010 on the Puglia Regional Bulletin;
 - (ii) a STMD, as defined below, issued on 8 February 2010 (goal no. 10484).
- (E) The Principal has the Land Rights, as defined below, over the Area, set-up by entering into the Land Rights agreement enclosed hereto as **Annex 1**.

- (F) In order to build the Plant, the Principal needs a partner with high expertise and standing in the construction of photovoltaic plants for the “turn key” planning, construction, operation and connection of the Plant, as defined below, and the Contractor is a leading company operating, *inter alia*, in said field.
- (G) The Principal is planning to appoint a financial institution (the “**Financing Entity**”), which will grant funding to the Principal in relation to the project on a leasing or project finance basis (the “**Financing**”).
- (H) The Contractor has confirmed the feasibility and economic convenience of the solution for the connection proposed by ENEL with the STMD referred to under point D (ii) above.
- (I) The Principal is willing to entrust the Contractor also with the operation and maintenance of the Plant through execution of an *ad hoc* operation and maintenance agreement (the “**O&M Agreement**”), which shall be executed as a condition for Payment Milestone 1, as defined below.

NOW THEREFORE the Parties agree as follows:

Article 1 – Recitals, annexes and previous agreements

- 1.1 Recitals and annexes to this contract (hereinafter known as the “**Contract**” or “**EPC Contract**”) shall represent an integral and substantial part of the same.
- 1.2 This Contract replaces and fully supersedes any previous agreement entered into between the Parties, either written or oral, on the matters outlined below.

Article 2 – Definitions and Interpretation

- 2.1 In addition to any other words and expressions defined in this Contract, the terms used in this Contract, where they start with a capital letter, shall have the following meanings:
- **AEEG**: means the Electrical Energy and Gas Authority incorporated pursuant to the Law No. 481 dated 14th November 1995;
 - **Applicable Law**: means each and every law, regulation, measure, ruling, decree (including the Decree) or deed having a binding nature in Italy and issued by every state body and judicial and/or administrative authority, which is in force on the date in which this Contract is entered into or which comes into force thereafter;
 - **Applicable Permits**: means each and every license, authorization, certification, filing, recording, permit, *affidavit* (including the *denuncia di inizio attività*, the *autorizzazione unica* or *permesso di costruire*) or other approval with and/or of any competent authorities that is required by Applicable Law for the construction and connection to the grid (including the *comunicazione conclusione iter autorizzativo* issued by Enel) and admission to the Q-2 Incentives including, without limitation, those required by Applicable Law in zoning, building, environmental, landscaping, planning and/or archaeological matters;

- **Area:** means the area in the plan referred to in **Annex 2** to this Contract, in which the Plant shall be built;
- **Autorizzazione Unica or AU:** means the *autorizzazione unica*, as defined and regulated in Legislative Decree no. 387 of 2003;
- **Bank Bond:** means the autonomous and first demand renewable guarantee, consistent with the form set forth in **Annex 5/A**, whose maximum amount shall be equal to 10% (ten per cent) of the BoS Consideration, to be issued by a primary and leading bank in favour of the Principal, in compliance with Article 4.2, as guarantee for all the obligations undertaken by the Contractor under this Contract;
- **BoS Consideration:** means an amount corresponding to the balance between 3,900,000 (three million nine hundred thousand) per Mwp and the price of the panels to be used in relation to the Plant, plus VAT;
- **Civil Code:** means the Italian Civil Code, introduced with the Royal Decree No. 2, dated 16th March 1942, and all subsequent amendments and/or integrations thereto;
- **Commencement of Operation:** means the commencement of operation (i.e. *entrata in esercizio*) of the Plant pursuant to Article 2(g) of the Ministerial Decree 19 February 2007, and subsequent amendments and integrations;
- **Communication of the Executive Project's Approval:** with reference to the Plant, shall have the meaning set out in Article 8.3 below;
- **Completion Date:** shall have the meaning indicated in Article 9.1;
- **Confidential Information:** means the information, data, notes, records, agreements, documents, in whatsoever form drawn up, provided by one of the Parties to the other or, in any case, obtained from one of the Parties and connected with the execution of this Contract and, in particular, the Technical Specifications, including, without any limits whatsoever, any technical and contractual documentation inherent in the Works and their object, as well as any document of a commercial or financial nature, data relating to prices and technical knowledge, models, formulas, industrial processes, records, photographs, drawings, contractual conditions, software, programmes and models and any other intellectual property concerning the Party making the communication or, in any case, to whom said data refer, with the exception of any information already made available to the public;
- **Consideration:** means the all inclusive, invariable, sum that the Principal shall pay to the Contractor to perform the Works with respect to the Plant as per Article 4.1 of this Contract, being it understood that the Consideration shall include *inter alia* procurement of the Land Rights;
- **Construction Health and Safety Coordinator (*coordinatore in materia di sicurezza e salute durante la realizzazione*):** means the individual appointed by the Principal pursuant to Article 7 below, who has been entrusted with the duties related to this role pursuant to Article 92 of the Legislative Decree No. 81/2008 and subsequent amendments and integrations;

- **Contract:** means this Contract, including all the Annexes and all amendments hereto as mutually agreed by the Parties;
- **Delay Liquidated Damages** means the damages referred to in Article 9.3;
- **Decree:** means the Ministerial Decree dated 19 February 2007 no. 25336 issued by the Economic Development Minister and whose object is the “Criteria and methods to encourage the production of electrical energy by means of solar photovoltaic conversion in implementation of Article 7 of the Legislative Decree No. 387, dated 29th December 2003” (*Criteri e modalità per incentivare la produzione di energia elettrica mediante conversione fotovoltaica della fonte solare, in attuazione dell'articolo 7 del decreto legislativo 29 dicembre 2003, n. 387*), integrated by the AEEG Resolution 90/07, Law no. 129 of 13 August 2010, and supplemented by the Ministerial Decree dated 6 August 2010;
- **Definitive Project:** means the “*Progetto Definitivo*”, i.e. the project drawings and the relevant annexes, a copy of which is attached hereto, as **Annex 4**;
- **Design Health and Safety Coordinator (*coordinatore in materia di sicurezza e salute durante la progettazione*):** means the individual appointed by the Principal pursuant to Article 7, who shall draft the PSC and who has been entrusted with the duties related to this role pursuant to Article 91 of the Legislative Decree No. 81/2008 and subsequent amendments and integrations;
- **Discount:** has the meaning indicated in Article 9.7;
- **Discretionary Variations:** has the meaning indicated in Article 10.2 (b);
- **Electro-Mechanical Completion:** means, with reference to the Plant, the completion of all Electro- Mechanical Works;
- **Electro-Mechanical Works:** means, with reference to the Plant, all the mechanical and electrical works, including: (a) supply and installation of the following equipment: inverters, photovoltaic modules and DC installation, mains, pits, cabling, electrical boxes and protection devices, internal connections and interconnections with external installations, weather station, low voltage installation, civil engineering, medium voltage installation (including transformation, protection equipment and utility interconnection equipment, security and monitoring systems); and (b) the grid connection works, i.e. the physical construction of the connection line to the national electricity grid;
- **ENEL:** means Enel Distribuzione S.p.A.;
- **Equipment:** means the Contractor’s equipment and components to carry out the Works listed in **Annex 3** of this Contract;
- **Executive Project:** means the “*Progetto Esecutivo*”, i.e. the project drawings prepared and delivered by the Contractor prior to the commencement of the Works pursuant to Article 8, in compliance with the Technical Specifications and with the Decree provisions;
- **Expert:** means the arbitrator appointed for the solution of technical and related matters in accordance with Article 24.2;
- **FAC:** means the Final Acceptance Certificate, i.e. the certificate that shall be issued by Principal in compliance with the outline set forth in **Annex 15** acknowledging the positive outcome of the conditions mentioned in art. 12;

- **Financing:** means the project loan that may be arranged by the Principal, in compliance with recital G above;
- **Financing Entity:** means the financing institution or any other equity partner identified by the Principal which could grant the Financing to the Principal;
- **First Reassessment Test:** means the First Reassessment Test of the MGPR to be performed pursuant to Article 12.6.
- **Force Majeure:** has the meaning indicated in Article 11;
- **GSE:** means the *Gestore dei Servizi Elettrici - GSE S.p.A.*, i.e. the entity appointed to implement the incentive tariff regime foreseen by the Decree;
- **Health and Safety Coordinators:** means the Construction Health and Safety Coordinator jointly with the Design Health and Safety Coordinator;
- **IAC:** means the Incentive Acceptance Certificate, i.e. the certificate that shall be issued by the Principal in accordance with the form set forth in **Annex 14**, acknowledging that the Plant has been admitted to the Incentive scheme and that the agreement with GSE has been entered into;
- **Incentive Agreement:** (“*Convenzione con GSE*”) means the agreement between the Principal and GSE in order to obtain the incentives provided under Applicable Law for feed-in-tariffs;
- **Interconnection Agreement** means the agreement to be entered into between the Principal and the national electricity grid operator which provides the terms and conditions for the connection to the national grid.
- **Land Rights:** means the surface (*superficie*) right over the Area, free of any encumbrance or burden whatsoever, and compliant with any requirement provided under Applicable Law in order to construct and operate the Plant;
- **Minimum Guaranteed Performance Ratio** (or **MGPR**): means the minimum performance ratio guaranteed by the Contractor pursuant to **Annex 9** and in accordance with the methodology used for the measurement of the Plant performance according to the standard CEI EN 61724 (CEI 82-15) as described in the same Annex 9;
- **Necessary Variations:** has the meaning indicated in Article 10.2.(a) below;
- **O&M Agreement:** means the operation and maintenance agreement referred to in Recital (I);
- **Operational Inspection:** means, with reference to the Plant, the verification process carried out by the Contractor according to the Technical Specifications, Applicable Law and MGPR, which shall be carried out by the Parties in accordance with **Annex 10** and Article 12 below in order to achieve PAC;
- **PAC:** means the Provisional Acceptance Certificate, i.e. the certificate that shall be issued by the Principal in compliance with the outline set forth in **Annex 13** acknowledging the positive outcome of the Operational Inspection;
- **Parent Companies:** means, respectively, Bosques Solares S.L., a company incorporated under the laws of Spain with its registered office at Camino de la Viesca 50, 33429 Siero (Asturias), registration with the *Registro Mercantil of Asturias*, Fiscal Code and Vat No. B-74152497 and Urbezeta Italia S.r.l., a company incorporated under the laws of Italy and having its registered office at via Rodolfo Redi, 3, Bari, Italy, VAT Registration Number and Tax Code 06818300722, the two companies jointly owning 100% of the Contractor’s shares;

- **Parent Company Guarantee:** means the guarantee, consistent with the form set forth in **Annex 5/B**, whose maximum amount is equal to the amount of the Consideration to be issued in a consolidated form, by the Parent Companies in favour of the Principal, in compliance with Article 4.2, as guarantee for the obligations undertaken by the Contractor under this Contract.
- **Payment Milestone:** means each of the payment milestones set out to in Art. 4.2;
- **Performance Liquidated Damages:** means the damages referred to in Article 13.2;
- **Plant:** means the photovoltaic plant located in the province of Bari, Municipality of Corato, made up of polycrystalline modules, with trackers technology and having a capacity equivalent to 3,015 MWp, which term shall include all the items, such as without limitation, cables, modules, inverters, structures, cabins, etc, that are finalised at the functioning of the plant;
- **POS:** means the operative safety plan (i.e. *Piano Operativo di Sicurezza*) to be drawn up by the Contractor, with reference to the Plant, in compliance with the CSP, in accordance with Article 89, paragraph 1, letter h) of the Legislative Decree no. 81/2008 and subsequent amendments and integrations thereto, as possibly amended in agreement with the Health and Safety Coordinators;
- **Power Purchase Agreement (or PPA):** means the agreement that the Principal will enter into with the energy company of its choice for the sale of the produced electricity;
- **Project Implementation Schedule:** means the schedule for the implementation of the construction of the Plant, which is attached as **Annex 7** as may be updated, from time to time, in agreement between the Parties;
- **PSC:** means the coordination and safety plan drawn up by the Design Health and Safety Coordinator during the planning phase, pursuant to Article 100 of Legislative Decree no. 81/2008, which must include, *inter alia*, an estimate for the safety costs, as eventually altered by the Construction Health and Safety Coordinator during the performance phase while the Works are carried out;
- **Q-2 Incentive:** means the incentive to the tariff for the production and delivery of power to the national electricity grid through a solar power plant set out for the second four months of 2011 in accordance with the Decree;
- **Reassessment Tests:** means jointly the First Reassessment Test and the Second Reassessment Test of the MGPR will be performed pursuant to Article 12.6.
- **Second Reassessment Test:** means the Second Reassessment Test of the MGPR to be performed pursuant to Article 12.6.
- **Service Order:** means the orders given during the execution of the Works;
- **Site Manager:** means the individual appointed by the Contractor, who shall work with the Works Manager throughout the performance of the Works;

- **Start of Works:** shall mean the *Dichiarazione di Inizio Lavori*;
- **STMD:** means the *soluzione tecnica minima di dettaglio* regulated in AEEG Resolution no. 281/05, as subsequently amended and integrated;
- **STMG:** means the *soluzione tecnica minima generale*, regulated in AEEG Resolution no. 281/05, as subsequently amended and integrated;
- **TAC:** means the Technical Acceptance Certificate, i.e. the certificate that shall be issued by Principal in accordance with the outline set forth in **Annex 11** following the Technical Inspection;
- **Technical Consultant:** means the consultant appointed by the Principal and/or the Financing Entity, who has been appointed to monitor the progress of the Works;
- **Technical Inspection:** means the inspection procedure that the Principal shall carry out pursuant to **Annex 10** and in accordance with Article 12 in order to verify that the Electro-Mechanical Completion complies with the Technical Specifications, Applicable Laws and rules of the trade, and to achieve the TAC;
- **Technical Specifications:** means the documentation, referred to in **Annex 6** of this Contract, in which the technical specifications on the basis of which the Contractor shall perform the Executive Project and Works to reach the MGPR are indicated;
- **Variations:** means, jointly, the Discretionary and Necessary Variations;
- **Warranty Bond:** means the autonomous and first demand guarantee equal to 10% (ten per cent) of the Consideration, consistent with the form set forth in **Annex 5/C**, issued by a primary and leading bank or which, in any case, satisfies the Principal and the Financing Entity, as a guarantee for the Contractor's obligations from issuance of PAC until issuance of FAC;
- **Warranty Period:** means the period of 2 (two) years starting from execution of the PAC.
- **Working Day:** means every day except for Fridays, Saturdays, Sundays and public or bank holidays;
- **Works:** means the activities that have been performed or are to be performed by the Contractor for the Plant pursuant to this Contract, as better described in Article 3 hereof;
- **Works Manager:** means the "*Responsabile Lavori*", i.e. the individual appointed by the Principal, in compliance with the Law No. 81/2008, who shall perform the site management duties foreseen by the Applicable Law and/or listed in this Contract.

2.2. The following interpretation provisions shall be applied to this Contract, unless otherwise provided for:

- (a) the articles' headings are merely indicated for the sake of convenience of reference and cannot be used for the interpretation of the terms contained in this Contract;
- (b) reference to sections, articles and annexes shall be understood as being made, unless otherwise indicated, to the sections, articles and annexes contained in this Contract;

- (c) unless explicitly indicated in this Contract,
 - (i) any reference to this Contract shall be a reference to the Contract, as validly revised, integrated or amended and
 - (ii) any reference made to any other agreement or document shall imply reference to that agreement or document, as validly revised, integrated or amended;
- (d) unless otherwise explicitly indicated, the words and definitions, used in the singular form shall have the same meaning, *mutatis mutandis*, even when used in the plural form and vice versa;
- (e) the terms, "herein", "therein" and synonyms in this Contract refer to the entire Contract and not to particular articles in this Contract, unless explicitly provided in this sense, just as the terms "below" or "above" indicate the part below or above in this Contract, with reference to the point in which said terms have been used;
- (f) the word "included" and the expression "in particular" shall always be considered to be followed by the expressions "without limitations" or "not limited to" even if not effectively followed by said expressions;
- (g) every reference to each individual shall also refer to his legitimate successors and assignees;
- (h) if, on the basis of this Contract, an activity must be performed, a communication sent or a term expires on a day other than a Working Day, said activity shall then be performed, the communication be sent or the relative term expire on the Working Day falling immediately after;
- (i) in the case of conflicts between the provisions of this Contract and of annex hereto, the provisions of this Contract shall prevail.

Article 3 – Object and Description of the Works

- 3.1 With this Contract, the Principal has entrusted "turn key" the Contractor, who accepts, with the realisation of the Executive Project and the performance of all the Works in a world class manufacturing way and in compliance with the Technical Specifications and Applicable Laws.
- 3.2 In particular, and without limitation, the following activities shall be understood as having been included in the invariable Consideration referred to in Article 4:
 - (a) Procurement and transfer in favour of the Principal:
 - (i) Applicable Permits: perform any activity or prepare any document for the successful procurement and transfer to the Principal of the Applicable Permits, including delivery to the competent Municipality offices of any variation thereto, being it understood that the Contractor shall be liable for the full suitability of the Applicable Permits with respect to the lawful, compete and satisfactory performance of the Works; and
 - (ii) Land Rights: procure that the Principal acquires the Land Rights over the Area and carry out any activity (such as any cadastral parcelling) that may be necessary in relation to the suitability Area in respect of the construction and 20 year operation of the Plant;
 - (b) Engineering: including without limitation, the performance of the Executive Project in compliance with the Technical Specifications and their amendment as required in order to obtain the Principal's final, written approval, the Plant "*as-built*" documentation, the electrical single wire and multi-wire diagrams, Technical Specifications, components and operation and maintenance manuals;

- (c) Civil Works: including the construction of entries, digging work for the electrical underground cabling, if any, foundations, enclosures and constructions necessary to house the inverters and transformers, fencing, in accordance with the Executive Project and the Technical Specifications and supplying, on his own initiative and expense, the materials, vehicles or any other component and labour necessary. Construction of all the provisional Works, including those located outside the Area (signage, even luminous, placards, crush barriers aimed at defining or limiting the paths of pedestrians and vehicles, in compliance with the traffic and viability provisions), as well as the preparation of the equipment aimed at guaranteeing, for the entire duration of the Works, in compliance with the provisions on safety and health on the workplace and what is contained and has been prescribed in the PSC. Construction of site offices for the Works Manager and the Design Health and Safety Coordinator. Provision of all the utilities required for the supply of water and electricity during the Plant construction works as well as of suitable offices for the Design Health and Safety Coordinator. Payment of all the charges for the consumption of water, and electricity, as described above. Building of barriers or provisional protection for the Works and wherever the safety provisions require them;
- (d) Supply of the electro-mechanical apparatus: including supply, installation and start up of the photovoltaic modules, mounting structures, inverters, module boards and electrical connection in direct and alternating current into the national electricity grid, transformation box, interface module boards, grounding system, supervision and control system, monitoring system, video surveillance and weather station.
- (e) Assembly and installation: the supply and installation, including the use of labour, of all the materials, accessories and secondary components that might be required for the correct and safe operation and management of the Plant. Maintenance and operative capacity of the site for the entire duration of the Works;
- (f) Constant inspection and planning of the states of progress concerning the Works.
- (g) Grid connection civil works: the timely construction of all the civil works required by ENEL with reference to the STMD, for the purposes of the Plant's connection to the grid (merely by way of an example, the construction of the area/cable line and delivery box). The works may include the intervention of ENEL.
- (h) Delivery to the Principal of all the necessary documentation, on issue of the Plant's PAC and as a condition for the issue of the FAC, to be drawn up in compliance with the Applicable Law and in order to obtain the Q-2 Incentive;
- (i) Post-STMD activities: relations with the competent authorities (such as, *inter alia*, ENEL) and the individuals appointed by the latter for the Plant's connection to the grid shall be directly managed by the Contractor, who must constantly monitor ENEL's activities and those of the other individuals, soliciting them, when necessary, with the means deemed to be most expedient, in order to facilitate and, in any case, make such connection to the national electricity grid possible within the Completion Date established by the Project Implementation Schedule. Furthermore, the Contractor shall carry out all activities and formalities aimed at obtaining the Q-2 Incentive Agreement, the Interconnection Agreement and the PPA (as the case may be), and to prompt the Principal for proper action in connection therewith, when necessary.

- (j) Custody of the Area: maintenance, protection, monitoring, security service, custody and conservation of the Area and of the equipment erected or stored therein until issuance of PAC. The protection and security systems and procedures will be in line with the best practice and the minimum standard requested by the insurers. The Contractor shall be the keeper of the Works, as well as of all the materials and equipment to be used during the execution of the Works and shall therefore adopt any necessary measures aimed at avoiding any losses, damages and thefts, as well as providing, at its own initiative and expense, for the replacement of what has been damaged or removed until issue of the PAC and the Plant's delivery to the Principal.
- (k) Clearance of the Area: removal of all tools and materials that are not necessary during the Warranty Period within the first 20 (twenty) Working Days after signing of PAC; cleaning of the Area, including the restoration of the surrounding areas and roads, in order to leave the Plant in the condition necessary for its proper operation and maintenance. Removal and transport to the authorised public dumps, of all waste materials that cannot be re-used, with final delivery to the Principal of the certification of its disposal, in compliance with Applicable Law.
- 3.3 The Contractor shall perform, more generally, any other activities that might be necessary to duly perform the Contract, to achieve the standards of world class manufacturing, and MGPR.
- 3.4 In addition, the Contractor shall file, at its expenses, any documents and applications necessary to apply for and obtain the Applicable Permits on a timely basis, or in the event that Applicable Law requires that such Applicable Permits be filed by the Principal, the Contractor hereby undertakes to fully cooperate with the Principal in interacting with the public authorities and carry out all the activities to obtain them, as soon as possible, and in any case within the terms set out by the Applicable Law and the Project Implementation Schedule.
- 3.5 It is understood that the planning, construction, any inspection and the subsequent management of the Plant may be financed by the Financing Entity in compliance with the project financing or leasing outline, and that this shall require this Contract's co-ordination with the terms set forth in the financing agreement, by means of entering into a direct agreement with the Financing Entity (the "**Direct Agreement**"). Therefore, the Parties mutually undertake to enter into the Direct Agreement, if necessary.

Article 4 – Consideration, Terms of Payment and Guarantees

- 4.1 The Principal shall pay the Contractor a Consideration equal to Euro 3,450,000 (three million four hundred fifty thousand) per MWp, plus VAT, in compliance with the following terms and conditions.
- 4.2 The Consideration shall be paid to the Contractor in accordance with the following Payment Milestones:
- a) Payment Milestone 1: Euro 150,000 (one hundred-fifty thousand) shall become due on fulfilment of the following conditions:
- (i) completion of all Applicable Permits (excluding admission to the applicable incentives) procedures in a way which is satisfactory to the Principal's legal advisors, including submission of the variations consequent to the planning and Equipment amendments, if any, and compliance with any provisions established by the competent municipal technical offices; and

- (ii) transfer of the Applicable Permits (excluding the incentives) and the Land Rights to the Principal; and
- (iii) submission by the Contractor of all the relevant technical documentation, including variations to the layouts, if any, in a way that is satisfactory to the Principal's technical advisors; and
- (iv) evidence of acceptance by the panel supplier of the purchase order of the panels required for the construction of the Plant sent by the Principal (or any third entity indicated by the Principal) or the Contractor, as the case may be; and
- (v) execution by the Parties of the O&M Agreement; and
- (vi) delivery of the Parent Company Guarantee in compliance with the following provision of this Article 4.2, letter a).

The Parent Company Guarantee shall guarantee the due performance of the Works, as well as the due performance by the Contractor of all the obligations undertaken under this Contract, and from issue of PAC, the Parent Company Guarantee shall also guarantee the due performance of all the obligations undertaken by the Contractor, pursuant to the O&M Agreement. The Parent Company Guarantee shall be finally released upon issuance of FAC.

- b) Payment Milestone 2: 10% (ten per cent) of the BoS Consideration shall become due, provided that all the conditions in art. 4.2.(a) have been fulfilled, on delivery of the Bank Bond, which shall in any case be delivered by the Contractor within 30 (thirty) days of the first payment.

The Bank Bond shall guarantee the due performance of the Works, as well as the due performance by the Contractor of all the obligations undertaken under this Contract and shall be finally released upon issuance of PAC. Should PAC have not been issued within the date which falls 7 (seven) days before expiry of the Bank Bond, the Contractor shall promptly renew the Bank Bond, being it understood that in the case that the Bank Bond is not at such date renewed the Principal shall be entitled to either enforce it for its whole amount or terminate this Contract pursuant to art. 17.1.

- c) Payment Milestone 3: 15% (fifteen per cent) of the BoS Consideration shall become due, provided that all the conditions in art. 4.2. (a) and (b) have been fulfilled, on installation of at least 50% (fifty per cent) of the tracker structures required for the construction of the Plant.

- d) Payment Milestone 4: 5% (five per cent) of the BoS Consideration shall become due, provided that all the conditions in art. 4.2. (a), (b) and (c) have been fulfilled, on fulfilment of the following conditions:
- (i) delivery to the Area of at least 80% (eighty per cent) of the panels required for the construction of the Plant; and
 - (ii) installation of at least 50% (fifty per cent) of the panels required for the construction of the Plant.
- e) Payment Milestone 5: 25% (twenty five per cent) of the BoS Consideration shall become due, provided that all the conditions in art. 4.2. (a), (b), (c) and (d) have been fulfilled, on Commencement of Operation;
- d) Payment Milestone 6: the balance of the Consideration shall become due on fulfilment of the following conditions:
- (i) satisfactory outcome of the Provisional Acceptance Test and issuance of the PAC; and
 - (ii) delivery by the Contractor to the Principal of the Warranty Bond, provided that the Warranty Bond shall become effective on payment of Payment Milestone 6 by the Principal.

The Warranty Bond shall guarantee the due performance of the Works, as well as the due performance by the Contractor of all the obligations undertaken under this Contract and under the O&M Agreement and shall be finally released upon issuance of FAC. Should FAC have not been issued within the date which falls 7 (seven) days before expiry of the Warranty Bond, the Contractor shall promptly renew the Warranty Bond, being it understood that in the case that the Warranty Bond is not at such date renewed the Principal shall be entitled to either enforce it for its whole amount or terminate this Contract pursuant to art. 17.1.

- 4.3 Once the Contractor believes that any of the Payment Milestones set out under Article 4.2 has been achieved, it shall so notify the Principal in writing. Within 10 (ten) Working Days from receipt of the notice, the Principal shall inspect the Works and verify that the relevant Payment Milestone has been achieved. In the event of objection, the Principal shall indicate to the Contractor the conditions that are outstanding for the relevant Payment Milestone. In the event that no objection is raised in writing by the Principal within such term, the relevant Payment Milestone shall be deemed approved.
- 4.4 Payment shall be made within 15 (fifteen) Working Days of the date of receipt by the Principal of the relevant invoices by wire transfer to the bank account indicated by the Contractor. It is understood that the invoice relating to Payment Milestone 4 may not be issued prior to issuance of PAC.
- 4.5 The Parties agree that the payments of the Payment Milestones shall constitute mere advance payments and not the single lots in which the Parties intended dividing up the Works, with the exclusion, therefore, of the provision contained in the second paragraph of Article 1666 of the Civil Code.
- 4.6 The Parties agree and accept that the Consideration provided in the Contract is fixed and cannot be amended, save as provided in Article 10. Accordingly, the Parties have agreed to exclude the applicability of the Civil Code and every other provision that would entitle the Contractor to obtain a review of the price. Save for art. 10, the risk related to the events referred to in Article 1664 of the Civil Code (burdensomeness or difficulty in performance: i.e. due to an increase of the cost of works and/or materials, or particular performance difficulties due to geological, hydraulic, etc.) and Article 1467 of the Civil Code is fully and expressly undertaken by the Contractor.

- 4.7 It is agreed that from Commencement of Operation until payment of Payment Milestone 6, the Principal shall pay to the Contractor an amount equal to 16% (sixteen per cent) of the net production revenue (i.e. the revenue net of any operational expenses) generated by the Plant provided and to the extent that that the Plant reaches MGPR.

Article 5 – Representations and Warranties of the Contractor

- 5.1 The Contractor represents and warrants that he has visited the Area, that the same is suitable for the Plant's construction in a world class manufacturing way and in compliance with the Technical Specifications and the Applicable Law and has already checked the absence of obstacles of a technical and/or geological and/or hydraulic and/or legal and/or administrative nature with reference to the commencement of the Works. Any and all designs, engineering and project specifications produced and delivered by the Contractor shall be prepared and signed by a duly certified engineer and are appropriate to fully accomplish the purpose of this Contract. Therefore, any approval or acknowledgement by the Principal of the technical designs and documentation shall not release the Contractor from its duties, warranties and liabilities as to the exact delivery of the Plant and performance of the Works.
- 5.2 The Contractor represents and warrants that at the time of execution hereof the Principal has been transferred a valid AU, an accepted STMD and Enel's *comunicazione di conclusione iter autorizzativo* in relation to the Plant and that it is unaware of any facts or circumstances, of any kind whatsoever that might prejudice the formation or validity of any Plant's Applicable Permits, or the transfer or registration thereof in favour of the Principal. The Area is free from any encumbrances or burdens and no third parties (apart from the lawful owners) can raise any claim in relation to the Area and/or hinder the acquisition by the Principal of the Area free from encumbrances or burdens.
- 5.3 The Contractor also represents and warrants to the Principal, with reference to the "turn key" nature of this Contract, to be the only Party liable to the Principal concerning the Works' complete construction in a world class manufacturing way, undertaking, thus, all liability towards the Principal with reference to all the activities whose performance is entrusted to sub-contractors, pursuant to this Contract.
- 5.4 The Contractor agrees, as of the date hereof, to the assignment and/or pledge in favour of the Financing Entity (or any third parties appointed by the latter) by the Principal of his receivables deriving from this Contract and shall provide his cooperation in the performance of all the formalities and provide any further consent, necessary or expedient, required as to the assignment and/or pledge's formation.
- 5.5 The Contractor guarantees to dedicate to the Plant, at all times, the adequate number of workers and to timely and completely pay all wages, insurance fees and public charges, social securities, etc. for the workers on the sites.
- 5.6 There are no impediments, to the Contractor's knowledge, that could compromise the obtaining of the authorizations for the construction of the grid infrastructure necessary to connect the Plant to the grid.

Article 6 – The Principal's duties

- 6.1 The Principal shall make available the areas necessary for the Contractor's offices and warehouses as well as to store the materials.
- 6.2 The obligations of the Principal shall be those that are established in this Contract and those resulting from Applicable Law, including, in particular, and without prejudice to the Contractor's obligations under Article 3, the following:
- (a) to timely comply with its payment obligations under this Contract;
 - (b) to promptly sign with Enel Distribuzione S.p.A. the Interconnection Agreement for the Plant, upon being prompted by the Contractor;
 - (c) to promptly sign with GSE the Incentive Agreement for the Plant upon being prompted by the Contractor;
 - (d) to promptly sign with the energy company of its choice the PPA upon being prompted by the Contractor;
 - (e) to co-operate, in good faith, with the Contractor in relation to the Contractor's performance of this Contract.

Article 7– Works management, Safety Coordination and Costs, Site Rules

- 7.1 Pursuant to Article 89 of the Legislative Decree 81/2008, the Principal shall appoint a Design Health and Safety Coordinator for the planning phase. The Design Health and Safety Coordinator shall be in charge, during the planning phase, of all the obligations and responsibilities pursuant to the Applicable Laws regarding Health and Safety in the workplace. All the fees and expenses relating to said appointment, including his/her consideration shall be borne by the Principal. Pursuant to Article 89 of Legislative decree 81/2008, the Principal shall also appoint a Construction Health and Safety Coordinator for the Executive Project phase, who shall be in charge of all the obligations and responsibilities pursuant to the Applicable Laws regarding health and safety in the workplace. The Principal, pursuant the Article 89 of Legislative Decree 81/2008, shall delegate to a professional duly qualified the duties of supervision and coordination of the manner and timing of the Works (the “**Works Manager**”, i.e. the *Responsabile dei Lavori*). All the fees and expenses relating to the Works Manager and the Health and Safety Coordinators, including their considerations, shall be borne by the Principal.
- 7.2 In order to allow the Contractor to draw up the *Piano Operativo di Sicurezza* (the POS) the Principal, pursuant to Article 100 Para 1 of the Legislative Decree 81/2008, through the Design Health and Safety Coordinator, must deliver the *Piano di Sicurezza e Coordinamento* (the PSC) to the Contractor, at least 30 days before the Start of Works. The Contractor shall deliver to the Principal, at least 20 Working Days before the Start of Works the POS, which shall include any integrations related to the specific risks deriving from the execution of the works pursuant to Article 100, Para 1 of the Legislative Decree no. 81/2008 and to the terms set out in Annex 7 thereto. The POS and its amendment are an integral part of this Contract and the Contractor shall comply with them as well as with any statutory provisions and regulations in force, and shall be held directly and autonomously liable in the case of any breach of the same.

- 7.3 The Works Manager, who in any case shall not have the powers to represent the Principal, shall supervise the Works to be performed in compliance with the contractual provisions and the law, the terms set out therein and, when the performance is carried out by sub-contractors, he must ensure the coordination between the individual works. In particular, without prejudice to the above, the Works Manager shall be responsible for the following:
- (a) Represent the Principal on site during the performance of this Contract;
 - (b) Check compliance with the Project Implementation Schedule and, in the case of delay with reference to the latter, agree upon a new programme aimed at guaranteeing compliance with the dates established for the Plant's final delivery;
 - (c) Monitor the site;
 - (d) Check the effective coordination among the subcontractors, under the Contractor's liability;
 - (e) Draw up the reports relative to the beginning and end of the Works, any suspensions and anything else that might concern the site Works;
 - (f) Check the partial and final advance payments;
 - (g) Analyse the costs indicated by the Contractor in the case of Discretionary Variations;
 - (h) Ensure the execution of the Technical Inspection, the Operational Inspection, the Reassessment Tests, and the delivery of the Works;
 - (i) Check that the Contractor's performance of the Works takes place in compliance with all the provisions of this Contract, of the Applicable Law and the Technical Specifications, and in a world class manufacturing way. In particular, the Works Manager shall:
 - (i) impart the technical directions required to guarantee the Contractor's compliance concerning the Works' performance conditions and, where necessary, formulate the relative remarks and/or objections and propose Variations;
 - (ii) validate the Technical Inspection and the Operational Inspection for the Principal's approval;
 - (iii) supply the Contractor with clarification and/or supplementary technical explanations concerning the projects' specific elements and/or technical descriptions necessary to carry on the Works;

- (iv) order the amendments, which are necessary for technical reasons, related to specific elements of the Works that do not impair the substance and nature of the Works and that do not constitute Discretionary Variations;
- (v) approve the drawings prepared by the Contractor with reference to their compliance with the Technical Specifications and the Executive Project approved by the Principal.

7.4 Within 5 (five) Working Days of the Communication of the Executive Project's approval, the Contractor shall inform the Principal in writing about the Site Manager's name, who must have the technical expertise and professionalism necessary to perform his appointment according to this Contract. In particular, in order to ensure the correct performance of the Contractor's obligations under this Contract and the Applicable Law, the Site Manager must:

- (a) cooperate with the Works Manager, the engineer appointed to draw up and sign the Executive Project and with the Health and Safety Coordinators; and
- (b) observe all the requirements and observations imparted by the above persons in the case they spot any inconsistency between the Works and the Applicable Laws.

7.5 Any instruction, request, integration or order from the Works Manager, the Health and Safety Coordinators and/or the Safety Coordinator shall be communicated to the Contractor in writing by means of specific Service Orders which must be progressively numbered and delivered to the Site Manager in two copies, one of which must be returned, duly signed, by the Contractor as receipt thereof. The Contractor shall not be entitled to refuse to perform the orders received, save for his right to draw up, in writing, his own remarks or reservations on signing the Service Orders in the case that the latter are unreasonable and/or outside the scope of the Works. Such remarks or reservations shall in any case take place, on penalty of forfeiture, within 5 (five) Working Days of receipt of the Service Orders.

7.6 The Health and Safety Coordinators, the Works Manager, the Technical Consultant and/or the individuals indicated by the Principal shall be entitled to enter the site, at any time whatsoever, and to carry out the verifications that, at their unquestionable judgement, would be necessary.

7.7 The personnel employed by the Contractor to carry out the Works must be experienced and of a sufficient number in respect of the obligations undertaken by the Contractor. The Principal shall be entitled to require the immediate removal from the site of the personnel's members who, at his unquestionable judgement, do not offer sufficient guarantees for the timely performance and quality of the Works and/or whose conduct might prejudice the Plant and its performance. The Contractor's personnel, operating where the work is carried out, must be equipped with an identity badge.

7.8 The Contractor undertakes to comply with all the obligations derived from the Applicable Law's provisions regarding labour and social security, including the general, health rules on the work place, the provisions on accident prevention on the work place, the obligatory insurance for accidents in the work place and professional illnesses, social security for involuntary unemployment, invalidity or old age, tuberculosis and other professional illnesses, the protection of workers in the case of a contract with particular reference to the Legislative Decree No. 81/2008 and to any other provisions in force or which might arise during the Works aimed at protecting the workers. Furthermore, the Contractor shall grant his personnel an economic and juridical status in compliance with the applicable labour collective agreements, and shall provide, upon the Principal's written request, suitable documentation constituting evidence of the appropriate economic and juridical status and holding the Principal harmless from any claim raised by his consultants and/or employees.

- 7.9 Pursuant to Article 26, paragraph 5 of Legislative Decree no. 81/2008, **Annex 8** contains specific indications of the costs relating to safety in the Area, which shall be included in the Consideration and which the Contractor is obliged to draw up with accuracy and precision.
- 7.10 The Parties agree that the prevailing language for any correspondence between them in relation to the entire execution of this Contract, including correspondence, testing and inspections shall be the English language.

Article 8 – Performance of the Works

- 8.1 The Contractor shall deliver to the Principal, within 10 (ten) Working Days of the date on which this Contract is executed, two copies of the Executive Project for the Plant, one on paper and one using editable software, for the Principal's approval.
- 8.2 Within 10 (ten) days from the Executive Project's delivery date to the Principal, pursuant to Article 8.1 foregoing hereto, the Principal shall provide the Contractor with its consent or remarks and/or proposals for amendment and integration which are necessary in order to bring into line the Executive Project with the Decree and the Technical Specifications. The Contractor shall, at its own expense and without this constituting a reason for requesting any variations to the Consideration, amend the Executive Project in compliance with the Principal's proposals. The amended/integrated Executive Project shall be delivered to the Principal within the following 10 (ten) Working Days, in order to obtain the Principal's approval, provided that in the following 10 (ten) days the Principal shall communicate its decision to the Contractor.
- 8.3 Once the Executive Project has been approved by the Principal, the latter shall provide the Contractor with a written communication (the "**Communication of the Executive Project's Approval**"), and the Parties shall meet within 7 (seven) days of the Contractor's receipt of said communication, in order to proceed with the delivery of the Area to the Contractor. On delivery of the Area, as a condition to allow the Start of Works, the Contractor shall provide the Principal with evidence that it has entered into the insurances provided under Article 15, in accordance with the terms thereof.
- 8.4 After delivery of the Area, the Contractor shall set up the site and declare the Start of Works for the Plant.

Article 9 – Completion Date and Delay Liquidated Damages

- 9.1 Without prejudice to the provision in Article 9.6, the Contractor undertakes to achieve Electro-Mechanical Completion and Commencement of Operation within 31 May 2011 ("**Completion Date**").

- 9.2 In the case of an envisaged delay in respect of the date referred to in Article 9.1, the Contractor shall within 7 (seven) Working Days from the relevant date, deliver to the Principal a written delay recovery plan, specifying the relevant terms and procedures aimed at safeguarding, inasmuch as possible, the punctual achievement of the Completion Date. For the avoidance of doubt the submission of such recovery plan to the Principal shall not release the Contractor from any of its obligations under this Contract.
- 9.3 Without prejudice to the provision in Art. 9.6, should the Contractor fail to comply with the Completion Date, the Principal shall be entitled to apply Delay Liquidated Damages equal to Euro 1.6 (one point six) per kWp per day of delay, save for any further damages. The Contractor acknowledges that the above amounts are a genuine pre-estimate of the Principal's losses in the event of delays in the Completion Date. Delay Liquidated Damages shall be payable on a monthly basis upon receipt by the Contractor of the Principal's request for payment.
- 9.4 Without prejudice to the above, the Principal shall also be entitled (in its absolute discretion) to offset the Delay Liquidated Damages against any monies due, or to become due, to Contractor.
- 9.5 The payment shall not release the Contractor from its obligation to complete the Works or from any other duty, obligation or responsibility under the Contract.
- 9.6 Without prejudice to the provisions in art. 18.1.(g) and art. 20.2, in the event that, for any reason whatsoever, including but not limited to Force Majeure or change in the Applicable Law, the Q-2 Incentive is not awarded to the Plant, the Contractor shall be liable to grant to Principal a discount equal to the loss of profit discounted to present ("**Discount**"). The Parties agree that any reduction of one Euro cent in the feed-in-tariff that shall apply under applicable law shall cause a reduction of Euro 120,000 (one hundred and twenty thousand) per MWp in the Consideration, provided and to the extent that the reduction of the feed-in-tariff does not exceed 10% (ten per cent) of the value of the Q-2 Incentive.
- 9.7 The Discount shall become payable by the Contractor within 30 (thirty) days after it becomes clear that the Plant is not admitted to the Q-2 Incentive.
- 9.8 The Contractor explicitly waives any right to offset the amounts due to the Principal, at any title whatsoever, such as by way of Discount or Delay Liquidated Damages, pursuant to this Article 9, or pursuant to Article 20.1 against any amount that the Contractor might claim against the Principal. The Contractor acknowledges and considers that the Discount and the Delay Liquidated Damages are suitable to the Consideration and the prejudice that each delay might cause to the Principal, and waives any claim or action aimed at obtaining a reduction of such Delay Liquidated Damages or Discounts.

Article 10 – Variations

- 10.1 The Contractor undertakes to perform any Variations to the Works, which are required both for the execution of the Works according to the best quality standards as well as if requested by the Principal.

- 10.2 In particular, for the purposes of this Contract, the Variations considered shall be the following:
- (a) Variations required for the correct fulfilment of the Works in a world class manufacturing way and in compliance with the Technical Specifications and the Applicable Law, pursuant to Article 1660 of the Civil Code (“**Necessary Variations**”);
 - (b) Variations requested by the Principal during the performance of the Works, or alternatively, proposed by the Contractor and accepted in writing by the Principal and/or the Financing Entity, subject to the favourable opinion of the Technical Consultant (“**Discretionary Variations**”).
- 10.3 In the case of Necessary Variations, the Contractor shall, if at any time whatsoever whilst the Works are being performed the necessity of any kind of quantitative and/or qualitative amendments concerning the same is found, to immediately inform the Principal in writing, indicating the type of Variations proposed with an indication of the relative quantity, materials and price per unit as well as the construction times required for said intervention. It is understood that no Necessary Variation may be performed without the prior consent to do so by the Principal and the Financing Entity (which shall base its consent on the Technical Consultant’s prior positive opinion). Similarly, in the case of Discretionary Variations, the Contractor, with the document proposing the same or within 10 (ten) Working Days in the case that the Variations have been proposed by the Principal, shall send to the Principal and to the Technical Consultant a communication setting out the relative quantity, materials, unit prices, construction times connected with said Variations and the relevant higher costs, if any, provided that in any case no Discretionary Variation can be performed without the Principal and Financing Entity’s prior written consent, also with regard to the Variations’ cost.
- 10.4 It is understood and agreed between the Parties that: (i) the costs related to the Discretionary Variations requested by the Principal, once agreed between the Parties in accordance with the above provisions, shall be added to the Consideration and paid according to the terms of Article 4 above; and (ii) the costs related to the Necessary Variations shall be entirely borne by the Contractor. The increase in the Consideration possibly due by the Principal shall not exceed an amount equal to the reasonable costs incurred by the Contractor in relation to the Plant in order to comply with the Applicable Law.
- 10.5 The determination of the Variation’s value for the purposes of paying for the additional costs and the application of Article 10.4 above, shall take place in compliance with the following criteria:
- (a) on the basis of the unit prices in the “Construction Work Price Information” published by the Chamber of Commerce of Bari;
 - (b) the activities that cannot be evaluated according to the above criterion must be agreed on the basis of the market prices applicable to the Works, object of the Contract, as agreed in writing between the Parties.
- 10.6 In the case of delay of the Works due to the necessity to carry out any Discretionary Variations and Necessary Variations due to a change in the Applicable Law, the Parties accept that the Project Implementation Schedule shall be modified in agreement between the Parties. This extension must be at least equal to the period that the Parties agree as being necessary to perform the Variations.
- 10.7 The Contractor waives the termination right foreseen by article 1660 of the Civil Code. Furthermore, Article 1661 of the Civil Code shall not apply to the Discretionary Variations requested by the Principal.

Article 11 – Force Majeure

- 11.1 Force Majeure shall imply any unforeseeable event, fact or circumstances which cannot be directly attributed to the Party invoking it, which is impossible to prevent by employing ordinary diligence and such as to make impossible, objectively and absolutely and either totally or partially, the performance of any of the obligations under this Contract, provided that said events, acts, facts or circumstances:
- (a) are outside the control, either direct or indirect, of the Party invoking them;
 - (b) could not have been avoided by employing the normal diligence requested by the nature of the activities performed by such Party; and
 - (c) have been invoked by the same as Force Majeure events (“**Force Majeure**”).
- 11.2 Merely by way of an example, without limitation and on condition that they satisfy the requirements listed in Article 11.1 above, the Parties mutually acknowledge that the following events constitute causes of Force Majeure:
- (a) general and category and national and local strikes (other than the Contractor’s corporate strikes);
 - (b) wars or any other hostile acts, including terrorist attacks, revolts, uprisings and other civil disorder;
 - (c) blockages or embargoes, even of a financial nature;
 - (d) exceptional, adverse natural phenomena, including direct lightning on the Plant equipments, whirlwinds, earthquakes, fires, floods, overflows, floods, drought, adverse weather conditions that impede the performance of the Works and which cannot be foreseen on the basis of weather forecast data for the current period, meteorites and volcanic eruptions;
 - (e) explosions, radiation and chemical contamination.

11.3 The Contractor acknowledges and accepts that the following events do not constitute Force Majeure:

- (a) non-obtainment, revocation or non-renewal of any Applicable Permit for facts attributable to the Contractor; and
- (b) any delays in the delivery of supplies and materials by the suppliers; the Parties acknowledge in particular, without limitation, that delays in the supply of panels shall be fully attributable to the Contractor, and no arrangements or agreements currently in place between the Parties may be interpreted in such a way as to affect this circumstance.

11.4 Each Party shall immediately inform the other one, in writing, about the occurrence of a Force Majeure event that shall hinder his obligations and, in any case, within 48 (forty-eight) hours from becoming aware of the same, indicating the possible impact that said event might have upon the Project Implementation Schedule. The Party concerned shall also promptly inform the other one when said Force Majeure cause ceases. In the case of no or delayed communication as to the existence of the end of a Force Majeure cause, the Party in breach of his obligations shall be liable for the damage sustained by the other Party, which could have been avoided or limited, in the case of the timely receipt of the relevant communication.

11.5 The Contractor acknowledges and accepts that he shall not be entitled to request any increase in the Consideration or different compensation in relation to the Force Majeure event, except for the costs sustained to adopt the measures referred to in Article 11.7. Subject to the Principal and Financing Entity's approval (which shall employ the Technical Consultant's positive prior opinion), the terms established in the Project Implementation Schedule for the Works' performance will be extended, further to the Contractor's written request, for a period equivalent to the duration of the Force Majeure even and for the time required to put together the Equipment and stores of materials that have eventually been damaged.

11.6 Should the aforementioned Force Majeure events continue, uninterruptedly, for a period of more than 90 (ninety) natural, consecutive days, or for more than 120 (one hundred and twenty) natural, non-consecutive days, as accumulated during the period of time in which this Contract is in force, the Principal shall be entitled to terminate this Contract.

11.7 In any case, the Parties shall use their best endeavours to reduce the consequence of the Force Majeure event and shall do what they can to re-establish normal conditions and mitigate any damages eventually sustained by the other Party.

Article 12 – Inspection of the Works for payment purposes

12.1 Technical Inspection – TAC. Once the Electro-Mechanical Works are completed, the Contractor shall deliver to the Principal the notice of Electro-Mechanical Completion. This notice shall imply the suitability of the Plant to be prepared and tested for connection to the national electricity grid. Within 10 (ten) Working Days from the Principal having received said communication, the Parties, together with the Works Manager and the Site Manager, as well as the Technical Consultant appointed by the Principal and/or the Financing Entity, shall start the Technical Inspection, in accordance with the procedure set out in **Annex 10**, in order to verify that the Works have been carried out in accordance with the Technical Specifications, the Applicable Laws and in a world class manufacturing way. If the Technical Inspection is passed, the Principal shall sign the Technical Acceptance Certificate (TAC) substantially in the form attached in **Annex 11**. Should the Technical Inspection not be passed, the Contractor shall remedy any defects found within a reasonable timeframe which shall be agreed by the Parties.

12.2 **Operational Inspection - PAC.** Save as otherwise agreed in writing by the Parties, the Contractor shall not be entitled to connect the Plant to the national grid before the TAC has been issued. Upon Commencement of Operation, and in any case after TAC, the Contractor will be entitled to send to the Principal the Commencement of Operation notice as described in **Annex 11**. Within the shortest possible delay provided that the Plant has been continuously producing energy for a minimum period of 5 (five) consecutive calendar days with a maximum interruption of 2 (two) blank hours, the Parties, with the co-operation of the Works Manager and the Site Manager, as well as the Technical Consultant appointed by the Principal and/or the Financing Entity, shall begin the Operational Inspection according to the procedure described in **Annex 10**, and in the presence of the Technical Consultant. In order to start the Operational Inspection, the Contractor shall provide all the technical documentation required by the Principal and the Technical Consultant, the “*as built*” drawings of the Works, the instruction manuals and system maintenance documents. During the Operational Inspection, the Principal shall check if (i) the Works have been carried out in a world class manufacturing way and if (ii) they abide by the Technical Specifications and Applicable Law, and (iii) if the Plant performs in accordance with the MGPR. Should the Operational Inspection not be passed, the Contractor shall remedy any defects found within a reasonable timeframe which shall be agreed by the Parties. Specifically in the case of non compliance of the Plant with the MGPR the Principal shall grant the Contractor, in writing, a period of no more than 10 (ten) Working Days from the relevant communication, within which the Contractor shall remedy said defects and/or carry out any necessary action to achieve a positive result of the Operational Inspection.

Upon receipt of the Technical Consultants’ commissioning report and a satisfactory evaluation by the Principal and the Financing Entity of the Operational Inspection the Principal shall issue the PAC substantially in the form attached in **Annex 13** enclosing the commissioning report of the Technical Consultants and provided that the following conditions are also satisfied:

- (a) the Plant is connected in parallel to the distributor’s electricity grid;
- (b) all the meters required to calculate the energy produced, transferred or exchanged with the grid have been installed;
- (c) the Power Purchase Agreement is in force;
- (d) incentive request has been sent to the GSE in compliance with the terms indicated in Decree and GSE has approved the Plant’s admission to the applicable incentive (*comunicazione della tariffa incentivante* by GSE);
- (e) all obligations related to the regulation of access to the grid have been performed.

Following the signing of the Provisional Acceptance Certificate, the Contractor shall be entitled to issue the relevant invoice.

If the Operational Inspection has been passed with certain minor finish work still pending execution, the Principal shall sign the Provisional Acceptance Certificate, provided that the pending minor finish works (the **Punch List Works**) are listed in an attached document signed by the Parties (the **Punch List**), and that a period of up to thirty (30) days, or the different period agreed upon by the Parties on the basis of the general accepted commercial practice, is set therein for completion of the Punch List Works. Contractor shall use its best efforts to carry on the Punch List Works so as to minimize any interference with the operation of the relevant Plant and so as to minimize any reduction in performance or availability of the relevant Plant.

If, at the conclusion of the time period specified in the Punch List, the Punch List Works have not been performed by the Contractor, the Principal, without prejudice to any other rights it may have hereunder in respect of such not completed Punch List Works, shall give notice to the Contractor and the Contractor shall perform such Punch List Works within fifteen (15) days from receipt of the notice. Should the Contractor fail to do so, the Principal shall be free to perform such works directly or through third parties, and shall have the right to (a) deduct the related direct costs and expenses (duly documented in writing) from the Consideration, or (b) to enforce the Parent Company Guarantee for the amount of said direct costs and expenses.

12.3 Transfer of ownership of the Plant in favour of the Principal shall occur on issuance of the Provisional Acceptance Certificate. Without prejudice to the foregoing, or to any Contractor's obligations hereunder, the risk related to the Plant shall not be transferred to the Principal (and therefore shall remain with the Contractor) until PAC and therefore, until execution of the PAC the Contractor shall bear any such risks, including in connection with any destruction, damages, theft or loss occurred to any Equipment.

12.4 On issuance of the Provisional Acceptance Certificate, the Contractor shall make the O&M Agreement operative in relation to the accepted Plant.

12.5 Incentive Acceptance Certificate. The Principal shall issue the IAC as per **Annex 14** after having confirmed that all the following conditions have taken place:

- (a) Power Purchase Agreement is in force with reference to the collection of the electrical energy produced by the Plant;
- (b) Incentive Agreement is entered into with GSE in compliance with the terms foreseen by the Decree and the Principal has been informed about the Plant's admission to the incentive tariff foreseen by the Decree.

12.6 Reassessment Tests. The First Reassessment Test of the MGPR shall be performed, in accordance with the procedure described in **Annex 10**, 12 (twelve) months after the PAC. The Second Reassessment Test of the MGPR shall be performed 24 (twenty four) months after PAC.

The Contractor shall notify the Principal when the Plant is ready to be tested and both Parties will agree a date to carry out the Reassessment Tests for the corresponding annual period (such a date will not be later than fifteen (15) Working Days following expiry of the 12 month period following the start of the Warranty Period or the date of the end of the Warranty Period as appropriate). The First and the Second Reassessment Test of the Plant shall be subject to the Technical Consultant's consent.

12.7 Final Acceptance Certificate. The Principal, with the prior written consent of the Technical Adviser and of the Financing Entity, shall issue the Final Acceptance Certificate as per **Annex 15** upon the satisfaction of the following conditions,

- the Plant has passed successfully the First and Second Reassessment Test and/or any related Performance Liquidated Damages have been paid by the Contractor.
- IAC has been issued;

- the O&M guarantee foreseen under the O&M Agreement is in place.

Article 13 – Warranties for Defects and Materials

13.1 The Contractor shall warrant the Plant's performances in compliance with the Technical Specifications and the MGPR as foreseen in **Annexes 6 and 9** for the period of 24 (twenty four) months after the issue of the PAC. The Contractor shall undertake, in any case, to promptly remedy the Plant's lower performance after having checked it by means of the PV Plant monitoring system or having received from the Principal a written communication regarding the unsatisfying performance.

13.2 Should the effective performance ratio disclosed by the First Reassessment Test or by the Second Reassessment Test be less than the MGPR, the Contractor shall pay to the Principal Performance Liquidated Damages equal to:

- (i) Euro 8 (eight) per kWp, per each percentage point which is lower than the value indicated in the MGPR for the First Reassessment test;
- (ii) Euro 78 (seventy-eight) per kWp, per each percentage point which is lower than the value indicated in the MGPR for the Second Reassessment test.

It is understood that the total amount of Performance Liquidated Damages, shall be no more than 3% (three per cent) of the Consideration. Performance Liquidated Damages shall be payable at the end of the month in which the relevant test was held.

13.3 Without prejudice to the above, the Contractor shall provide the Principal with a guarantee for any defects concerning the Executive Project and the Works in accordance with Article 1667 and 1669 of the Civil Code. The terms of said guarantee will come into force from the date of issuance of the PAC, in accordance with Article 12 above, for a period of 24 (twenty four) months. The terms to give notice with reference to defects are ruled by Articles 1667 and 1669 of the civil code. Accordingly, the Contractor shall during such time:

- (a) replace, repair and/or adjust any defective Equipment;

- (b) guarantee availability of spare parts.

13.4 In addition to the above, the Contractor shall also provide the following specific guarantees with regard to the photovoltaic modules:

- (a) install a guaranteed potential by means of the issue of "flash test" certification of the modules. The power effectively installed must reach the quantity established in the relative manuals, in compliance with the Technical Specifications. Otherwise, the Contractor shall be obliged to replace the faulty modules and/or install additional modules in order to reach the nominal power provided in Recital D;
- (b) a photovoltaic module efficiency guarantee for a minimum period of twenty years after the issue of the PAC, provided that the cumulative deterioration of the photovoltaic modules does not exceed, for the first 10 (ten) years, 10% (ten percent) and for the first 25 (twenty-five) years, overall, 20% (twenty percent). The relevant guarantee's extension in compliance with the terms of the law has already been taken into consideration in calculating the MGPR.

Said guarantees shall be accompanied by the modules' producer's counter-security, of which the Principal shall be entitled to choose to be the direct beneficiary, since the Contractor shall, in any case, be held jointly liable with said producer.

Article 14 – Assignment, Subcontracting and Sub-supply

- 14.1 The Contractor shall not be entitled to assign, either totally or partially, the Contract; however, the Contractor may be entitled to subcontract the performance of any portion of the Works to third parties, subject to the Principal's prior written consent.
- 14.2 In the case of subcontracting, it is understood that the Contractor shall be totally and unconditionally liable to the Principal with reference to the complete, precise and punctual performance of the Contract, including with reference to the totality of the subcontracted works and the supplies (including the modules supplies) and also with reference to compliance with the provisions relative to remuneration and social security and the Works meeting the requirements established by this Contract.
- 14.3 In any case, each of the subcontractors shall abide by and comply with the provisions set forth in the PSC and the POS, since the Contractor shall be held directly liable to the Principal in relation to this compliance.
- 14.4 The Principal shall be entitled to assign this Contract any third company indicated by the Principal, and the Contractor expressly consents as from now to such assignment.

Article 15 – Insurance

- 15.1 The Contractor, without prejudice to his own responsibilities, shall arrange, at his own total expenses, that the Principal enters into the following insurance policies with first-class insurance companies, with an S&P rating of no less than A- or equivalent or, in any case, that satisfies the Principal and the Financing Entity, if appointed, and maintain them operative for the entire period in which this Contract is in force. Said insurance policies must be submitted beforehand to the Principal and the Financing Entity, if appointed, for their approval:
 - (a) Industrial accidents insurance in favour of the Contractor's employees and/or any workers who are not the Contractor's employees;

- (b) employers' liability, with a minimum limit of no less than Euro 5,000,000.00 per event and 2,000,000.00 per person;
 - (c) Insurance to cover third party civil liability, with a minimum limit per event of no less than Euro 5,000,000.00; the Principal and the Financing Entity, albeit maintaining the qualification of "third party", must be inserted as "additional party insured" and there must be an explicit clause waiving the party's insured recovery against the Principal, the Financing Entity and their employees and consultants;
 - (d) Insurance to cover professional civil liability, with a minimum limit per event of no less than Euro 2,500,000.00;
 - (e) Insurance to cover vehicle civil liability, for all owned vehicles and/or in use, which must be provided with the mandatory insurance policy as foreseen by the Law No. 990/69 and subsequent amendments and integration, for a minimum limit of no less than Euro 5,000,000.00 per accident;
- 15.2 The Contractor, without prejudice to his own responsibilities shall, at his own total expenses, enter into the following insurance policies, with first-class insurance companies, with an S&P rating of no less than A- or equivalent or, in any case, which satisfy the Principal and the Financing Entity, if appointed, and maintain them operative for the entire period in which this Contract is in force. Said insurance policies must be submitted beforehand to the Principal and the Financing Entity, if appointed, for their approval:
- (a) *E.A.R. "Erection All Risks"* policy to cover the damages derived from the damage to total or partial destruction of the Works, which might occur while the Works are carried out. The cover shall also provide for cover for extended maintenance for a period of 24 months, the supply warranty, the section of third party civil liability (including the crossed liability between the participants and the works) and the advanced loss of profit section. The sum insured for the Works shall be equivalent to the Contract's value, whilst the civil liability upper limit shall be no less than Euro 5,000,000.00 per accident;
 - (b) transport policy to cover the material damages and aimed at the assets required to construct the Works, including the advanced loss of profit section. The cover shall run from the place of departure anywhere in the world until arrival care off the site where the works are performed.
- 15.3 The insurance policies provided under paragraphs 15.1 and 15.2 shall include the Financing Entity, if appointed, the Principal, and any other subcontractor among the insured parties. The Principal shall be entitled, at his own unquestionable judgement, to enter into other covers or policies in integration of and/or besides those foreseen by this Article 15, simply informing the Contractor of the same beforehand.
- 15.4 The Contractor acknowledges that the insurance cover referred to in Articles 15.1 and 15.2 may be object of encumbrance in favour of the Financing Entity. In this respect, the Contractor agrees that the Principle, at its discretion, may require that the insurance company issues an endorsement letter in favour of the Financing Entity, for the case that a Financing Entity is appointed. In addition the Contractor agrees to use reasonable endeavours to achieve any requirements of the Financing Entity relating to security over the insurance policies.

- 15.5 In any case, the amounts exceeding the upper limits and the indemnity limits insured, as well as the amounts corresponding to any type of excess liability relative to any policy shall be charged to the Contractor.
- 15.6 The Contractor shall be responsible for losses exceeding the insured limits and for policy deductibles. He shall also hold the Principal and the Financing Entity harmless from any claims for compensation for damages, liabilities, costs and expenses derived, directly or indirectly, from events covered by the insurance policies but which, for any reason whatsoever, are not compensated or by events that are not covered by the policies themselves.
- 15.7 It is understood between the Parties that the Principal shall, in any case, be free to commence legal proceedings against the Contractor to seek compensation of all the eventual and further damages that might result as not being covered by any policy and which can be ascribed to the Contractor by virtue of this Contract.
- 15.8 The Contractor shall deliver executed copy the aforementioned policies and evidence of the payment of the premiums for the entire duration of the relative period insured promptly after execution of this Contract and in any case within the terms foreseen in Article 8.3 and hereby undertakes not to make any changes to the policies without the Principal's prior authorisation to do so. The Contractor shall also undertake to check that sub-contractors underwrite, for the entire duration of the Works, suitable insurance cover in compliance with Articles 15.1 and 15.2 above, charged to the Contractor himself.

Article 16 – Performance Suspension

- 16.1 The Principal, by means of the Works Manager, shall be entitled to suspend the Contract, either totally or partially, at any time whatsoever and on more than one occasion, by providing the Contractor with written communication of the suspension sent by registered mail with return receipt. Said suspension cannot, in any case, exceed, as a whole, the overall duration of 45 (forty-five) calendar days.
- 16.2 The Contractor shall be entitled to receive a refund for the costs and expenses sustained due to suspension, which shall be provisionally defined (in order to allow continuation of the Works) by the Works Manager, except for the Parties being entitled to object the Works Manager's decision pursuant to Article 24. The Parties shall undertake, in any case, to provisionally apply the Works Manager's decision.
- 16.3 In the case of suspension arising pursuant to this Article, the Parties have accepted that the Project Implementation Schedule may be amended in agreement between the Parties. This extension must be at least equal to the period of suspension.

Article 17 - Withdrawal by the Principal

- 17.1 The Principal shall be entitled, at any time whatsoever, to unilaterally withdraw from the Contract, informing the Contractor by means of notice sent by registered mail with return receipt.

- 17.2 In the case that the Principal's exercises the unilateral withdrawal right referred to in the previous paragraph and save for Article 17.4 here below, the Principal shall pay the Contractor, in addition to the Consideration for the Works, performed up until that time, an indemnity equal to 10% (ten per cent) of the value of the outstanding Works.
- 17.3 The Contractor shall withhold any advance payment on the Consideration made by the Principal in compliance with the Payment Milestones, save for the Contractor's right to claim payment of any further amounts due to the Contractor for all the Works that have been carried out until receipt of the withdrawal notice.
- 17.4 The Principal shall be entitled to withdraw from the Contract pursuant to the above, should the Applicable Law change or should a Force Majeure event occur which renders the construction of the Plant impossible, save for the provision of Article 11.3. However, in this case and in derogation to what has been foreseen in Article 17.2, the Contractor shall only be entitled to payment of the consideration due for the Works carried out until the delivery of the withdrawal notice, excluding any indemnity for the part of the Works that have not been performed.
- 17.5 Should the Principal withdraw from the Contract, it shall promptly return the Parent Company Guarantee and the Bank Bond to the Contractor.

Article 18 – Termination attributable to the Contractor

- 18.1 Without prejudice to any other provisions of this Contract, the Principal shall be entitled to terminate the Contract pursuant to Article 1456 of the Civil Code (*clausola risolutiva espressa*), by giving notice to the Contractor no later than 30 (thirty) calendar days of the Principal becoming aware of any of the following circumstances:
- (a) non-delivery of the Parent Company Guarantee and/or Bank Bond and/or Warranty Bond and/or non arrangement of all the insurance policies to the Principal within the terms foreseen in Article 15 of this Contract and in compliance with the conditions foreseen therein, and/or the Contractor's breach of its obligation of maintaining the Parent Company Guarantee and/or Bank Bond and/or Warranty Bond and/or insurance policies in force, at its own expense, in compliance with the terms and conditions foreseen in this Contract;
 - (b) any of the representations or warranties provided in Article 5 is imprecise, untrue or misleading;
 - (c) any Applicable Permit already obtained are not successfully transferred to the Principal pursuant to art. 4.2.(a);
 - (d) failure by the Contractor to procure that the Principal (or any third Party indicated by the Principal) acquires the Land Rights and the Applicable Permits (excluding the Q-2 Incentives) within 10 (ten) days of execution hereof;
 - (e) cancellation, revocation or suspension of the AU, STMD, or any Applicable Permit for any reasons whatsoever, unless attributable to the Principal's gross misconduct or malice;
 - (f) failure by the Contractor to deliver to the Principal the documentation required to be admitted to the Q-2 Incentives within 20 (twenty) days of the Commencement of Operation;
 - (g) non-admission to the Q-2 Incentive or any case of non-entry into force of the Incentive Agreement, for any reason whatsoever, including but not limited to Force Majeure or changes in the Applicable Law;
 - (h) the Contractor has exceeded the maximum limit of Liquidated Damages and/or Penalties foreseen pursuant to Articles 9 and 13;
 - (i) failure to pass the Operational Inspection and/or non-issue of PAC by 31 May 2011;
 - (j) failure to pass the Reassessment Tests;
 - (k) failure to satisfy the condition in Article 12.7 and consequent non-issue of the FAC within 24 months from the issuance of the PAC.
- 18.2 The Principal shall be entitled to send the Contractor notice to perform within the terms of no less than 30 (thirty) calendar days from receipt of the relevant notice (or any longer terms that are considered to be appropriate by the Principal in relation to the circumstances), pursuant to Article 1454 of the Civil Code in all events of the Contractor's breach, other than those referred to in Article 18.1 above, of his obligations, pursuant to this Contract. Should the Contractor not perform within such terms, the Principal shall be entitled to declare the Contract terminated.

- 18.3 The Parties declare that the identity of the Contractor was a material condition for the execution of the Contract and accordingly the Contract shall be terminated pursuant to Article 81 of the Italian Bankruptcy Law (R.D. 267/1942 as amended and/or integrated from time to time), if the Contractor becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under Applicable Law) has a similar effect to any of these act or events, unless the Principal consents to continuation of the Contract..

Article 19 - Termination attributable to the Principal

- 19.1 In the case of the Principal's breach of its obligations pursuant to this Contract, the Contractor shall be entitled to send the Principal and the Financing Entity, if appointed, notice to perform within the terms of 30 (thirty) calendar days of receipt of such notice, pursuant to Article 1454 of the Civil Code. The Contractor acknowledges and accepts that termination of the Contract due to facts attributable to the Principal cannot, in any case whatsoever, be declared or requested unless notice demanding performance is sent to the Principal, with the Financing Entity in copy, pursuant to this Article.
- 19.2 The Contract shall be terminated pursuant to Article 81 of the Italian Bankruptcy Law (R.D. 267/1942 as amended and/or integrated from time to time), if the Principal becomes bankrupt or insolvent, goes in liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under Applicable Law) has a similar effect to any of these act or events, unless the Contractor consents to continuation of the Contract.

Article 20 – Termination Consequences

- 20.1 In the case of termination of the Contract attributable to the Contractor, in any of the events foreseen by the Applicable Law or by this Contract, the Principal shall be entitled to receive from the Contractor, save for any further damages, payment of a termination penalty equal to 10% (ten percent) of the value of the remaining Works, to be determined in the value of the Consideration less the amounts of the Payment Milestones become due on the time of termination. The Principal shall also be entitled to receive from the Contractor the refund of the amounts corresponding to the balance of the payments which have not been up to that time allocated to the subsequent Works.

Without prejudice to the above, the Principal shall also be entitled to:

- (a) prepare a report of completed Works setting forth the value thereof, in which case, upon termination, without prejudice to any provisions of this Contract, the Principal shall have the right to:
 - i. keep the completed Works, in which case the Contractor shall promptly abandon the Area and the ownership of any completed Works shall be automatically transferred to the Principal if not already transferred; or alternatively,
 - ii. reject the Works, in which case the Contractor shall dismantle the Works bearing the relevant costs and expenses and return to the Principal any payment of the Consideration received, plus interest in accordance with Article 1224 of the Italian Civil Code.

- (b) quantify the amount of any and all penalties, Delay Liquidated Damages, Discounts, etc, owed by the Contractor to the Principal, in which case the Principal shall prepare a statement of amounts due to the Principal less any amounts due to the Contractor under this Contract; the statement of amounts outstanding shall be sent to the Contractor which shall send its observations to the Principal within ten (10) days. Failure to send observations within such ten-day period shall be deemed consent to the statement of amounts due to the Principal. Payment of the amounts indicated in the previous paragraph shall be made within 7 (seven) calendar days of receipt of the above-mentioned statement, and the Principal shall be entitled to enforce the Parent Company Guarantee and/or the Warranty Bond to recover any such amounts. In the event that the Contractor disputes the statement of the Principal within ten (10) days, and the Parties fail to reach an amicable settlement, the dispute shall be settled in accordance with Article 24 hereof. As soon as Contractor pays the amount due, Principal shall return the Parent Company Guarantee and the Warranty Bond. On the contrary, where Contractor fails to pay the amount due pursuant to the above statement, Principal shall be entitled to enforce the Parent Company Guarantee and/or the Warranty Bond;
 - (c) have the Area vacated by the Contractor, at his own expenses, from all the material, equipment and machinery belonging to him and from any rubble, debris and rubbish within 15 (fifteen) days of termination.
- 20.2 In the case that the incentive provided under applicable law for Plants that achieve Commencement of Operations after 31 May 2011 drops more than 10% (ten per cent) than the value of the Q-2 Incentive, the Principal shall be entitled, by giving written notice to the Contractor within 5 (five) Working Days of the publication of the incentive replacing the Q-2 Incentive, to either:
- (a) immediately terminate the Contract in accordance with this clause 20.2; or
 - (b) inform the Contractor that it will terminate the Contract unless the Contractor declares in writing within 3 (three) Working Days of receipt of such notice that it is able to achieve Commencement of Operations within 31 May 2011, being it understood that even in such case should Commencement of Operations be not achieved within 31 May 2011 the Principal shall be entitled to terminate the Contract in accordance with this clause 20.2;

without prejudice to any other provisions herein, should the Contractor terminate this Contract in the case contemplated under this clause 20.2, it shall be entitled to return the Works performed until such time (including but not limited to the Applicable Permits and the Land Rights) to the Contractor, in which case the Contractor shall repay to the Principal any amount paid until such time by the Principal under this Contract and reimburse the Principal for any cost borne by the Principal directly in connection with this Contract and the associated transactions, including but not limited to legal and technical advisors fees, notary fees, Land Rights-related consideration, taxes and charges, and any other burden whatsoever, plus interests equal to 10% (ten per cent) per year. In such case, the Parties shall agree in good faith the best structure to be used in order to return the Works to the Contractor, being it however understood that the Contractor shall be liable for any cost, tax and burden whatsoever in connection thereto and that the ownership of the Works shall vest with the Contractor only upon full payment of all the monies due to the Principal under this clause 20.2, save that the Principal decides otherwise, at its discretion.

- 20.3 In the case of termination attributable to the Principal, the Principal shall take definitive delivery of the Works that have been constructed up to the time of termination and the Contractor shall be entitled to withhold any payment made by the Principal in compliance with the Payment Milestones pursuant to Article 4, save for the Contractor's right to claim payment of any further amounts due to the Contractor for all the Works that have been carried out until termination. On the Principal's request, the Contractor shall vacate the Area and the site from all the materials, equipment and machinery that belongs to him at the Principal's expenses and provide for the removal of any rubble, debris and rubbish. On payment of the amounts due to the Contractor, the Principal shall acquire title over the Plant in the status in which it was on termination.
- 20.4 Furthermore, in the event of termination attributable to the Principal, the Principal shall immediately return to the Contractor the Parent Company Guarantee and the Bank Bond or the Warranty Bond, as the case may be.

Article 21 – Confidentiality Obligation

- 21.1 Each Party declares that:

- (a) the Confidential Information, in any form in which it comes to the knowledge of the Parties, shall not be disclosed, in any case whatsoever, either totally or partially, to any third parties except where, further to termination of the Contract, the Contractor shall have to be replaced with another individual or entity in order to complete the Plant, in which case the Confidential Information may be disclosed to the individual appointed to the complete the Works object of this Contract;
- (b) said Confidential Information shall not be used for any purposes that is not solely and exclusively related to (i) the performance of this Contract or (ii) the drafting of a prospectus addressed to a fund of the Plant.

- 21.2 The Confidential Information may only be disclosed to the Parties' shareholders, the directors, executives, employees or consultants employed by the Party receiving the Confidential Information, and the Technical Consultant and the Financing Entity.

- 21.3 Neither of the Parties shall be entitled to make any declarations or announcements to third parties, the press or, in general, to the media, in relation to the Contract, without having received the other Party's prior, written authorisation, with the exception of the disclosure required by the Applicable Law or by the law applicable to the Principal or to the Principal's group.

- 21.4 The provisions contained in this Article 21 shall be effective from the date on which this Contract is entered into or from the date of the first communication of said Confidential Information and shall remain in force even after expiry of this Contract.

Article 22 – Miscellaneous

- 22.1 This Contract cannot be amended or integrated, in any way whatsoever, unless by means of a written agreement between the Parties.
- 22.2 The Contractor is aware that the Financing represents a priority for the Principal and represents that the project (including both the EPC and O&M Agreement) is at the time of execution technically and legally bankable. In particular, the Contractor is aware that the Financing Entity may require: (i) a Warranty Bond after PAC, in the form of an autonomous and first demand bank bond covering 15% (fifteen per cent) of the Consideration; (ii) cross default clauses in the event that the Financing covers more than one EPC contract. The Contractor shall encounter such expectations, provided that they are reasonable and substantially in line with the banking standards practiced at the date of execution hereof. In addition, the Contractor shall provide all good faith cooperation as to obtain the Financing in the case that banking standards practiced at the time Financing is negotiated are substantially different from banking standards practiced at the date of execution hereof.
- 22.3 The Parties declare that future EPC contracts that they may enter into in the future shall be regulated, *mutatis mutandis*, in accordance with the terms and conditions of this Contract, save as otherwise agreed.
- 22.4 In the case that any provision contained in this Contract is declared invalid on the basis of the Applicable Law by a judge or a board of arbitration, this shall not entail the entire Contract being void, it being understood that the Parties shall promptly meet in order to replace the invalid provision with another one which respects, as much as possible, its meaning.
- 22.5 The Contractor shall not assign the receivables derived from this Contract to any third parties without the Principal's prior written consent, it being understood that the term, "third parties", also implies the companies belonging to the same group as the Contractor.
- 22.6 Any communication requested or consented in relation to this Contract must be made in writing and must be (i) delivered by hand, (ii) sent by registered mail with return receipt, or (iii) sent by fax. Any communication shall be considered as having been received (i) if delivered by hand, on its delivery to the addressee Party, (ii) if sent by registered mail with return receipt, on the date indicated in said notice, and (iii) if sent by fax, on receipt of confirmation of sending provided by the fax transmitting it. All communications shall be sent to the following addresses:

- if addressed to the Principal:

Attention of: Avv. Antonella Sannicandro, Ran Fridrich and Eran Zupnik

Address: Galleria Borromeo, 3, Padova, Italy

Fax no: + (972) 153 547 668844

E-mail: ranf@ellomay.com; eranz@ellomay.com

- if addressed to the Contractor:

Attention of: Vicente Zaragoza and Gabriel Cuartero Cejalbo

Address: via Rodolfo Redi, 3, Bari, Italy

Fax no.: + 34 963411279

E-mail: vicente@grupozaragoza.es; gabriel@grupozaragoza.es

- 22.7 The risk related to the event referred to in Article 1664 of the Civil Code has been fully and knowingly undertaken by the Contractor. The risk relative to the event referred to in Articles 1660 and following of the Civil Code shall be attributed to the Contractor within the limits agreed in Article 10 of the Contract.
- 22.8 The Principal shall be entitled to offset any debt and/or credit that it may have towards the Contractor against respectively any credit and/or debt that the Contractor may have towards the Principal or any other company belonging to the same corporate group as the Principal, at any title whatsoever.

Article 23 - Technical Consultant

- 23.1 The Technical Consultant shall act in the interests of the successful outcome of the Plant in his capacity as technical adviser in the exclusive interests of the Principal and/or the Financing Entity. The Technical Consultant shall have access to the Works, the Area the project documentation and the one relating to the Works' performance.
- 23.2 The Technical Consultant shall be entitled to employ third parties to perform his duties provided that, in this instance, he shall procure that said employees comply with the rules in force on site and given by the Contractor or Works Manager.

Article 24 – Technical Dispute and Arbitration

- 24.1 The Parties undertake to amicably resolve any dispute arising out of or in connection with the interpretation, validity, performance and termination of this Contract.

- 24.2 In case of any technical dispute between the Parties in any matter relating *inter alia* to the achievement of a Payment Milestone, the extension of the Project Implementation Schedule, the Commencement of Operation (*entrata in esercizio*), the Technical Inspection, Operational Inspection, the First Reassessment Test and the Second Reassessment Test, the Variation procedure or any change in Applicable Law, the Parties can mutually agree to request the appointment of a technical expert (the "**Expert**") to settle the dispute. The proposal for the appointment of the Expert shall state in detail the technical question and include a list of at least three persons proposed for the appointment as Expert. The Parties agree to meet and discuss on the appointment of the Expert during the following ten (10) Working Days after receipt of the request. In the case that the Expert is not appointed by the Parties within fifteen (15) Working Days after the request, the Expert shall be appointed by the Chairman of the bar of the Engineers of Milan (*Ordine degli Ingegneri di Milano*) upon request of either Party. The Expert shall finally determine the technical matter in accordance with the provisions of this Contract, acting as arbitrator pursuant to Article 1349 of the Italian Civil Code. The Expert shall deliver its determination to the Parties in writing, including an explanation of the underlying reasons, within thirty (30) calendar days after the acceptance of the mandate. The Expert's determination shall (in the absence of patent error or unfairness) be final and binding upon the Parties. The costs of the determination, including fees and expenses of the Expert, shall be borne as determined by the Expert.
- 24.3 Without prejudice to Article 24.2 above, in all the other cases where an amicable solution to the disputes cannot be reached, the settlement of said disputes shall be referred to a Board of Arbitration formed of 3 (three) arbitrators, 1 (one) of whom shall act as the President, in accordance with the National Arbitration Chamber of Milan's Rules of International Arbitration, which the Parties have declared that they are aware of and fully accept.
- 24.4 The Board, which shall sit in Milan, shall decide under the procedure and law within 4 (four) months of it being formed. The award shall become immediately enforceable. The award's registration costs shall be borne by the non prevailing Party.

Signed on this date 25 March 2011

/s/ Ran Fridrich

Ran Fridrich

PRINCIPAL

/s/ Vicente Zaragoza Zaragoza

Vicente Zaragoza Zaragoza

CONTRACTOR

Annexes

Annex 1:	Land Rights Agreement
Annex 2:	Area Map
Annex 3:	Equipment
Annex 4:	Definitive Project
Annex 5/A:	Bank Bond
Annex 5/B:	Parent Company Guarantee
Annex 5/C:	Warranty Bond
Annex 6:	Technical Specifications
Annex 7:	Project Implementation Schedule
Annex 8:	Safety Costs
Annex 9:	Minimum Guaranteed Performance Ratio
Annex 10:	Testing Procedures
Annex 11:	Technical Acceptance Certificate model
Annex 12:	Commencement of Operation notice model
Annex 13:	Provisional Acceptance Certificate model
Annex 14:	Incentive Acceptance Certificate model
Annex 15:	Final Acceptance Certificate model

Annex 1

CORATO BUILDING RIGHT AGREEMENT

English summary of Italian version¹

1. PRELIMINARY NOTE

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant (“**PV Plant**”) on the land (Municipality of Corato (BA), sheet 81, parcels 236 and 54) (“**Land**”), Pedale S.r.l. entered into a definitive building right agreement on March 18, 2011. The agreement has been executed in Spinazzola, locality Barletta, before the Notary Salvatore Consolo, *Repertorio* no. 672, *Raccolta* no. 450, registered in Barletta no. 2315/1T on March 24, 2011, filing with the *Conservatoria dei Registri Immobiliari* is in progress.

2. MAIN CONTENT OF THE AGREEMENT

1. Execution date

March 18, 2011

2. Grantor

Ms. Rosa Addario Malcangio

3. Grantee

Pedale S.r.l.

4. Land plot identification

Municipality of Corato (BA), sheet 81, parcels 236 and 54, size: **13.59.52 ha.**

5. Duration

1 year

The Grantor grants to the Grantee the option to set up a 20-year *superficie* right. The Grantee shall exercise the option by registered letter.

6. Extension and Renewal

The Parties shall execute a deed of confirmation of the setting up of the 20-year *superficie* right within 30 days of the exercise of the option right.

Upon the expiry of the 20 year period, the *superficie* right shall be renewed for further 4 years, upon the Grantee's request, to be submitted by registered letter by no later than 60 days before the expiry date.

¹ The original language version is on file with the Registrant and is available upon request.

The consideration for the one-year *superficie* right is equal to **Euro 80,000.00**, which has been paid upon execution of the agreement.

7. Consideration

The consideration for the 20-year *superficie* right is equal to **Euro 630,000.00** and shall be paid in advance by 14 yearly instalments of Euro 45,000.00 by bank transfer. The payments shall be made by April 1 of each year.

The consideration for the 4-year renewal shall be equal to the last annual payment increased by a percentage of 100% of the Italian average inflation rate for the duration of the renewal.

No adjustment to the 20-year consideration is foreseen.

8. Consideration adjustment

The consideration for the 4-year renewal shall be increased by a percentage of 100% of the Italian official inflation rate (ISTAT).

The Grantee shall be entitled to withdraw from the agreement, at any time whatsoever, by means of 6 month prior notice.

9. Withdrawal / termination right (Grantee)

Should the Grantor carry out any works on the neighbouring lands owned by the Grantor which might reduce the PV Plant's power and efficiency, the Grantee shall be entitled to terminate the agreement or, alternatively, to request that any such work be removed / restored to its previous state.

Moreover, the Grantee shall be entitled to terminate the agreement should the Grantor refuse to sign any documents necessary for the construction and operation of the PV Plant.

Should payment of the consideration be delayed for over 3 months, the Grantor shall send written notice to the Grantee and to the bank indicated by the Grantee. Within 30 days of receipt of the above-mentioned notice, the bank shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) inform the Grantor of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantor shall be entitled to terminate the agreement, provided that the Grantee has not cured the non-fulfilment within 30 days of the appointment of the third party replacing the Grantee or, as the case may be, of the receipt by the Grantor of the bank's notice. Regardless of any breach of contract by the Grantee, the bank shall have the faculty to appoint a third party in place of the Grantee in the event that the bank has informed the Grantee of its intention to declare the forfeiture of the term (*decadenza del beneficio del termine*) according to art. 1186 of the Italian Civil Code, or to terminate for breach of contract or to withdraw from the loan agreement.

10. Withdrawal / termination right (Grantor) - Step in-clause

The Grantor consents to grant and constitute all the easements for the PV Plant to operate and to be constructed (passage, access and electrical easement) and, especially, an electrical easement over parcel 70, sheet 81.

11. Easements

The Grantee shall pay a penalty of Euro 45,000.00 + consideration for the year in course in case of withdrawal from the agreement.

12. Penalties

The Grantor shall pay a penalty of Euro 1,000.00 for each day on which it does not permit access to the Land.

13. Guarantee

None.

14. Plant removal

At the expiry of the agreement, at the Grantee's expense.

15. Assignment

The Grantee shall be entitled at any time whatsoever to assign any obligation arising from the agreement, or to grant the use of the Land or the PV Plant to any third party by sending the relevant notice to the Grantor.

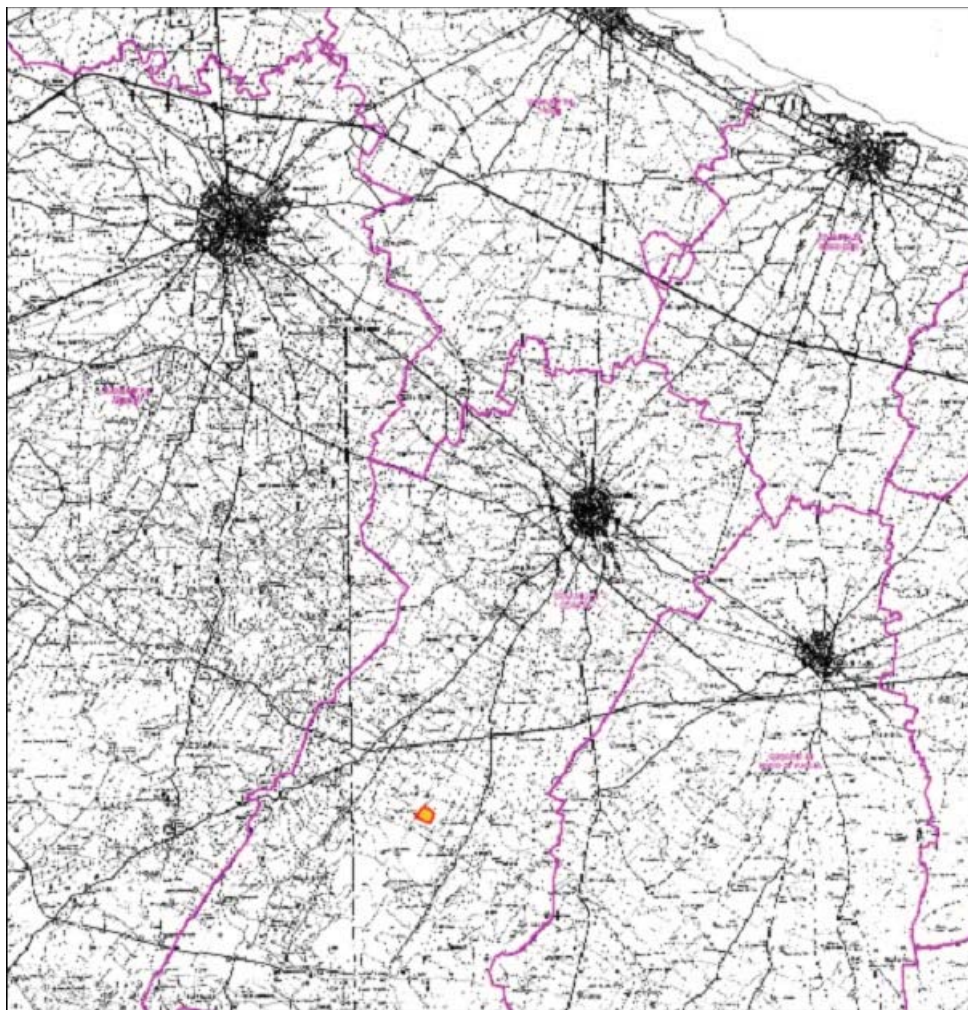
16. Pre-emption

Should the Grantors decide to sell the Land, it shall send the Grantee notice indicating the terms and conditions of the sale. The Grantee shall exercise its pre-emption right for the purchase of the Land by sending a letter within 60 days of receipt of the notice of sale.

17. Competent Court

Court of Trani.

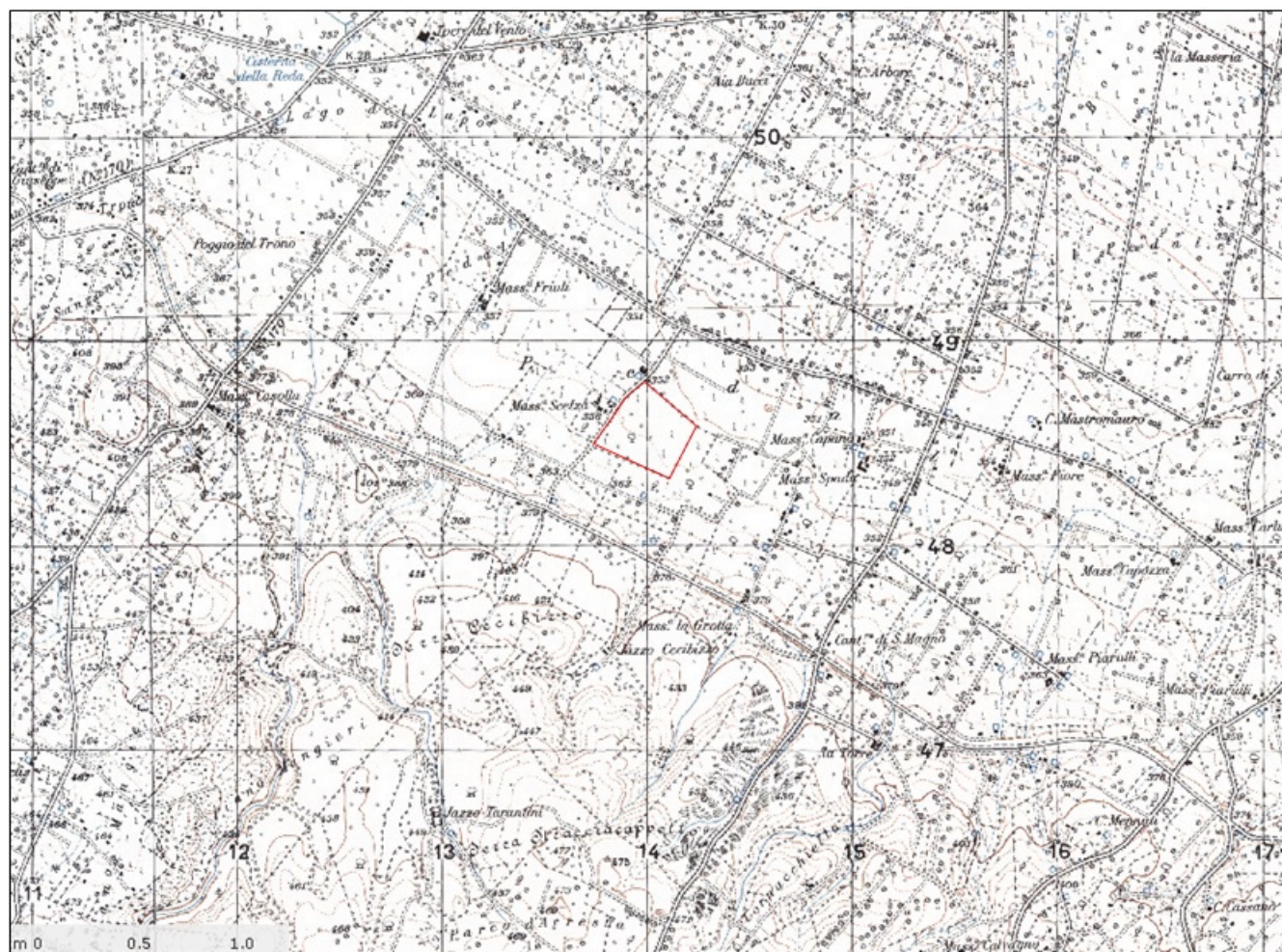
ANNEX 2: AREA MAPS



STRALCIO IGM 1:100.000



STRALCIO IGM 1:50.000



STRALCIO IGM 1:25.000



ORTOFOTO 1:20.000



ORTOFOTO 1:10.000



PLANIMETRIA CATASTALE 1:2.000

ANNEX 3

EQUIPMENT

ANNEX 3. EQUIPMENT

The main equipment and technology to be used in this project consist in photovoltaic panels and inverters.

These are the chosen brands:

PANELS:

CONERGY PM230P / 1668x1000

CONERGY PM235P / 1668x1000

CONERGY PM240P / 1668x1000

INVERTERS:

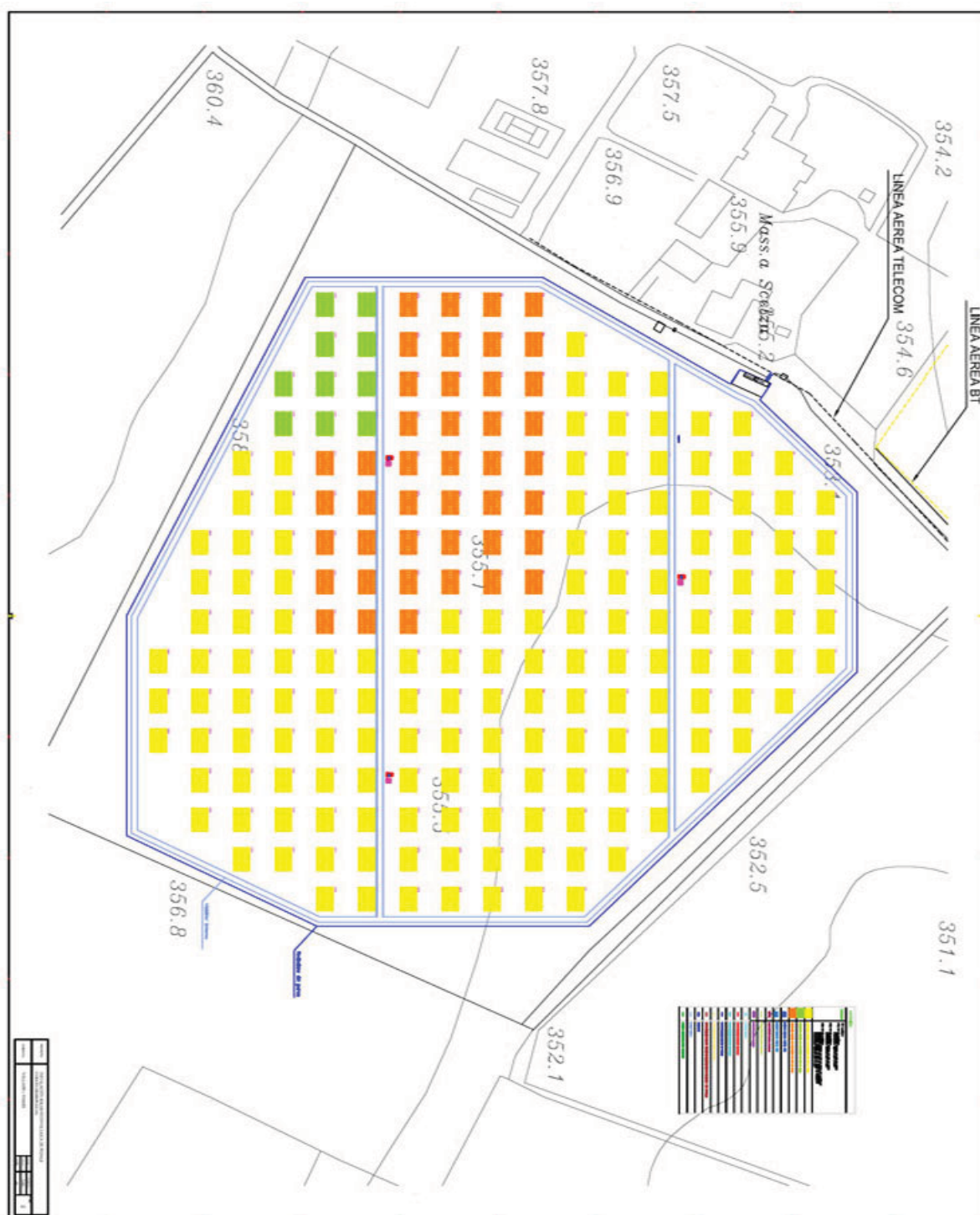
SolarMax 13MT from SOLARMAX (nominal output of 13 KW)

SolarMax 15MT from SOLARMAX (nominal output of 15 KW)

Technical specifications are detailed in the annex 6.

The minor equipment as wiring, trays... is not relevant to be included in this annex, so it will be detailed in the executive project.

LAYOUT PEDALE



ANNEX 5-A

BANK BOND MODEL

BANK LETTERHEAD

To
[Principal]
[]
[]
Italy

Place & date

Guarantee No [●] (the **Bank Bond**)

We have been informed that:

- A. on [], [] as principal (hereinafter indicated as **Beneficiary**), and Urbe Techno S.r.l., as contractor (hereinafter indicated as **Contractor**), entered into a turn key contract (the **EPC Contract**) for the construction *inter alia* of a photovoltaic plant to be located in the province of [], Italy, in the Municipality of [], made up of [] panels made of [], with a generator with a capacity equivalent to [•] kWp (hereinafter the **Plant**);
- B. under the EPC Contract the Contractor shall be fully responsible for the design, supply, construction, assembly, start-up, operation and maintenance of the Plant;
- C. The EPC Contract provides, *inter alia*, for the payment of a consideration of Euro [] ([]/00) per kWp, plus VAT (hereinafter known as the **Consideration**);
- D. pursuant to Articles 4.2 of the EPC Contract, the Contractor undertook to deliver the Beneficiary a first demand Bank Bond in the amount of Euro [] (in words []/00) per kWp, equal to 10% (ten per cent) of the BoS Consideration (the **Guaranteed Amount**), issued by a primary and leading financial institution, to guarantee the due performance of the obligations undertaken by the Contractor under the EPC Contract;
- E. pursuant to Article 5.4 of the EPC Contract, the Contractor agrees that the Beneficiary assigns and/or pledges all receivables arising from the EPC Contract in favour of the Financing Entity, as defined in the EPC Contract;
- F. the definitions used in the EPC Contract shall apply also hereto, unless the context otherwise requires.

All this being stated, and having acknowledged that the aforementioned recitals are an integral and substantial part of this Bank Bond, NOW THEREFORE,

1. We, [●] (the **Guarantor**), hereby irrevocably and unconditionally undertake to the Beneficiary that, forthwith upon the Beneficiary giving written notice to us (the **Request**), copied to the Contractor, duly signed by an authorised representative of the Beneficiary, countersigned by the Financing Entity, stating that the Contractor has failed to duly perform any of the obligations undertaken under the EPC Contract, notwithstanding any objection that may be raised by the Contractor, we shall pay within 3 (three) working days upon receipt by us of the Request, to the Beneficiary or to the Bank, any sum or sums as the Beneficiary may in such Request require, provided that such amount shall not exceed the Guaranteed Amount.

2. The Guarantor shall exclusively rely on the Request and shall not carry out any further analysis of the reasons standing behind the Request or further verification or check of its consents.
 3. Pursuant to Article 4.2 of the EPC Contract, the Bank Bond shall be replaced by a bank guarantee equal to 10% of the Consideration (the **Warranty Bond**), upon execution of the PAC.
 4. This Bank Bond will come into force as soon as the Payment Milestone 2 is received on following bank account of the Contractor [*insert bank details*] and shall expire on [*insert date corresponding to 12 months from its entry into force*] or, on the date the Guarantor will receive a notice sent by the Contractor and countersigned by the Beneficiary and the Financing Entity confirming that this Bank Bond has been replaced with the Warranty Bond delivered to the Beneficiary, whichever is earlier (the **Expiry Date**). After the Expiry Date this Bank Bond shall be considered automatically and definitively null and void irrespective of whether the present document is returned to us or not.
 5. This Bank Bond may be partially or totally enforced; in case of partial enforcement the maximum Guaranteed Amount shall automatically be reduced proportionally.
 6. Any payment by us hereunder shall be in immediately available and freely transferable Euro free and clear of and without any deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, set-off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
 7. Our obligations hereunder constitute direct primary, irrevocable and unconditional obligations, shall not require any previous notice to or claim against the Contractor and shall not be discharged or otherwise prejudiced or adversely affected by:
 - i. any time, indulgence, waiver, concession or forbearance which the Beneficiary may grant to the Contractor or any neglect by the Beneficiary in enforcing any right of action or remedy the Beneficiary may have against the Contractor under the EPC Contract;
 - ii. any amendment, modification or extension which may be made to the EPC Contract;
 - iii. any change in the corporate structure of the Contractor;
 - iv. any termination of the EPC Contract or of the employment of the Contractor;
 - v. any other bond, security or Bank Bond held or obtained by the Beneficiary for any of the obligations of the Contractor under the EPC Contract or any release or waiver thereof;
 - vi. any act or omission of the Contractor under any other arrangement with ourselves;
 - vii. any invalidity or ineffectiveness of the EPC Contract;
 - viii. any other matter or thing which in the absence of this provision would or might have discharged, affected or prejudiced our obligations hereunder except for a discharge or amendment of this Bank Bond expressly made or agreed to by the Beneficiary in writing.
-

8. For the avoidance of doubt, this Bank Bond shall remain valid notwithstanding any inability or failure on our part to exercise our rights of subrogation which we may have against the Contractor as a result of making any payment under this Bank Bond.
9. We acknowledge and consent, as of the date hereof, also for the purposes of Article 1248 of the Italian Civil Code, that the benefits arising from this Bank Bond in favour of the Beneficiary may be assigned, together with relevant credit's rights, by the Beneficiary to the Financing Entity, with simultaneous written communication to us and to the Contractor.
10. We also consent for the purpose of Article 1407 of the Italian Civil Code that this Bank Bond, together with relevant credit rights, can be assigned to an "eligible person" which is a person that is notified to us by the Beneficiary and/or the Financing Entity in writing (the **Eligible Person**), with prior written notice to us.
11. Any notice hereunder shall be deemed as duly given when delivered in writing by registered letter with advice of receipt (*Raccomandata A.R.*), or by express courier to our registered office in [●] and shall be duly signed by an authorised representative of the Beneficiary.
12. The Guarantor accepts and acknowledges that in the event of enforcement of this Bank Bond, its subrogation right towards the Contractor is subject to the satisfactory fulfilment of all the Beneficiary's credit obligations towards the Contractor, pursuant to the EPC Contract. Therefore, the Guarantor expressly waives article 1949 of Civil Code.
13. This Bank Bond is a *Garanzia Autonoma a Prima Richiesta* and implies, whether necessary, a waiver, among other things, to the benefits, rights and exceptions under Articles 1247, 1939, 1944, 1945, 1950, 1953, 1955 and 1957 of the Civil Code.
14. All the costs (including legal fees) and all the fiscal expenses (including those related to stamp duty and registration fees) due pursuant to Italian law in relation to this Bank Bond shall be charged to the Guarantor. Any amendment to this Bank Bond shall be ineffective unless approved in writing by the Beneficiary and the Guarantor.
15. This Bank Bond shall be governed by and construed in accordance with Italian law. The courts of Milan, Italy, shall have exclusive jurisdiction of all matters arising out of or in connection with this Bank Bond.

The Guarantor

ANNEX 5-B

FORM OF PARENT COMPANY GUARANTEE

Dear Sirs,

Further to our recent discussions and in compliance with the provisions of the Contract (as defined below), we herewith submit to you a consolidated parent companies guarantee to be executed by way of exchange of commercial letters pursuant to Article 1.1 letter a), Part Two, of the Tariff under Presidential Decree 26 April 1986, no. 131 and in accordance with the terms and conditions specified below between:

- **Solaer**, a joint stock company organised and existing under the laws of [] and having its registered office at [], registration with the [], Fiscal Code and Vat No. [], corporate capital of [] (**Solaer**); and

- **Grupo Zaragoza**, a joint stock company organised and existing under the laws of [] and having its registered office at [], registration with the [], Fiscal Code and Vat No. [], corporate capital of [] (**GZ**);

Solaer and GZ shall be referred to as the Guarantors.

- [], with its registered offices located in [], VAT Registration Number and TaxCode [], entered in the Companies Register of [] under no. [], represented by [] in his capacity as Director (hereinafter known as “**Principal**”).

WHEREAS:

- (A) By an agreement dated [●] 2011 (the **Contract**, which term includes all amendments to variations of or supplements to it from time to time in force) the Principal has agreed to engage [] (the **Contractor**) for the design, supply, construction, assembly and start-up of a photovoltaic plant to be located in the Municipality of [] ([], Italy). Unless the context otherwise requires, words and expressions defined in the Contract have the same meaning when used in this Guarantee, as defined below.
- (B) According to the Contract, Contractors shall procure the delivery to Principal of a consolidate parent companies guarantee in the form of this guarantee (the **Guarantee**) within 5 (five) Working Days of execution of the Contract and in any case before having received the first payment milestone.
- (C) The Guarantors have agreed to guarantee the due performance of the Contract by the Contractor.
- (D) The Guarantors are the Contractor’s Parent Companies, as defined in the Contract.

IT IS AGREED as follows:

- 1. Each of the Guarantors:
 - (a) guarantees to the Principal, as primary obligor and not as surety, the due and punctual performance by the Contractor of each and all of the obligations, warranties, duties and undertakings of the Contractor under the Contract when such obligations, duties and undertakings shall become due and performable according to the terms of such Contract;
 - (b) agrees, in addition to its obligations set out in clause 1(a) above, to indemnify the Principal against all losses, damages, costs and/or expenses which the Principal may incur by reason of any breach by the Contractor of its obligations, warranties, duties and undertakings under the Contract save that this shall not be construed as imposing greater or different obligations or liabilities on the Guarantor than are imposed on the Contractor under the Contract; and

- (c) agrees to indemnify the Principal on demand against any loss or liability suffered by it if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal as if the obligation guaranteed had not been unenforceable, invalid or illegal provided that each of Guarantor's liability shall be no greater than the Contractor's liability would have been if the obligation guaranteed had not become unenforceable, invalid or illegal.
2. The liability of the Guarantors under this Guarantee shall not be reduced or discharged by any act, omission or other thing whereby (in absence of this provision) the liability of the Guarantor under this Guarantee would or might be reduced or discharged in whole or in part as a consequence of:
 - (a) any amendment to the obligations undertaken by the Contractor whether, by way of any addendum or variation referred to in clause 3 below, any suspension of the Works, extension of the time or otherwise; or
 - (b) amendment to, or any variation, waiver or release of, (any part of) the Contract or any security or other guarantee in respect thereof; or
 - (c) the termination of the Contract under the Contract attributable to the Contractor; or
 - (d) any legal limitation, incapacity or other circumstances relating to the Contractor or any other person; or
 - (e) the dissolution, amalgamation, change in status, function, control or ownership, insolvency, liquidation or the appointment of an administrator or receiver of the Contractor or any other person.
 3. In the event of change in control or ownership of the Contractor, the Guarantee shall remain in full force and effect. In the event of change in control or ownership of the Contractor, the Guarantors shall promptly notify to the Principal the name of the new controlling person or owner of the Contractor.
 4. By this Guarantee the Guarantors authorise the Contractor and the Principal to make any addendum, variation or amendment to the Contract, the due and punctual performance of which addendum and variation shall be likewise guaranteed by the Guarantors in accordance with the terms of this Guarantee.
 5. This Guarantee shall be a primary obligation of the Guarantors to perform or to take whatever steps may be necessary to procure the performance of the obligations of the Contractor under the Contract which have been breached, to assume jointly and severally with the Contractor all rights and obligations of the Contractor under the Contract and to pay the Principal from time to time any and all sums of money which the Contractor is at any time liable to pay to the Principal under the Contract; accordingly the Principal shall not be obliged before enforcing this Guarantee to take any action in any court or arbitral proceedings against the Contractors, to make demand or any claim against the Contractor, to enforce any other security held by it in respect of the obligations of the Contractor under the Contract or to exercise, levy or enforce any distress, or other process of execution against the Contractor.
 6. Each of the Guarantors shall bear the obligations provided under this Guarantee on a joint and several basis, this implying, for the avoidance of doubt, that the Principal shall be entitled to enforce this Guarantee against any or both Guarantors for any amount up to the Maximum Guaranteed Amount, as defined below.
 7. The maximum amount guaranteed by the Guarantor under this Guarantee shall be equal to the Consideration (the **Maximum Guaranteed Amount**).
-

8. This Guarantee shall be effective upon delivery and shall expire 7 (seven) days following the FAC (the **Expiry Date**). Upon the Expiry Date, this Guarantee must be returned to us for cancellation.
 9. Until all amounts which may be or become payable under the Contract or this Guarantee have been irrevocably paid in full, the Guarantors shall not, as a result of this Guarantee or any payment or performance under this Guarantee, be subrogated to any right or security of the Principal or claim or prove in competition with the Principal against the Contractor or any person or demand or accept repayment of any monies or claim any right of contribution, set-off or indemnity and any sums received by the Guarantors or the amount of any set-off exercised by the Guarantors in breach of this provision shall be held by the Guarantors in trust for and shall be promptly paid to the Principal.
 10. The Guarantors shall not hold any security from the Contractor in respect of this Guarantee and any such security which is held in breach of this provision shall be held by the Guarantors in trust for and shall promptly be transferred to the Principal.
 11. Each payment to be made by the Guarantors under this Guarantee shall be made in Euro, without any set off or counterclaim and free and clear of all deductions or withholdings of any kind whatsoever or howsoever arising. Should any deduction or withholding be made by law (including double taxation treaties) the Guarantors will pay that additional amount which is necessary to ensure that the Principal receives on the due date a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding. The Guarantors shall promptly deliver to the Principal any receipts, certificates or other proof evidencing the amounts paid or payable in respect of any such deduction or withholding.
 12. The Guarantors shall have 5 (five) Working Days from the date of demand to make payment in full to the Principal of any amount due under this Guarantee. The Guarantors shall pay interest on any amount due under this Guarantee from the date which is 5 (five) Working Days from the date of demand until the date of payment in full (as well after as before any judgment) calculated on a daily basis at the six months Euribor plus 3 (three) percentage points.
 13. The Guarantors shall reimburse the Principal for all legal and other costs (including non-recoverable VAT) incurred by the Principal in connection with the enforcement of this Guarantee.
 14. Any settlement or discharge between the Principal and the Contractor or the Guarantors shall be conditional upon no order to refund by virtue of any provision of any enactment relating to bankruptcy, insolvency or liquidation being issued by a competent court, in which case the Principal shall be entitled to recover from the Guarantor as if such settlement or discharge had not occurred.
 15. The Guarantors warrant that this Guarantee is a legally binding obligation, enforceable in accordance with its terms, and that all necessary consents and authorisations for the giving and implementation of this Guarantee have been obtained.
 16. The Guarantors warrant and undertake to the Principal that it shall take all necessary action directly or indirectly to perform the obligations expressed to be assumed by it or contemplated by this Guarantee and to implement the provisions of this Guarantee.
 17. The Guarantors warrant and confirm to the Principal that it has not entered into this Guarantee in reliance upon, nor has it been induced to enter into this Guarantee by any representation, warranty or undertaking made by or on behalf of the Principal (whether express or implied and whether under statute or otherwise) which is not set out in this Guarantee.
 18. The Guarantors acknowledge and consent, also for the purposes of Article 1407 of the Italian Civil Code, that the Principal shall be entitled by notice in writing to the Guarantors to assign this Guarantee at any time in connection with an assignment of the Contract in accordance with the provisions of the Contract, to the Financing Entity.
-

19. Any notice hereunder shall be duly given when delivered in writing by hand (in the case of personal delivery) or by registered letter with advice of receipt (*Raccomandata A.R.*), or by express courier to the Guarantors or by facsimile, provided an original of such facsimile is also received by us within three (3) Working Days and sent by one of the aforementioned notice methods and shall be duly signed by an authorised representative of the Principal.
20. No delay or omission of the Principal in exercising any right, power or privilege under this Guarantee shall impair or be construed as a waiver of such right, power or privilege nor shall any single or partial exercise of any such right, power or privilege preclude any further exercise of such right, power or privilege or the exercise of any other right, power or privilege.
21. Without prejudice to Article 1419 (*nullità parziale*) of the Italian Civil Code, if - at any time - any provision of this Guarantee is or becomes illegal, invalid or unenforceable, neither the legality, validity nor enforceability of the remaining provisions of this Guarantee will in any way be affected or impaired thereby.
22. The Guarantors shall pay all stamp duties and taxes, if any, to which the execution and delivery of this Guarantee may be subject and shall indemnify the Principal against any and all liabilities with respect to or arising from any delay or omission to pay any such duties and taxes.
23. This Guarantee implies, where necessary, a waiver, among other things, to the benefits, rights and exceptions under Articles 1247, 1939, 1945, 1953, 1955 and 1957 of the Civil Code.
24. This Guarantee shall be governed by and construed in accordance with Italian law. The courts of Milan, Italy, shall have exclusive jurisdiction of all matters arising out of or in connection with this Guarantee.
25. Notices or demands given under this Guarantee shall be sent to the following addresses:

(a) If to the Principal

[]
Attention: []
[]
[]
Telephone: []
Fax: []

(b) If to the Guarantors:

[]
Attention: ●
Telephone: ●
Fax: ●

[]
Attention: ●
Telephone: ●
Fax: ●

If you agree with the above terms and conditions, please send us by registered mail with return receipt or by express courier or deliver by hand a duly executed letter of acceptance incorporating the full text of this proposal.

Yours faithfully,

for and on behalf of Solaer

for and on behalf of GZ

For acceptance

for and on behalf of the Principal

ANNEX 5-C

WARRANTY BOND MODEL

BANK LETTERHEAD

To
[Principal]
[]
[]
Italy

Place & date

Guarantee No [●] (the **Warranty Bond**)

We have been informed that:

- A. on [●] [], as principal (hereinafter indicated as [] or **Beneficiary**), and [], as contractor, (hereinafter indicated as **Contractor**), entered into a turn key contract (the **EPC Contract**) for the construction *inter alia* of a photovoltaic plant to be located in the province of [], Italy, in the Municipalities of [], made up of [] panels made of [], with a generator with a capacity equivalent to [●] kWp (hereinafter the **Plant**);
- B. under the EPC Contract the Contractor shall be fully responsible for the design, supply, construction, assembly, start-up, operation and maintenance of the Plant;
- C. the EPC Contract provides, *inter alia*, for the payment of a consideration of Euro [●] (in words [●]/00 Euro) (hereinafter known as the **Consideration**);
- D. pursuant to Articles 4.2 of the EPC Contract, the Contractor undertook to deliver the Beneficiary a first demand Warranty Bond in the amount of Euro [] (in words []/00) per kWp, equal to 10% (ten per cent) of the Consideration (the **Guaranteed Amount**), issued by a primary and leading financial institution, to guarantee the due performance of the obligations undertaken by the Contractor under the EPC Contract;
- E. pursuant to Article 5.4 of the EPC Contract, the Contractor agrees that the Beneficiary assigns and/or pledges all receivables arising from the EPC Contract in favour of the Financing Entity, as defined in the EPC Contract;
- F. the definitions used in the EPC Contract shall apply also hereto, unless the context otherwise requires.

All this being stated, and having acknowledged that the aforementioned recitals are an integral and substantial part of this Warranty Bond, NOW THEREFORE,

1. We, [●] (the **Guarantor**), hereby irrevocably and unconditionally undertake to the Beneficiary that, forthwith upon the Beneficiary giving written notice to us (the **Request**), copied to the Contractor, duly signed by an authorised representative of the Beneficiary, countersigned by the Bank, stating that the Contractor has failed to duly perform any of the obligations undertaken under the EPC Contract, including but not limited to as a result of Performance Liquidated Damages, notwithstanding any objection that may be raised by the Contractor, we shall pay within 3 (three) working days upon receipt by us of the Request, to the Beneficiary or to the Bank, any sum or sums as the Beneficiary may in such Request require, provided that such amount shall not exceed the Guaranteed Amount.

2. The Guarantor shall exclusively rely on the Request and shall not carry out any further analysis of the reasons standing behind the Request or further verification or check of its consents.
 3. This Warranty Bond will come into force as soon as the Payment Milestone 6 is received in the following bank account of the Contractor [*insert bank details*] and shall expire on [*insert date corresponding to 30 months from its entry into force*] or, on the date the Guarantor will receive a notice sent by the Contractor and countersigned by the Beneficiary and the Financing Entity confirming that FAC, as defined in the EPC Contract, has been issued, whichever is earlier (the **Expiry Date**). After the Expiry Date this Warranty Bond shall be considered automatically and definitively null and void irrespective of whether the present document is returned to us or not.
 4. This Warranty Bond may be partially or totally enforced; in case of partial enforcement the maximum Guaranteed Amount shall automatically be reduced proportionally.
 5. Any payment by us hereunder shall be in immediately available and freely transferable Euro free and clear of and without any deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, set-off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
 6. Our obligations hereunder constitute direct primary, irrevocable and unconditional obligations, shall not require any previous notice to or claim against the Contractor and shall not be discharged or otherwise prejudiced or adversely affected by:
 - i. any time, indulgence, waiver, concession or forbearance which the Beneficiary may grant to the Contractor or any neglect by the Beneficiary in enforcing any right of action or remedy the Beneficiary may have against the Contractor under the EPC Contract;
 - ii. any amendment, modification or extension which may be made to the EPC Contract;
 - iii. any change in the corporate structure of the Contractor;
 - iv. any termination of the EPC Contract or of the employment of the Contractor;
 - v. any other bond, security or Warranty Bond held or obtained by the Beneficiary for any of the obligations of the Contractor under the EPC Contract or any release or waiver thereof;
 - vi. any act or omission of the Contractor under any other arrangement with ourselves;
 - vii. any invalidity or ineffectiveness of the EPC Contract;
 - viii. any other matter or thing which in the absence of this provision would or might have discharged, affected or prejudiced our obligations hereunder except for a discharge or amendment of this Warranty Bond expressly made or agreed to by the Beneficiary in writing.
 7. For the avoidance of doubt, this Warranty Bond shall remain valid notwithstanding any inability or failure on our part to exercise our rights of subrogation which we may have against the Contractor as a result of making any payment under this Warranty Bond.
-

8. We acknowledge and consent, as of the date hereof, also for the purposes of Article 1248 of the Italian Civil Code, that the benefits arising from this Warranty Bond in favour of the Beneficiary may be assigned, together with relevant credit's rights, by the Beneficiary to the Financing Entity, with simultaneous written communication to us and to the Contractor.
9. We also consent for the purpose of Article 1407 of the Italian Civil Code that this Warranty Bond, together with relevant credit rights, can be assigned to an "eligible person" which is a person that is notified to us by the Beneficiary in writing (the **Eligible Person**), with prior written notice to us.
10. Any notice hereunder shall be deemed as duly given when delivered in writing by registered letter with advice of receipt (*Raccomandata A.R.*), or by express courier to our registered office in [●] and shall be duly signed by an authorised representative of the Beneficiary.
11. The Guarantor accepts and acknowledges that in the event of enforcement of this Warranty Bond, its subrogation right towards the Contractor is subject to the satisfactory fulfilment of all the Beneficiary's credit obligations towards the Contractor, pursuant to the EPC Contract. Therefore, the Guarantor expressly waives article 1949 of Civil Code.
12. This Warranty Bond is a *Garanzia Autonoma a Prima Richiesta* and implies, whether necessary, a waiver, among other things, to the benefits, rights and exceptions under Articles 1247, 1939, 1944, 1945, 1950, 1953, 1955 and 1957 of the Civil Code.
13. All the costs (including legal fees) and all the fiscal expenses (including those related to stamp duty and registration fees) due pursuant to Italian law in relation to this Warranty Bond shall be charged to the Guarantor. Any amendment to this Warranty Bond shall be ineffective unless approved in writing by the Beneficiary and the Guarantor.
14. This Warranty Bond shall be governed by and construed in accordance with Italian law. The courts of Milan, Italy, shall have exclusive jurisdiction of all matters arising out of or in connection with this Warranty Bond.

The Guarantor



Conergy PM 220P–240P

The Conergy PM 220P–240P solar modules offer a high level of module output at an attractive price/performance ratio. They are equipped with 60 efficient, polycrystalline cells and come with a positive performance tolerance. They are characterised by high yields and a long service life. Their production is approved by the high quality standards of Conergy. Thanks to the high quality of manufacture and standardised dimensions, the Conergy PM 220P–240P can be used for nearly all applications.

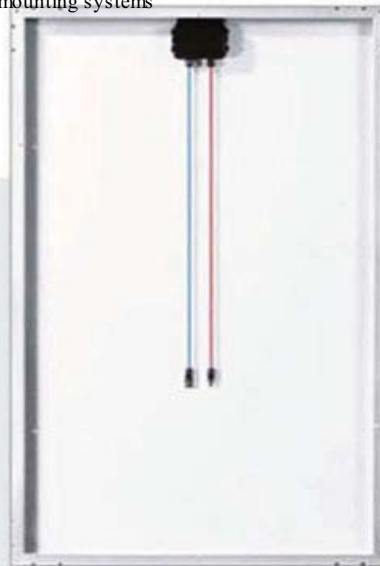


Benefits for the system operator

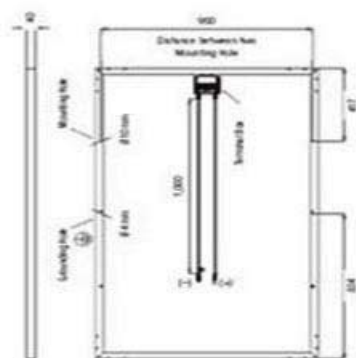
- | Attractive price/performance ratio
- | High module output
- | Certification in accordance with IEC/EN 61215 Ed. 2 and IEC/EN 61730
- | Positive performance tolerance
- | Secure Investment decision thanks to a 5-year product warranty

Benefits for the installer

- | Simple Installation thanks to functional connection technology
- | Option to combine with Conergy inverters and mounting systems



Conergy PM 220P–240P



Module dimensions

(L × W × H):	1,668 × 1,000 × 40 mm
Cell dimensions:	156 × 156mm
Number of cells:	60
Cells:	polycrystalline
Weight:	20kg
Certification:	in accordance with IEC/EN 61215 Ed. 2 and IEC/EN 61730
Product warranty:	5 years
Warranted power:	90% of the nominal power for 10 years 80% of the nominal power for 25 years
Maximum system voltage:	1,000V
NOCT:	44.4° C

Conergy PM	220P	225P	230P	235P	240P
Electrical values					
Nominal output (P _{nom}) according to STC ¹	220W	225W	230W	235W	240W
Module efficiency factor	13.20%	13.50%	13.80%	14.10%	14.39%
MPP voltage (V _{MPP})	30.20V	30.50V	30.84V	31.14V	30.68V
MPP current (I _{MPP})	7.28A	7.37A	7.48A	7.55A	7.90A
Off-load voltage (V _{OC})	36.90V	37.00V	37.32V	37.50V	37.32V
Short-circuit current (I _{SC})	7.85A	7.89A	8.00A	8.02A	8.50A
Temperature Coefficient (P _{MPP})	-0.44%/° C	-0.44%/° C	-0.44%/° C	-0.44%/° C	-0.44%/° C
Temperature Coefficient (V _{OC})	-0.118V/° C	-0.119V/° C	-0.119V/° C	-0.119V/° C	-0.119V/° C
Temperature Coefficient (V _{OC})	-0.32%/° C	-0.32%/° C	-0.32%/° C	-0.32%/° C	-0.32%/° C
Temperature Coefficient (I _{SC})	0.04%/° C	0.04%/° C	0.04%/° C	0.04%/° C	0.04%/° C
Temperature Coefficient (I _{SC})	3.2mA/° C	3.3mA/° C	3.3mA/° C	3.3mA/° C	3.3mA/° C
Junction box specifications					
Socket dimensions (L × W × H)	110 × 115 × 22.5 mm				
Protection type	IP 65				
DC connector	Tyco				

¹ Standard Test Conditions defined as follows: 1,000 W/m² radiant power at a spectral density of AM 1.5 (ASTM E892), cell temperature of 25° C.

Available from:

www.conergy.com

SolarMax MT Series

The power pack for maximum yields.



 **SWISS QUALITY**

 **SolarMax[®]**
by Sputnik Engineering

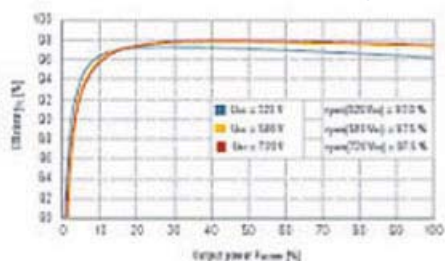
Specifications

		SolarMax 10MT	SolarMax 13MT	SolarMax 15MT
Input values	Maximum PV generator output power ¹⁾	12'000 W	15'000 W	18'000 W
	Max. PV generator output per MPP tracker	9'000 W	9'000 W	9'000 W
	MPP voltage range	250 V...750 V	250 V...750 V	250 V...750 V
	Minimum voltage for rated power ²⁾	320 V	280 V	320 V
	Maximum DC voltage	900 V	900 V	900 V
	Maximum DC current	2 × 16 A	3 × 16 A	3 × 16 A
	Number of MPP-Trackers	2	3	3
	String connections	2 × 2	3 × 2	3 × 2
	Connection type	MC4	MC4	MC4
Output values	Rated output power	10'000 W	13'000 W	15'000 W
	Maximum output power	10'000 W	13'000 W	15'000 W
	Nominal mains voltage	3 × 400 V	3 × 400 V	3 × 400 V
	Maximum AC current	3 × 16 A	3 × 20 A	3 × 22 A
	Mains nominal frequency / range	50 Hz / 45 Hz...55 Hz		
	Power factor (cos phi)	> 0.98		
	Distortion factor at rated power	< 3 %		
	Connection type	Amphenol		
	Grid connection	Three-phase		
Efficiency	Max. efficiency	98.0 %		
	Europ. efficiency	97.5 %		
Power Input	Own consumption (night)	0 W		
Ambient conditions	Protection type compliant with EN 60529	P54		
	Ambient temperature range	-20 °C...+60 °C		
	Ambient temperature range at rated power	-20 °C...+50 °C		
	Relative humidity	0...98% (no condensation)		
Configuration	Display	Graphic LC display with backlight and status LED		
	Circuit type	two-stage, transformerless (no galvanic isolation)		
	Data logger	Data logger for energy yield, peak output and operating duration for the last 31 days, 12 months and 10 years		
	Fault current monitoring	Internal, AC/DC sensitive		
	Casing	Aluminium, cover power-coated		
	Overvoltage conductor DC	Requirement class C (VDE 0675-6) or type 2 (EN 61643-11)		
	Overvoltage conductor AC	Requirement class D (VDE 0675-6) or type 3 (EN 61643-11)		
Standards & guidelines	CE-compliant	Yes		
	EMC	EN 61000-3-2 / EN 61000-3-3 / EN 61000-3-11 / EN 61000-3-12 / EN 61000-6-2 / EN 61000-6-3		
	Standard / guideline compliance	VDE 0126-1-1 / DK 5940 Ed. 2.2 / RD 661 / G59/2		
	Device safety	"GS certified safety" VDE with EN 50178		
Interfaces	Data communication	RS485 / Ethernet via two RJ45 sockets		
	Status signaling contact	M12 connector with relay as N/C contact / N/O contact		
Weight & dimensions	Weight	39 kg	42 kg	42 kg
	Dimensions in mm (W × H × D)	550 × 750 × 200	550 × 750 × 200	550 × 750 × 200

1) recommended over dimensioning 15 % (ISE Fraunhofer study).
2) with the same generator layout for each tracker

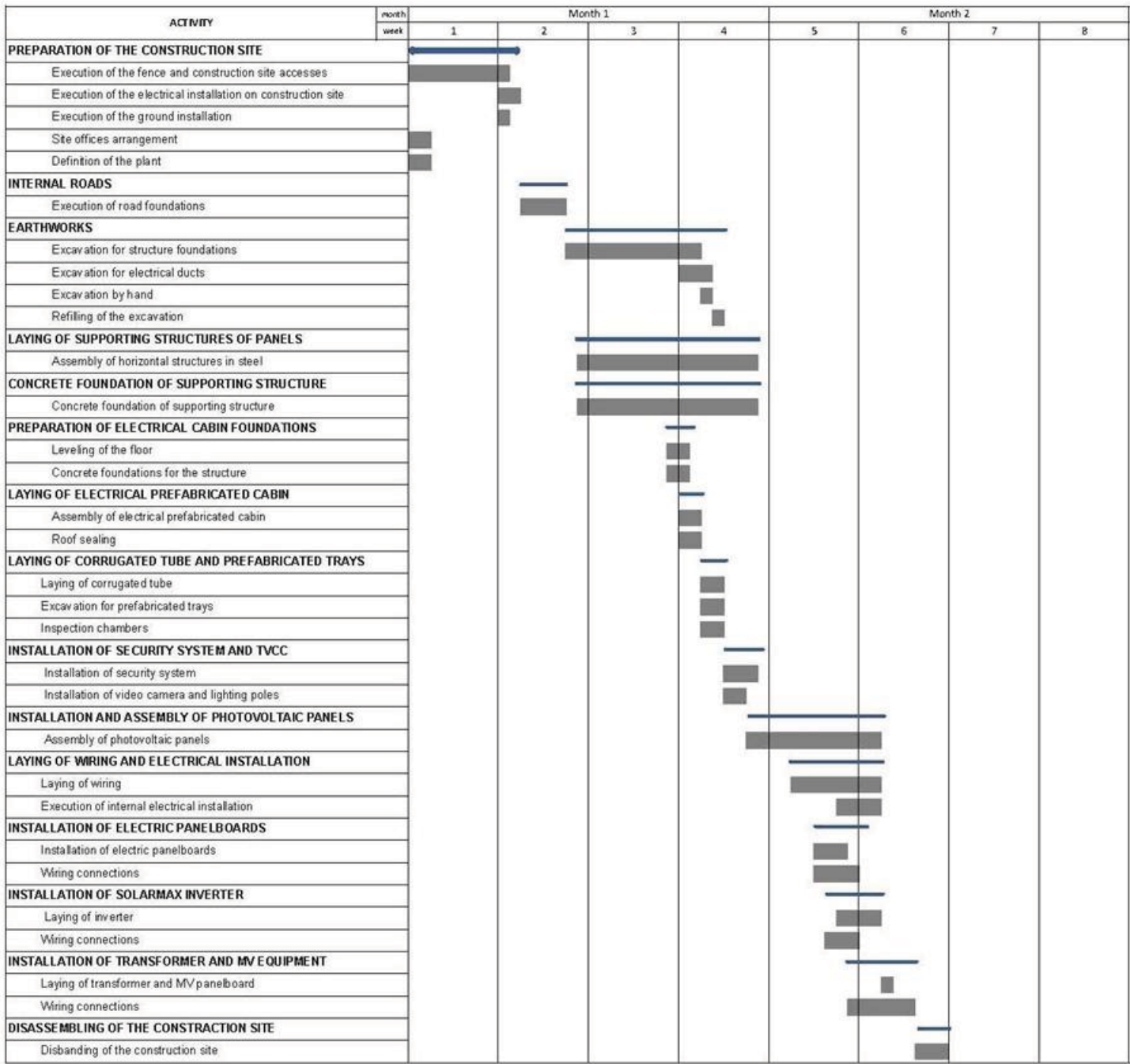
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SolarMax 15MT efficiency curve



ANNEX 7

PROJECT IMPLEMENTATION SCHEDULE



ANNEX 8
SAFETY COSTS

Pcs	Concept	Cost
1	Safety Costs	351.000,00€

ANNEX 9.A

Performance Test – Preliminary Acceptance

Test Objective:

The test objective consists of guaranteeing the correct operation of the Plant for a period of 10 days.

After the Start-up Test, and after receiving satisfactory results regarding the operation of the Plant, there will be a continuous monitoring of the installation over 10 days.

This monitoring will be performed on the site and at the expense of the Contractor, under the supervision of the Technical Advisor.

The Test will consist of guaranteeing the correct operation of each Plant individually over 10 days, by way of the Performance Ratio (PR) based on the value of the energy measured at the GSE meter, and the average solar radiation.

Performance Ratio:

$$1) PR = \frac{E_{AC\ measured} \times I_{stc}}{G \times P_{Nom} \times Irr} \times 100\% \left[\frac{[kWh] \times [kW / m^2]}{[kWp] \times [kWh / m^2]} \times \% \right]$$

Where:

PR = Measured Performance Ratio (PR) [%]

P_{Nom} = Installed nominal peak power [kWp] based on technical data sheets by the manufacturer

Irr = Irradiation measured by means of the monitoring system or a Reference Solar Cell mounted on a 30° tilted fixed structure [kWh/m²]

$E_{AC\ measured}$ = Measured AC Energy at GSE gauge in the period under reference [kWh]

I_{stc} = Irradiation at standard conditions (1 kW/m²)

G = Trackers' Gain

The guaranteed Performance Ratio is based on a yearly average during long measurement periods.

The Performance Ratio calculated in periods less than one year can vary significantly from the average as a result of the temperature influence on panel output.

The required minimum Performance Ratio for an acceptable Plant is therefore adjusted accordingly to the lower PR to be met or exceeded at Preliminary Acceptance.

Guaranteed Levels:

Guaranteed Gain of the Trackers	Guaranteed PR (yearly measures)	Minimum PR at Preliminary Acceptance (PAC acceptance test)
25%	78,83%	76,5%
G	PR _{guar}	PR _{min}

The value of the Guaranteed Gain G indicated in the table shall be considered in case of Irradiation measured on a tilted fixed plane with an inclination of 30°; if the Irradiation is measured by the monitoring System (Horizontal plane Irradiation) an additional 11% has to be added to the Gain (in this case it will result G=36%).

The PR_{min} (76,5%) at the preliminary acceptance test is equal to the minimum Performance Ratio requested by GSE to be admitted to the Incentive tariff.

¹ The guaranteed PR refers to an annual average.

MONTH	PR
January	81,72%
February	81,72%
March	81,52%
April	80,54%
May	79,33%
June	77,89%
July	76,44%
August	75,98%
September	77,54%
October	78,44%
November	80,73%
December	81,92%
Year	78,83%

Results of the Performance Ratio Test at Preliminary Acceptance:

- a) $PR \geq PR_{min}$ => Performance Ratio acceptable
- b) $PR < PR_{min}$ => Performance Ratio not acceptable; apply Article 12.8

Annex 9.B

Performance Ratio Test —Intermediate test and Final Acceptance Test

Test Objective:

The Intermediate Test consists of guaranteeing the correct operation of the Plant for a period of 1 years from Preliminary Acceptance.

The Final Acceptance Test basically consists of guaranteeing the correct operation of the Plant for a period of 1 years from the Intermediate Test till the end of the 2 year Warranty Period.

After the Start-up Test, and after receiving all the satisfactory results regarding the correct operation of the Plant, there will be a continuous monitoring of the installation during the 2 year Warranty Period.

This monitoring will be performed on the site and at the expense of the Contractor under the supervision of the Technical Advisor.

It will consist in guaranteeing the correct operation of the Plant during the 2 year Warranty Period by way of the Performance Ratio, based on the reading of the energy produced and delivered to the grid and the average solar radiation.

Performance Ratio:

The Performance Ratio, or Efficiency, of each Plant is calculated by means of the formula 1)

The guaranteed Performance Ratio PR_{guar} is based on the yearly average during long multi-year measurement periods.

Guaranteed PR levels:

Guaranteed Gain of the Trackers	Guaranteed PR	PenaltyPR at Intermediate Test	Penalty PR at FAC
25%	78,83%	78,04%	77,26%
G	PR_{guar}	PR_{pen} Intermediate	PR_{pen} FAC

The value of the Guaranteed Gain G indicated in the table shall be considered in case of Irradiation measured on a tilted fixed plane with an inclination of 30°; if the Irradiation is measured by the monitoring System (Horizontal plane Irradiation) an additional 11% has to be added to the Gain (in this case it will result G=36%).

Results of the Performance Ratio Test at Intermediate and Final Acceptance:

$PR \geq PR_{pen}$	PR acceptable
$PR < PR_{pen}$	Penalties (as stated in the EPC Agreement)

ANNEX 10 – Testing procedures

As a precondition to the signing of the Certificate of Provisional Acceptance, the following conditions shall be satisfied:

- a. The contractor shall have completed and the Employer and the Technical Advisor (if applicable) shall have attended and confirmed the successful completion of:
 - i. the **Preliminary Verifications**
 - ii. the **Operational Trials**
 - iii. the **Safety and Protection Verification**
 - iv. the **Provisional Acceptance Test**
- b. The Contractor shall demonstrate that the installations otherwise operate according to the specifications of this Contract.
- c. The electrical output infrastructure and the electricity meters function properly while live.
- d. For explanatory purposes, the perfect functioning of the plant monitoring and surveillance systems will not be considered necessary for the signing of the Provisional Acceptance Certificate, except for those data that should be monitored for the carrying out of the tests, including all of the parameters recorded by the meteorological station, as long as the Contractor commits to completing them in the 60 Work Days following the date of the signing of the Certificate of Provisional Acceptance.

1. Preliminary Verifications

Preliminary Verifications shall consist of the following steps:

- 1.1. The Photovoltaic Energy Station has successfully passed the following preliminary verifications:
 - i. Civil works
 - ii. Inverters
 - iii. Modules
 - iv. Trackers
 - v. Channeling, man holes and wiring
 - vi. Installation of P.P.C. (Public Power Corporation) transformer
 - vii. Installation of monitoring system
 - viii. Weather Station
 - ix. Supply of Equipment and Finishing of DC installation
 - x. AC cabling and connection with the Grid network
- 1.2. The machinery and equipment have been supplied and completely installed.
- 1.3. The internal connections and external interconnections, both mechanical and electrical, have been carried out and proved to function properly.
- 1.4. The electrical installations complete the local requirements and have been verified to be in compliance with that which is indicated in the applicable Regulations.
- 1.5. The monitoring and/or control instruments and devices have been checked.
- 1.6. The security devices have been checked and are ready for operation.
- 1.7. The whole area of the installation has been cleaned and all construction equipment and temporary installations have been removed that may compromise the operation of the installation.
- 1.8. All system and component tests required by P.P.C. have been carried out.
- 1.9. All inspections required by the authorities have been performed, and all official authorizations for the tests have been acquired.

2. Operational Trials

If the results of the preliminary verifications are satisfactory, the following tests and verifications will be performed for the purpose of confirming the proper operation of all equipment and systems:

- 2.1. Medium Voltage Installation

The Medium Tension Installation shall be put in service by personnel of the distributing company

- ## 2.2. Low Voltage Installation

- ### 2.3. Inverter Tests

- ## 2.4. Tracker Tests

- 2.5. Testing of protection, safety and alarm systems and elements as well as their performance.

2.6. Testing of alarms and protections for Low Voltage installations, inverters, trackers.

2.7. Start-up and shut down tests at various times during operation

2.8. Operating test for Meteorological Station

2.9. Operating tests for all systems simultaneously

3. Safety and Protection Verification

- Surge protection for the DC voltage
- Installed Lightning protection

4. Provisional Acceptance Test

A Provisional Acceptance Test shall be performed as a precondition to the signing of the Certificate of Provisional Acceptance, for the verification (a) of the proper operation of all Stations and (b) of the ability of the Electrical Infrastructure to absorb the energy supplied by the Stations (c) of the verification of the GSE requirements for the obtaining of the Incentives.

Conditions for the performance of the Provisional Acceptance Test:

- The installation of the Station is mechanically completed
- Start-up and operating tests have been performed
- Instrumentation necessary for the measuring of irradiance and temperature is available
- An energy meter is calibrated and verified
- Irradiation > 600 W/m².

Methodology of the Provisional Acceptance Test:

- The proper functioning and condition of instrumentation necessary for measuring will be checked.
- The 10 days operating test must be carried out as shown in Annex 9A



B. INTERMEDIATE AND FINAL ACCEPTANCE TEST

An Intermediate Acceptance Test shall be performed at the end of each of the 12-month periods of the Warranty Period, to determine compliance with the Guaranteed Value of the PR and the Guaranteed Value of Availability set out in Annex 9.

A Final Acceptance Test shall be performed at the end of the 24-month periods of the Warranty Period, to determine compliance with the Guaranteed Value of the PR and the Guaranteed Value of Availability set out in Annex 9 as a precondition to the signing of the Certificate of Final Acceptance.

Methodology of the Intermediate and Final Acceptance Test:

Both tests refers to a measurement period equal to 12 months.

The operating test must be carried out as shown in Annex 9.

ANNEX 11

Technical Acceptance Certificate Model

[on the Principal's headed paper]

Messrs [Contractor]
Attention of [•]

c.c.
Messrs [Works Manager]
Attention of [•]

Messrs [Technical Consultant]
Attention of [•]

[Messrs [Bank]
Attention of [•]]

Object: Turnkey Engineering, Procurement & Construction Contract entered into between [•] (the Principal) and [•] (the Contractor) on [•], concerning the photovoltaic plant in the Province of [•] named [Plant's name] (the Contract)

Dear [•],

capitalised terms used herein shall have the same meaning ascribed to them under the Contract.

We hereby certify that, according to the outcome of the Technical Inspection performed on [•]:

- the Works have been carried out to the satisfaction of the Principal and the Technical Consultant and in accordance with all the provisions of the Contract and its Annexes and Electro-Mechanical Completion shall be deemed as achieved.

Hence, pursuant to Article [•] of the Contract, it is hereby certified the Technical Acceptance of the Plant.

Yours faithfully,

Date

Signature

ANNEX 12

Commencement of Operation Notice Model

[on the Contractor's headed paper]

Messrs *[Principal]*
Attention of **[•]**

c.c.
Messrs *[Works Manager]*
Attention of **[•]**

Messrs *[Technical Consultant]*
Attention of **[•]**

[Messrs [Bank]
Attention of **[•]**]

Object: Turnkey Engineering, Procurement & Construction Contract entered into between [•] (the Principal) and [•] (the Contractor) on [•], concerning the photovoltaic plant in the Province of [] named [] (the Contract)

Dear **[•]**,

capitalised terms used herein shall have the same meaning ascribed to them under the Contract.

Pursuant to Article **[•]** of the Contract, we wish to inform you that, with reference to the Plant, the Commencement of Operation has been achieved on the date hereof in compliance with all the terms and conditions of the Contract and its Annexes.

To this extent, we attach hereto the documentation provided under Article **[•]** of the Contract and we hereby confirm to you that the Plant has been connected to the grid.

Yours faithfully,

Date

Signature

=====

ANNEX 13

Provisional Acceptance Certificate Model

[on the Principal's headed paper]

Messrs [Contractor]
Attention of [•]

c.c.
Messrs [Works Manager]
Attention of [•]

Messrs [Technical Consultant]
Attention of [•]

[Messrs [Bank]
Attention of [•]]

Object: Turnkey Engineering, Procurement & Construction Contract entered into between [•] (the Principal) and [•] (the Contractor) on [•], concerning the photovoltaic plant in the Province of [•] named [Plant's name] (the Contract)

Dear [•],

capitalised terms used herein shall have the same meaning ascribed to them under the Contract.

We hereby certify that Operational Inspection has been passed and:

- (a) the Plant is connected in parallel to the distributor's electricity grid;
- (b) all the meters required to calculate the energy produced, transferred or exchanged with the grid have been installed;
- (c) the Power Purchase Agreement is in force;
- (d) Incentive request has been sent to the GSE in compliance with the terms indicated in Decree and GSE has approved the Plant's admission to the Incentive pursuant to the Decree (*comunicazione della tariffa incentivante* by GSE);
- (e) all obligations related to the regulation of access to the grid have been performed.

Hence, pursuant to Article 12 of the Contract, it is hereby certified the Provisional Acceptance of the Plant.

Yours faithfully,
Date
Signature

=====

ANNEX 14

Incentive Acceptance Certificate Model

[on the Principal's headed paper]

Messrs [*Contractor*]
Attention of [•]

c.c.
Messrs [*Works Manager*]
Attention of [•]

Messrs [*Technical Consultant*]
Attention of [•]

[Messrs [*Bank*]
Attention of [•]]

Object: Turnkey Engineering, Procurement & Construction Contract entered into between [•] (the Principal) and [•] (the Contractor) on [•], concerning the photovoltaic plant in the Province of [•] named [*Plant's name*] (the Contract)

Dear [•],

capitalised terms used herein shall have the same meaning ascribed to them under the Contract.

We hereby certify that all the following conditions have taken place:

- PAC has been issued;
- Power Purchase Agreement is in force with reference to the collection of the electrical energy produced by the Plant;
- Incentive Agreement is entered into with GSE in compliance with the terms foreseen in Article 5, paragraph 4, of the Decree Law, together with all the documents foreseen by the AEEG Resolution 90/07 and the Principal has been informed about the Plant's admission to the incentive tariff foreseen by the Decree.

Hence, pursuant to Article [•] of the Contract, it is hereby certified the Incentive Acceptance Certificate.

Yours faithfully,

Date

Signature

ANNEX 15

Final Acceptance Certificate Model

[on the Principal's headed paper]

Messrs [*Contractor*]
Attention of [•]

c.c.
Messrs [*Works Manager*]
Attention of [•]

Messrs [*Technical Consultant*]
Attention of [•]

[Messrs [*Bank*]
Attention of [•]]

Object: Turnkey Engineering, Procurement & Construction Contract entered into between [•] (the Principal) and [•] (the Contractor) on [•], concerning the photovoltaic plant in the Province of [•] named [*Plant's name*] (the Contract)

Dear [•],

capitalised terms used herein shall have the same meaning ascribed to them under the Contract.

We hereby certify that, following issuance of IAC:

- the Plant has passed successfully the First and Second Reassessment Test and/or any related Performance Liquidated Damages have been paid by the Contractor.
- IAC has been issued;

Hence, pursuant to Article [12] of the Contract, it is hereby certified the Final Acceptance of the Plant.

Yours faithfully,

Date

Signature

ACQUAFRESCA BUILDING RIGHT AGREEMENT
English summary of Italian version¹

1. PRELIMINARY NOTE

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant (“**PV Plant**”) on the land (Municipality of Minervino Murge (BT), sheet 146, parcels 83, 85, 95, 96, 97, 271, 299) (the “**Land**”), on September 13, 2011 the company Murgia Solar S.r.l. entered into two definitive building right agreements (respectively “**Aquafresca-Carlone agreement**” and “**Pasquarelli-Lai agreement**”). The agreements have been executed in Andria (BT), authenticated by the Notary Salvatore Consolo, *Repertorio* no. 970/971, *Raccolta* no. 662/663, registered in Barletta and filed with the *Conservatoria dei Registri Immobiliari* on September 29, 2011.

Please note that the surface of the Land on which the building right has been set-up is bigger than the one on which the PV Plant has been built (i.e. parcels 96, 97, 271, 299, sheet 146). In order not to have the remaining part of the Land abandoned, Murgia Solar S.r.l. entered into a gratuitous lease agreement with the landowners, having as object the portion of Land which has not been used for the construction of the PV Plant (parcels 83, 85, 95, sheet 146).

On February 15, 2012 the portion of the Land on which the PV Plant has been built changed its registration number at the Cadastral Land Registry from parcels 96, 97, 271 and 299 to parcels 424, 425, 423 and 426. After that, on February 28, 2012, the PV Plant has been registered in the Cadastral Building Registry with the numbers 424 sub 1, 425 sub 1, 423 sub 1 and 426 sub 1.

¹ The original language version is on file with the Registrant and is available upon request.

2. MAIN CONTENT OF THE “ACQUAFRESCA-CARLONE” AGREEMENT

1 Execution date	September 13, 2011
2. Grantors	Mr. Savino Acquafresca and Mrs. Luigia Carlone
3 Grantee	Murgia Solar S.r.l.
4. Portion of the land	Municipality of Minervino Murge (BT), sheet 146, parcels 97, 271 and 299, size 1.37.64 hectares²
5. Duration	21 years (until September 12, 2032)
6. Extension and Renewal	Upon the expiry date, the building right may be renewed for further 4 years, and upon the expiry of the 4-year period above, for further 5 years, upon the Grantee's request to be made by means of 60 day prior notice by registered letter.
7. Consideration	<p>As consideration for the 21-year building right, the Grantee shall pay an overall amount of Euro 101,165.40 of which:</p> <ul style="list-style-type: none"> - Euro 15,435.00 to Mr. Savino Acquafresca; - Euro 51,258.90 to Mrs. Luigia Carlone; - Euro 34,471.50 to Mr. Savino Acquafresca and Mrs. Luigia Carlone. <p>The consideration shall be paid in 21 annual instalment equal to Euro 4,817.40 (of which Euro 735.00 to Mr. Savino Acquafresca, Euro 2,440.90 to Mrs. Luigia Carlone and Euro 1,641.50 to Mr. Savino Acquafresca and Luigia Carlone) by September 13 of each year. The payment is made in advance for the following year.</p> <p>The consideration for the 4-year and 5-year renewal shall be equal to 4,817.40 (of which Euro 735.00 to Mr. Savino Acquafresca, Euro 2,440.90 to Mrs. Luigia Carlone and Euro 1,641.50 to Mr. Savino Acquafresca and Luigia Carlone) increased by 100% of the previous year inflation national rate as resulting by official statistics.</p>
8. Consideration adjustment	The annual payment shall be adjusted each year by 100% of the previous year's inflation national rate as resulting by official statistics.
9. Withdrawal/Termination right (Grantee)	Starting from the date of execution, the Grantee shall be entitled to withdraw at any time before the expiry date of the agreement. The withdrawal shall be made by notarial deed and communicated to the Grantors by registered letter.

² Please note that Mr. Savino Acquafresca is owner of parcel 97, Mrs. Luigia Carlone is owner of parcel 271 and both Mr. Savino Acquafresca and Mrs. Luigia Carlone are co-owners of parcels 299.

10. Withdrawal/Termination right (Grantor)

The Grantors shall be entitled to terminate the building right agreement in case payment of the consideration is delayed for more than 3 months.

In the case of termination, the Grantors shall send a written notice to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantors of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantors shall be entitled to terminate the building right agreement only by way of judicial order and provided that the non-fulfilment has not been cured within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of the receipt by the Grantors of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term for payment (*decadenza del beneficio del termine*), or to terminate for breach of contract or to withdraw from the loan agreement.

11. Easements

The Grantors agree to grant and set-up all the easements necessary for the construction and operation of the PV Plant on any neighbouring lands owned by the Grantors.

12. Plant removal

Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expense.

Ownership of the PV Plant shall remain with the Grantee.

13. Assignment

The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising there from, sending the relevant notice to the Grantors.

14. Pre-emption

Should the Grantors decide to sell the Land, they shall send the Grantee notice indicating the terms and conditions for the sale. The Grantee shall be entitled to exercise a pre-emption right for the purchase of the Land by sending a letter within 60 days of receipt of the notice of sale.

15. Governing Law and Competent Court

Italian law applies. Exclusive jurisdiction of the court of Trani.

3. MAIN CONTENT OF THE “PASQUARELLI - LAI” AGREEMENT

1 Execution date	September 13, 2011
2. Grantors	Mr. Michele Pasquarelli and Mrs. Vannina Lai
3 Grantee	Murgia Solar S.r.l.
4. Portion of the land	Municipality of Minervino Murge (BT), sheet 146, parcels 83, 85, 95, 96, size 2.00.62 hectares.
5. Duration	21 years (until September 12, 2032)
6. Extension and Renewal	Upon the expiry date, the building right may be renewed for further 4 years, and upon the expiry of the 4-year period above, for further 5 years, upon the Grantee's request to be made by means of 60 day prior notice by registered letter.
7. Consideration	As consideration for the 21-year building right, the Grantee shall pay an overall amount of Euro 147,455.70, which shall be paid in 21 annual instalment of Euro 7,021.70 by September 13 of each year. The payment is made in advance for the following year. The consideration for the 4-year and 5-year renewal shall be equal to 7,021.70) increased by 100% of the previous year inflation national rate as resulting by official statistics.
8. Consideration adjustment	The annual payment shall be adjusted each year by 100% of the previous year's inflation national rate as resulting by official statistics.
9. Gratuitous lease agreement	The Parties entered into a gratuitous lease agreement having as object parcels 83, 85 and 95, sheet 146, size 1.39.81 hectares, which has not been used for the construction of the PV Plant. The duration of the gratuitous lease agreement is 21 years and the Parties undertook to extend the same in the case of renewal of the building right.

10. Withdrawal/Termination right (Grantee)	Starting from the date of execution, the Grantee shall be entitled to withdraw at any time before the expiry date of the agreement. The withdrawal shall be made by notarial deed and communicated to the Grantors by registered letter.
11. Withdrawal/Termination right (Grantor)	<p>The Grantors shall be entitled to terminate the building right agreement in case payment of the consideration is delayed for more than 3 months.</p> <p>In the case of termination, the Grantors shall send a written notice to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantors of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantors shall be entitled to terminate the building right agreement only by way of judicial order and provided that the non-fulfilment has not been cured within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of the receipt by the Grantors of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term for payment (<i>decadenza del beneficio del termine</i>), or to terminate for breach of contract or to withdraw from the loan agreement.</p>
12. Easements	The Grantors agree to grant and set-up all the easements necessary for the construction and operation of the PV Plant on any neighbouring lands owned by the Grantors.
13. Plant removal	<p>Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expense.</p> <p>Ownership of the PV Plant shall remain with the Grantee.</p>
14. Assignment	The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising there from, sending the relevant notice to the Grantors.
15. Pre-emption	Should the Grantors decide to sell the Land, they shall send to the Grantee notice indicating the terms and conditions for the sale. The Grantee shall be entitled to exercise a pre-emption right for the purchase of the Land by sending a letter within 60 days of receipt of the notice of sale.
16. Governing Law and Competent Court	Italian law applies. Exclusive jurisdiction of the court of Trani.

D'ANGELLA BUILDING RIGHT AGREEMENT**English summary of Italian version¹****1. PRELIMINARY NOTE**

The building (*superficie*) right, regulated by article 952 of the Italian Civil Code, is particularly appropriate for the construction of photovoltaic plants, as it allows the grantee of the building right to be owner of the plant whereas the title of the land remains with the grantor.

For the construction and the maintenance of the photovoltaic plant ("**PV Plant**") on the land (Municipality of Minervino Murge (BT), sheet 131, parcels 43, 46, 47, 48, 96, 102, 105, 111, 112, 166) (the "**Land**"), on August 4, 2011 the company Luma Solar S.r.l. entered into a definitive building right agreement. The agreement has been executed in Andria (BT), authenticated by the Notary Salvatore Consolo, *Repertorio* no. 937, *Raccolta* no. 638, registered in Barletta and filed with the *Conservatoria dei Registri Immobiliari* on August 8, 2011.

The above mentioned agreement has been amended by means of a deed authenticated by the Notary Salvatore Consolo, *Repertorio* no. 968, *Raccolta* no. 660, registered in Barletta and filed with the *Conservatoria dei Registri Immobiliari* on September 27, 2011.

Please note that the surface of the Land on which the building right has been set-up is bigger than the one on which the PV Plant has been built (i.e. parcels 46, 47, 48, 166, sheet 131). In order not to have the remaining part of the Land abandoned, Luma Solar S.r.l. entered into a gratuitous lease agreement with the landowners, having as object the portion of Land which has not been used for the construction of the PV Plant (i.e. parcels 43, 96, 102, 105, 111 and 112, sheet 131).

On February 14, 2012 the portion of the Land on which the PV Plant has been built changed its registration number at the Cadastral Land Registry from parcels 46, 47, 48 and 166 to parcels 204 and 198. After that, on February 23, 2012, the PV Plant has been registered in the Cadastral Building Registry with the numbers 204 sub 1 and 198 sub 1.

¹ The original language version is on file with the Registrant and is available upon request.

2. MAIN CONTENT OF THE AMENDED AGREEMENT

1 Execution date	August 4, 2011
2. Grantors	Mr. Vincenzo D'Angella and Mrs. Francesca Vurro
3 Grantee	Luma Solar S.r.l.
4. Portion of the land	Municipality of Minervino Murge (BT), sheet 131, parcels 43, 46, 47, 48, 96, 102, 105, 111, 112, 166, size 3.79.57 hectares² .
5. Duration	21 years (until August 4, 2032)
6. Extension and Renewal	Upon the expiry date, the building right may be renewed for further 4 years, and upon the expiry of the 4-year period above, for further 5 years, upon the Grantee's request to be made by means of 60 days prior notice by registered letter.
7. Consideration	<p>As consideration for the 21-year building right, the Grantee shall pay an overall amount of Euro 278,983.95 of which:</p> <ul style="list-style-type: none"> - Euro 37,668.71 to Mr. Vincenzo D'Angella; - Euro 241,314.94 to Mr. Vincenzo D'Angella and Mrs. Francesca Vurro. <p>The consideration shall be paid in 21 annual instalments equal to Euro 13,284.95 (of which Euro 1,793.75 to Mr. Vincenzo D'Angella and Euro 11,491.20 to both Vincenzo D'Angella and Mrs. Francesca Vurro) by August 5 of each year. The payment is made in advance for the following year.</p> <p>The consideration for the 4-year and 5-year renewal shall be equal to 13,284.950 (of which Euro 1,793.75 to Mr. Vincenzo D'Angella and Euro 11,491.20 to both Vincenzo D'Angella and Mrs. Francesca Vurro) increased by 100% of the previous year inflation national rate as resulting by official statistics.</p>
8. Consideration adjustment	Starting from the second yearly instalment (August 5, 2012) the annual payment shall be adjusted each year by 100% of the previous year's inflation national rate as resulting by official statistics.
9. Gratuitous lease agreement	The Parties entered into a gratuitous lease agreement having as object parcels 43, 96, 102, 105, 111 and 112, size 1.39.81 hectares, which has not been used for the construction of the PV Plant. The duration of the gratuitous lease agreement is 21 year and the Parties undertook to extend the same in the case of renewal of the building right.

² Please note that Mr. Vincenzo D'Angella is the sole owner of parcels 48, 111 and 112, while both Mr. Vincenzo D'Angella and Mrs. Francesca Vurro are co-owners of parcels 43, 46, 47, 96, 102, 105, 166.

10. Withdrawal/Termination right (Grantee)	Starting from the date of execution, the Grantee shall be entitled to withdraw at any time before the expiry date of the agreement. The withdrawal shall be made by notarial deed and communicated to the Grantors by registered letter.
11. Withdrawal/Termination right (Grantor)	<p>The Grantors shall be entitled to terminate the building right agreement in case payment of the consideration is delayed for more than 3 months.</p> <p>In the case of termination, the Grantors shall send a written notice to the Grantee and to the financing entity indicated by the Grantee. Within 60 days of receipt of the abovementioned notice, the financing entity shall be entitled to (i) appoint a third party that will replace the Grantee in the agreement, or (ii) to inform the Grantors of its intention to cure, directly or through the Grantee, the breach of contract giving rise to the termination. In such events, the Grantors shall be entitled to terminate the building right agreement only by way of judicial order and provided that the non-fulfilment has not been cured the within 60 days of the appointment of the third party replacing the Grantee or, as the case may be, of the receipt by the Grantors of the financing entity's notice. Regardless of any breach of contract by the Grantee, the financing entity shall have the faculty to appoint a third party replacing the Grantee in the event the financing entity has informed the Grantee of its intention to declare the Grantee forfeited from the term for payment (<i>decadenza del beneficio del termine</i>), or to terminate for breach of contract or to withdraw from the loan agreement.</p>
12. Easements	The Grantors agree to grant and set-up all the easements necessary for the construction and operation of the PV Plant on any neighbouring lands owned by the Grantors.
13. Plant removal	<p>Within 6 months following the expiry of the building right, the Grantee shall remove the PV Plant at its own expense.</p> <p>Ownership of the PV Plant shall remain with the Grantee.</p>

14. Assignment	The Grantee shall be entitled, at any time whatsoever, to assign the building right agreement to third parties and/or the rights and obligations arising there from, sending the relevant notice to the Grantors.
15. Pre-emption	Should the Grantors decide to sell the Land, they shall send the Grantee notice indicating the terms and conditions for the sale. The Grantee shall be entitled to exercise a pre-emption right for the purchase of the Land by sending a letter within 60 days of receipt of the notice of sale.
16. Governing Law and Competent Court	Italian law applies. Exclusive jurisdiction of the court of Trani.

SOLAR PHOTOVOLTAIC PLANT LA RINCONADA (CÓRDOBA, SPAIN)
SURFACE RIGHT OVER THE PROPERTY WHERE THE PLANT IS LOCATED
ENGLISH SUMMARY OF THE SPANISH VERSION¹

1. PRELIMINARY NOTE

Ellomay has acquired a solar photovoltaic plant called “La Rinconada II”, with an installed capacity of 1.89 MW and located in the Municipality of Córdoba, Spain (the “**Plant**”).

The site where the Plant is located consists of a portion of land with a surface area of 81,103 m² (the “**Site**”) within a rural property identified by the Cadastre as rural cadastral plot 12 of rural cadastral area 69 in Córdoba, with cadastral reference 14900A069000120000FK, and registered with the Land Registry number 3 of Córdoba at volume 2,070, book 343, folio 33, registered property 11,000 (the “**Property**”). The Property is owned by the following related individuals:

- Mr. Eloy Martínez Sagrera;
- Ms. Irene Muñoz Sagrera;
- Ms. Irene Martínez Muñoz;
- Ms. María del Carmen Martínez Muñoz;
- Mr. Eloy Jesús Martínez Muñoz;
- Ms. María Asunción Martínez Muñoz; and
- Ms. Rosa Martínez Sagrera.

The former indirect owners of the Plant entered into private agreements with the owners of the Property in order to construct and operate the Plant. In any event, the rights of the former owners of the Plant over the Property were not registered with the Land Registry.

These former agreements have been terminated and Ellomay Spain, S.L. and the owners of the Property have entered into a public deed of surface right on March 12, 2012 in front of a notary public in Madrid, Spain. Due to the lack of time, the representative of the owners was a verbally appointed attorney (*mandatario verbal*). Therefore, the public deed needs to be confirmed by the owners in Córdoba. Said confirmation took place on March 26, 2012 before the Notary Public of Córdoba, Mr. Pedro Velamazán Perdomo. The Notary Public of Córdoba has requested the corresponding Land Registrar of Córdoba to register the surface right with the Land Registry.

¹ The original language version is on file with the Registrant and is available upon request.

The surface right is foreseen in Article 40 of the Spanish Royal Legislative Decree 2/2008, dated June 20, 2008, on approval of the Act on Land.

The surface right entitles the tenant the authority to erect any constructions or buildings either under or above ground on land owned by third parties and to hold temporary title to any such constructions or buildings, or in respect of constructions or buildings already completed, thereby allocating the tenant temporary title thereto, without prejudice to the landowner's separate title over the land.

Additionally, any surface right shall only be valid when entered into a public deed and registered with the Land Registry.

2. MAIN CONTENT OF THE PUBLIC DEED OF SURFACE RIGHT

1 Execution date	March 12, 2012.
	Confirmation of the public deed by the owners of the Property will took place on March 26, 2012.
	Registration of the surface area with the Land Registry is pending.
2. Landowners	-Mr. Eloy Martínez Sagrera; -Ms. Irene Muñoz Sagrera; -Ms. Irene Martínez Muñoz; -Ms. María del Carmen Martínez Muñoz; -Mr. Eloy Jesús Martínez Muñoz; -Ms. María Asunción Martínez Muñoz; and -Ms. Rosa Martínez Sagrera.
3. Tenant	Ellomay Spain, S.L.
4. Portion of the land	Portion of land with a surface area of 81,103 m ² within a rural property identified by the Cadastre as rural cadastral plot 12 of rural cadastral area 69 in Córdoba, with cadastral reference 14900A069000120000FK, and registered with the Land Registry number 3 of Córdoba at volume 2,070, book 343, folio 33, registered property 11,000.
5. Term	25 years commencing May 27, 2010.
6. Extension and Renewal	The tenant is entitled to request to extend or shorten the original term of 25 years in the event of a change of law related with the maximum term of the feed in tariff of the Plant. Additionally, by mutual agreement, both parties are entitled to extend the original term of 25 years for additional terms from 1 to 3 years.
7. Annual Rent	Annual rent (canon) of Euro 24,330.9 + VAT paid in four installments within 5 days of the end of each quarter.
8. Withdrawal/Termination (tenant)	right The tenant is entitled to early termination of the surface right, among others, in the event of change of law related with the economic regime of the Plant (i.e. amount of feed in tariff to which the titleholder of the Plant is entitled).
9. Withdrawal/Termination (landowners)	right The landowners are entitled to early termination of the surface right, among others, in the event of default on payment of two quarterly installments, whether consecutive or not.
10. Easements	Along with the surface right, the owners grant an easement of pass in favor of the tenant for the access to the Site and the Plant.
11. Plant removal	Upon termination of the surface right, the tenant is obliged to remove the Plant from the Property within 6 months as from the date of expiry of the surface right.
12. Assignment	The tenant is entitled to assign the surface right to any partner or any company of its group but only for the remaining term of the surface right.
13. Governing Law and Competent Court	Spanish legislation. Courts and Tribunals of Córdoba (Spain).

ELLOMAY CAPITAL LTD.

List of Subsidiaries as of December 31, 2012

Name of Subsidiary	Percentage of Ownership	Jurisdiction of Incorporation
Ellomay Clean Energy Ltd.	100%	Israel
Ellomay Clean Energy LP	100%	Israel
Ellomay Luxembourg Holdings S.à.r.l.	100%	Luxembourg
Ellomay PV One S.r.l.	100% ¹	Italy
Ellomay PV Two S.r.l.	100% ¹	Italy
Ellomay PV Five S.r.l.	100% ¹	Italy
Ellomay PV Six S.r.l.	100% ¹	Italy
Ellomay PV Seven S.r.l. (formerly Energy Resources Galatina S.r.l.)	100% ¹	Italy
Pedale S.r.l.	100% ¹	Italy
Luma Solar S.r.l.	100% ¹	Italy
Murgia Solar S.r.l.	100% ¹	Italy
Ellomay Spain S.L. ²	85% ¹	Spain

1. Held by Ellomay Luxembourg Holdings S.à.r.l.
2. Ellomay Spain owns 21 Spanish companies, each holding a 90 kW solar installation portion of the Riconada II, the first named Energía Solar Fotovoltaica Parque 15, S.L. and the others bear a similar name with references to different numbers (16-34 and 69).

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.

I, Ran Fridrich, certify that:

1. I have reviewed this annual report on Form 20-F of Ellomay Capital Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 25, 2013

/s/ Ran Fridrich
Ran Fridrich
Chief Executive Officer

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.

I, Kalia Weintraub, certify that:

1. I have reviewed this annual report on Form 20-F of Ellomay Capital Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 25, 2013

/s/ Kalia Weintraub

Kalia Weintraub
Chief Financial Officer

Certification Pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

In connection with the Annual Report on Form 20-F of Ellomay Capital Ltd. (the “Company”) for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officers of the Company hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- A) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- B) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ran Fridrich
Ran Fridrich
Chief Executive Officer

/s/ Kalia Weintraub
Kalia Weintraub
Chief Financial Officer

Date: March 25, 2013

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Ellomay Capital Ltd.:

We consent to the incorporation by reference in the registration statements (Nos. 333-102288 and 333-92491) on Form S-8 and (No. 333-144171) on Form F-3 of Ellomay Capital Ltd. of our report dated March 25, 2013, with respect to the consolidated statements of financial position of Ellomay Capital Ltd. as of December 31, 2012 and 2011 and the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for each of the years in the two-year period ended December 31, 2012 which report appears in the December 31, 2012 annual report on Form 20-F of Ellomay Capital Ltd.

/s/ Somekh Chaikin
Somekh Chaikin
Certified Public Accountants (Isr).
Member firm of KPMG International

Tel-Aviv, Israel
March 25, 2013

[BDO Auditores S.L. letterhead]

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-102288 and 333-92491) pertaining to the Employee Stock Option plans of Ellomay Capital Ltd. (the “Company”) and Form F-3 (File No. 333-144171) of the Company of our report dated March 22, 2013 with respect to the financial statements of Ellomay Spain S.L. included in the Annual Report on Form 20-F of the Company for the year ended December 31, 2012.

/s/ BDO Auditores S.L.

BDO Auditores S.L.
Certified Public Accountants
Madrid, Spain
March 22, 2013

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-102288 and 333-92491) pertaining to the Stock Option plans of Ellomay Capital Ltd. and on Form F-3 (File No. 333-144171) of Ellomay Capital Ltd. and in the related Prospectuses of our report dated April 14, 2011, with respect to the consolidated financial statements of Ellomay Capital Ltd. and its subsidiaries included in this Annual Report on Form 20-F for the year ended December 31, 2012.

Tel Aviv, Israel
March 25, 2013

/s/ Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of March 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF EXHIBIT 1 TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On March 25, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Announces Filing of its Annual Report on Form 20-F for 2012." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich

Ran Fridrich

Chief Executive Officer and Director

Dated: March 25, 2013



Ellomay Capital Announces Filing of its Annual Report on Form 20-F for 2012

Tel-Aviv, Israel, March 25, 2013 – **Ellomay Capital Ltd.** (NYSE MKT: ELLO) (“**Ellomay**” or the “**Company**”), today announced the filing of its Annual Report on Form 20-F for the year ended December 31, 2012 with the Securities and Exchange Commission (“SEC”). A copy of the Annual Report on Form 20-F is available to be viewed and downloaded from the Investor Relations section of Ellomay’s website at <http://www.ellomay.com>. The Company will provide a hard copy of the Annual Report on Form 20-F, including the Company’s complete audited financial statements, free of charge to its shareholders upon request.

About Ellomay Capital

Ellomay Capital is an Israeli public company whose shares are listed on the NYSE MKT, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay Capital’s assets include ten photovoltaic plants in Italy with an aggregate capacity of approximately 10.8 MW, 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel’s largest private power plant, which is currently under construction and is expected to have an aggregate capacity of approximately 800MW (representing approximately 8% of Israel’s current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding our plans and objectives of management are forward-looking statements. The use of certain words, including the words “plan,” “estimate,” “project,” “intend,” “expect,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by our forward-looking statements, including regulatory changes in Italy and Spain, technical and other interferences with the operation of our PV plants and delays in the construction of the Dorad power plant. These and other risks and uncertainties associated with our business are described in greater detail in the filings we make from time to time with Securities and Exchange Commission, including our Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Kalia Weintraub
CFO
Tel: +972 (3) 797-1111
Email: kaliaw@ellomay.com

S-8 1 s809220_03262013.htm S - 8

As filed with the Securities and Exchange Commission on March 26, 2013

Registration No. 333-_____

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ELLOMAY CAPITAL LTD.

(Exact name of registrant as specified in its charter)

Israel
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

**9 Rothschild Boulevard
Tel Aviv, Israel
+972-3-7971111**
(Address and Telephone Number of Principal Executive Offices)

**Ellomay Capital Ltd. 1998 Share Option Plan for Non-Employee Directors and
Ellomay Capital Ltd. 2000 Stock Option Plan**
(Full title of the plans)

**CT Corporation System
111 Eighth Avenue
13th Floor
New York, NY 10011**
(Name and address of agent for service)

(212) 894-8940
(Telephone number, including area code, of agent for service)

Copies to:

**Kenneth A. Schlesinger, Esq.
OLSHAN FROME WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Tel: 212.451.2300 Fax: 212.451.2222**

**Ephraim Abramson, Adv.
Abramson & Co., Law Offices
2 Beitar St.
Jerusalem 93386
ISRAEL
Tel: +972-2-5654000 Fax: +972-2-5654001**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting
company ☐

(Do not check if a
smaller
reporting company)

CALCULATION OF REGISTRATION FEE

Title of Securities to Be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary, NIS 10.00 nominal value per share	631,895 shares	\$ 7.35 ⁽²⁾	\$ 4,644,428.25 ⁽²⁾	\$ 633.5
Ordinary shares, NIS 10.00 nominal value per share	2,919 shares	\$ 5.24 ⁽³⁾	\$ 15,295.56 ⁽³⁾	\$ 2.09
Total ordinary shares, NIS 10.00 nominal value per share	634,814 shares		\$ 4,659,723.81	\$ 635.59

- (1) As described in the Explanatory Note in this registration statement, the number of ordinary shares, nominal value NIS 10.00 per share, or Ordinary Shares registered hereby consists of (i) 562,355 Ordinary Shares being registered for the first time pursuant to the Ellomay Capital Ltd., or the Registrant, 1998 Share Option Plan for Non-Employee Directors, or the 1998 Plan, and 2000 Stock Option Plan, or the 2000 Plan plus (b) 72,459 Ordinary Shares, or the Carryover Shares, that were previously registered under the Registrant's 1995 Flexible Stock Incentive Plan, or the 1995 Plan, and the Registrant's 1997 Stock Option Plan, or the 1997 Plan, on Form S-8, filed with the Securities and Exchange Commission on December 10, 1999 (Registration Statement No. 333-92491), or the 1999 Form S-8. A post-effective amendment to the 1999 Form S-8 to deregister the Carryover Shares is being filed contemporaneously with the filing of this registration statement. Pursuant to Rule 416, this Registration Statement shall also be deemed to cover an indeterminate number of additional ordinary shares issuable pursuant to the anti-dilution provisions of the Plans, such as in the event the number of outstanding shares of the Registrant is increased by stock split, stock divided and/or similar transactions.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h)(1) and (c) under the Securities Act of 1933, as amended, on the basis of the average of the high and low prices of the Registrant's ordinary shares on the NYSE MKT on March 20, 2013 (which date is within 5 business days prior to the date of the filing of this Registration Statement).
- (3) Pursuant to Rule 457(c) and (h) under the Securities Act of 1933, as amended, in the case of Ordinary Shares purchasable upon exercise of outstanding options, the proposed maximum offering price is the exercise price provided for in the relevant option.

EXPLANATORY NOTE

This Registration Statement is filed by Ellomay Capital Ltd., or the Registrant, for the purpose of registering: (i) an additional 50,000 ordinary shares, par value NIS 10.00 per share, or Ordinary Shares, all of which are reserved for issuance under the Registrant's 1998 Share Option Plan for Non-Employee Directors, or the 1998 Plan, and (ii) an additional 584,814 Ordinary Shares (including the Carryover Shares), all of which are reserved for issuance under the Registrant's 2000 Stock Option Plan, or the 2000 Plan.

In October 2005, the Registrant's shareholders approved an amendment of the 1998 Plan to increase the number of Ordinary Shares authorized for issuance by 50,000 from 25,000 to 75,000.

In November 2003, the Registrant's shareholders approved an amendment of the 2000 Plan to increase the number of Ordinary Shares authorized for issuance by 49,759 shares, the aggregate amount of Ordinary Shares that were then available for grant under the 1995 Plan and the 1997 Plan, increasing the number of Ordinary Shares authorized for issuance from 200,000 to 249,759. In October 2004, the Registrant's shareholders approved an amendment of the 2000 Plan to increase the number of Ordinary Shares authorized for issuance by 50,000 from 249,759 to 299,759. In October 2005, the Registrant's shareholders approved an additional increase in the number of Ordinary Shares authorized for issuance under the 2000 Plan by 1,450,000, from 299,759 to 1,749,759 and by the number of Ordinary Shares underlying options surrendered (except in the case of surrender for the exercise into shares) or which cease to be exercisable under the 1995 Plan and the 1997 Plan, resulting in an increase in the number of Ordinary Shares authorized for issuance under the 2000 Plan by 22,700 from 1,749,759 to 1,772,459. In connection with the sale of the Registrant's business to Hewlett Packard Company on February 29, 2008, in July 2008 the Registrant purchased and cancelled 987,645 outstanding options granted under the 2000 Plan, decreasing the number of Ordinary Shares authorized for issuance under the 2000 Plan from 1,772,459 to 784,814.

The original expiration date of the 1998 Plan pursuant to its terms was December 8, 2008 (10 years after its adoption). At the general meeting of the Registrant's shareholders, held on January 31, 2008, the term of the 1998 Plan was extended and as a result it will expire on December 8, 2018, unless earlier terminated by the Registrant's board of directors. The original expiration date of the 2000 Plan pursuant to its terms was August 31, 2008, unless previously terminated or extended by the Registrant's board of directors. At the board of directors meeting held on June 23, 2008, the Registrant's board of directors resolved to extend the term of the 2000 Plan until August 31, 2018.

In accordance with the provisions of General Instruction E to Form S-8, the contents of the Registrant's Registration Statements on Form S-8 (Registration No. 333-92491 (filed December 10, 1999) and Registration No. 333-102288 (filed December 31, 2002)) are incorporated herein by reference and the information required by Part II is omitted, except as supplemented by the information set forth below.

On June 9, 2011, the Registrant effected a one-for-ten reverse split of its ordinary shares, or the Reverse Split. All share prices and amounts of Ordinary Shares set forth in this Registration Statement are adjusted to account for the Reverse Split.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Registrant with the Securities Exchange Commission, or the Commission, pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act, (Commission File No. 001-35284), are incorporated herein by reference:

- (a) The Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2012 filed with the Commission on March 25, 2013;
- (b) The Registrant's Reports of Foreign Private Issuer on Form 6-K submitted to the Commission on January 29, 2013 and March 25, 2013.
- (c) The description of the Registrant's ordinary shares contained in the registration statements under the Exchange Act on Form 8-A as filed with the Commission on August 18, 2011 and including any subsequent amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, and all Reports on Form 6-K submitted to the Commission subsequent to the date hereof, to the extent that such Reports indicate that information therein is incorporated by reference into the Registrant's Registration Statements on Form S-8, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part of this Registration Statement from the date of filing of such documents.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers.

Consistent with and subject to the provisions of the Israeli Companies Law, 1999, or the Companies Law, our Second Amendment and Restated Articles, or, as amended, the Articles, permit us to procure insurance coverage for our office holders, exempt them from certain liabilities and indemnify them, to the fullest extent permitted by law. An "office holder" is defined under the Companies Law as a general manager, chief business manager, vice general manager, any other person assuming the responsibilities of any of the foregoing positions without regard to such person's title, and a director, or manager directly subordinate to the general manager.

A recent amendment to the Israeli Securities Law, 5728-1968, or the Securities Law, and a corresponding amendment to the Companies Law, authorize the Israeli Securities Authority to impose administrative sanctions against companies and their office holders for certain violations of the Israeli Securities Law or the Companies Law.

These sanctions include monetary sanctions and certain restrictions on serving as a director or senior officer of a public company for certain periods of time. The maximum amount of the monetary sanctions that could be imposed upon individuals is a fine of NIS 1,000,000 (equivalent to approximately US\$268,601), plus payments to persons who suffered damages as a result of the violation in an amount equal to the higher of: (i) compensation for damages suffered by all injured persons, up to 20% of the fine imposed on the violator, or (ii) the amount of profits earned or losses avoided by the violator as a result of the violation, up to the amount of the applicable monetary sanction.

The aforementioned amendments to the Companies Law and the Securities Law generally provide that a company cannot indemnify or provide liability insurance to cover monetary sanctions. However, these amendments do permit reimbursement by indemnification and insurance of specific liabilities. Specifically, legal expenses (including attorneys' fees) incurred by an individual in the applicable administrative enforcement proceeding and any compensation payable to injured parties for damages suffered by them as described in clause (i) of the immediately preceding paragraph are permitted to be reimbursed via indemnification or insurance, provided that such reimbursements are permitted by the company's articles of association. At our shareholders meeting held on June 20, 2012, our shareholders approved amendments to our Articles to permit us to indemnify and insure the liability of our office holder to the fullest extent permitted by the new amendments to the Companies Law and the Securities Law.

Indemnification

As permitted by the Companies Law, our Articles provide that we may indemnify an office holder in respect of a liability or expense which is imposed on him or incurred by him as a result of an action taken in his capacity as an office holder of the Company in connection with the following: (a) monetary liability imposed on him in favor of a third party by a judgment, including a settlement or a decision of an arbitrator which is given the force of a judgment by court order, (b) reasonable litigation expenses, including legal fees, incurred by the office holder as a result of an investigation or proceeding instituted against such office holder by a competent authority, which investigation or proceeding has ended without the filing of an indictment or in the imposition of financial liability in lieu of a criminal proceeding, or has ended in the imposition of a financial obligation in lieu of a criminal proceeding for an offence that does not require proof of criminal intent or in connection with an administrative enforcement proceeding or a financial sanction (without derogating from the generality of the foregoing, such expenses will include a payment imposed on the office holder in favor of an injured party as set forth in Section 52[54](a)(1)(a) of the Securities Law, and expenses that the office holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees), and (c) reasonable litigation expenses, including legal fees, which the office holder has incurred or is obliged to pay by the court in proceedings commenced against him by the Company or in its name or by any other person, or pursuant to criminal charges of which he is acquitted or criminal charges pursuant to which he is convicted of an offence which does not require proof of criminal intent. Our Articles authorize us, from time to time and subject to any provision of the law, to undertake in advance to indemnify an office holder for any of the following: (i) any liability as set out in (a) above, provided that the undertaking to indemnify is limited to the classes of events which in the opinion of our Board can be anticipated in light of our activities at the time of giving the indemnification undertaking, and for an amount and/or criteria which our Board has determined are reasonable in the circumstances and, the events and the amounts or criteria that our Board deem reasonable in the circumstances at the time of giving of the undertaking are stated in the undertaking; or (ii) any liability stated in (b) or (c) above. Our Articles also authorize us to indemnify an office holder after the occurrence of the event which is the subject of the indemnity and with respect to any matter permitted by applicable law.

At the annual shareholders meeting held on June 20, 2012, our shareholders authorized us to revise the indemnification and insurance provisions of our Articles to reflect recent amendments to the Companies Law and Securities Law and further authorized us, following the approval of our Audit Committee and Board, to provide indemnification undertakings to each of our current and future directors and officers that reflect the revisions to the Articles. Such approval also included the requisite majority required to approve the provision of indemnification undertakings to our Board members who are also deemed to be "controlling shareholders," Messrs. Nehama, Fridrich and Raphael.

The indemnification undertaking is limited to certain categories of events and the aggregate indemnification amount that we shall pay (in addition to sums payable by insurance companies) for monetary liabilities imposed on, or incurred by, the director or officer pursuant to all the indemnification undertakings issued by us to our directors and officers, may not exceed an amount equal to the higher of: (i) fifty percent (50%) of our net equity at the time of indemnification, as reflected on our most recent financial statements at such time, or (ii) our annual revenue in the year prior to the time of indemnification.

In such indemnification agreements, we also, among other things, undertake to (i) produce collateral, security, bond or any other guarantee that the director or officer may be required to produce as a result of any interim legal procedure (other than criminal procedures involving the proof of criminal thought), all up to the maximum indemnification amount set forth above; and (ii) maintain a liability insurance policy with a reputable insurer to the extent permitted by the Companies Law, for all of our directors and officers, in a total amount of not less than \$10 million during the period the recipient of the indemnity undertaking serves as a member of our board of directors or as an officer and for a period of seven years thereafter.

Based on the approvals of our Audit Committee, Board and shareholders, any of our future directors shall also receive such indemnification agreement.

Exemption

Under the Companies Law, an Israeli company may not exempt an office holder from liability for a breach of his duty of loyalty, but may exempt in advance an office holder from his liability to the company, in whole or in part, for a breach of his duty of care, provided that in no event shall a director be exempt from any liability for damages caused as a result of a breach of his duty of care to the company in the event of a "distribution" (as defined in the Companies Law). Our Articles authorize us to, subject to the provisions of the Companies Law, exempt an office holder from all or part of such office holder's responsibility or liability for damages caused to us due to any breach of such office holder's duty of care towards us.

At the annual shareholders meeting held on October 27, 2004, our shareholders authorized us to exempt our directors and officers in advance from liability to us, in whole or in part, for a breach of the duty of care. The form of exemption letter was approved at the annual shareholders meeting held on October 27, 2005 and amendments were approved at the annual shareholders meeting held on December 30, 2009. We have extended such exemption letters to all our directors and some officers. With respect to our directors, Shlomo Nehama, Ran Fridrich and Hemi Raphael, special shareholder approval was sought and received, as they are deemed to be "controlling shareholders" and further approval and ratification of the exemption to such directors was received in our annual shareholder meeting held on June 20, 2012. Based on the approvals of our Audit Committee, Board and shareholders, any of our future directors shall also receive such exemption letter.

Insurance

As permitted by the Companies Law, our Articles provide that we may enter into an agreement for the insurance of the liability of an office holder, in whole or in part, with respect to any liability which may be imposed upon such office holder as a result of an act performed by same office holder in his capacity as an office holder of the Company, for any of the following: (a) a breach of a cautionary duty toward the Company or toward another person; (b) a breach of a fiduciary duty toward the Company, provided the office holder acted in good faith and has had reasonable ground to assume that the act would not be detrimental to the Company; (c) a monetary liability imposed upon an office holder toward another; and (d) reasonable litigation expenses, including attorney fees, incurred by the office holder as a result of an administrative enforcement proceeding instituted against him (without derogating from the generality of the foregoing, such expenses will include a payment imposed on the office holder in favor of an injured party as set forth in Section 52[54](a)(1)(a) of the Securities Law and expenses that the office holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees). Our Articles further permit us to enter into such an agreement with respect to any other matter in respect of which it is permitted or will be permitted under applicable law to insure the liability of an office holder in the Company.

As stated above, in the indemnification undertakings recently approved by our Audit Committee, Board and shareholders and provided to our directors and officers, we have undertaken to maintain a liability insurance policy with a reputable insurer to the extent permitted by the Companies Law, for all of our directors and officers, in a total amount of not less than \$10 million during the period the recipient of the indemnity undertaking serves as a member of our board of directors or as an officer, and for a period of seven years thereafter. Based on such undertaking, we have obtained directors' and officers' liability insurance covering our directors and officers.

Limitations on Indemnification, Exemption and Insurance

The Companies Law provides that a company may not exempt or indemnify an office holder nor enter into an insurance contract which would provide coverage for liability incurred as a result of any of the following: (a) a breach by the office holder of his or her duty of loyalty (however, a company may insure and indemnify against such breach if the office acted in good faith and had reasonable cause to assume that his act would not prejudice the company's interests); (b) a breach by the office holder of his or her duty of care if the breach was done intentionally or recklessly, unless made in negligence only; (c) any act of omission done with the intent to derive an illegal personal benefit; or (d) any fine, civil fine, monetary sanction or penalty levied against the office holder. According to the Securities Law, a company cannot insure or indemnify an office holder for an Administrative Enforcement procedure, regarding payments to victims of the infringement or for expenses expended by the officer with respect to certain proceedings held concerning him or her, including reasonable litigation expenses and legal fees.

Item 7. Exemption from Registration Claimed.

Not Applicable.

Item 8. Exhibits.

The Exhibit Index preceding the exhibits is incorporated by reference herein.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended, or the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration, by means of a post-effective amendment, any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Israel on the 25th day of March, 2013.

ELLOMAY CAPITAL LTD.

(Registrant)

By: */s/ Ran Fridrich*Ran Fridrich

Director and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ran Fridrich and Kalia Weintraub, and either of such persons acting alone, as his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this Registration Statement together with all schedules and exhibits thereto, (ii) act on, sign and file with the Securities and Exchange Commission any registration statement relating to this Offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, (iii) act on, sign and file with the Securities and Exchange Commission any exhibits to such registration statement or pre-effective or post-effective amendments, (iv) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (v) act on and file any supplement to any reoffer prospectus included in this registration statement or any such amendment and (vi) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or appropriate to be done (including with respect to any reoffer prospectus included in this registration statement), as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact, any of them or any of his, her or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title of Capacities	Date
<i>/s/ Shlomo Nehama</i> _____ Shlomo Nehama	Chairman of the Board of Directors	March 25, 2013
<i>/s/ Ran Fridrich</i> _____ Ran Fridrich	Director and Chief Executive Officer (Principal Executive Officer)	March 25, 2013
<i>/s/ Kalia Weintraub</i> _____ Kalia Weintraub	Chief Financial Officer (Principal Financial and Accounting Officer)	March 25, 2013
_____ Menahem Raphael	Director	March [], 2013
<i>/s/ Avita Leviant</i> _____ Anita Leviant	Director	March 25, 2013
<i>/s/ Oded Adselrod</i> _____ Oded Akselrod	Director	March 25, 2013

/s/ *Barry Ben Zeev*

Barry Ben Zeev

Director

March 25, 2013

/s/ *Mordechai Bignitz*

Mordechai Bignitz

Director

March 25, 2013

Authorized Representative in the U.S.:

CT Corporation System

By: /s/ Sandra Ortega
Name: Sandra Ortega
Title: Assistant Secretary
Date: March 22, 2013

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Name</u>
4.1	Memorandum of Association. ¹
4.2	Second Amended and Restated Articles. ¹
4.3	1998 Share Option Plan for Non-Employee Directors (as amended). ¹
4.4	2000 Stock Option Plan (as amended). ¹
5.1	Opinion of Ephraim Abramson & Co.
23.1	Consent of Somekh Chaikin.
23.2	Consent of BDO.
23.3	Consent of Kost Forer Gabbay & Kasierer.
23.4	Consent of Ephraim Abramson & Co. is included in Exhibit 5.1 to this Registration Statement.
24.1	Power of Attorney (included in signature page).

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- (1) Previously filed with the Commission on March 25, 2013 as exhibit to the Registrant's annual report on Form 20-F for the fiscal year ended December 31, 2012 and incorporated by reference herein.

[Incorporating changes through June 9, 2011]

THE COMPANIES ORDINANCE
A COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
ELLOMAY CAPITAL LTD.

1. The name of the Company is:

ELLOMAY CAPITAL LTD.
 2. The objects for which the Company was formed (state the main objects).
 - (a) Advertisement on outdoor boards.

Advertisement by means of computerized accessories.

Advertisement in points of sale such as stores, supermarkets and shopping malls.
 - (b) Manufacturing of computerized monitors on an international level.
 - (c) Selling patents in the field of outdoor advertisement.
 - (d) Development of sophisticated advertisement accessories.
 - (e) To manage any business of equity owners, property owners, concession owners, financiers, agents, delegates, brokers, representatives and contractors, to take upon itself, to manage and to execute any finance and investment business.
 - (f) To borrow, raise, secure the repayment of, any money, in such manner and on such terms and conditions as the Company may deem fit, and in particular – without derogating from the generality of the foregoing – by the issue of mortgages on its lands and other immovable properties and/or providing floating and/or fixed and special debentures and pledges and liens on any part of its lands and other assets, charged upon all or any of the property of the Company, present or future, and to repay, discharge or redeem any such mortgage, pledge or lien. The Company shall also be authorized to secure the repayment of monies it borrowed or will borrow by the issuance of debentures or series of debentures, new and otherwise, and to guarantee the repayment of such debentures by placing a charge of any kind, without any limitation, upon any part of the Company's lands and all other assets, in whole or in part, present and future, including unpaid capital, and to acquire, release and redeem any such debentures, series of debentures or charges.
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- (g) To lend money and to give advances or credit to, and to guarantee the debts and contracts of, such persons, firms and companies and on such terms and conditions as the Company may deem fit, and, in particular to customers and other persons having dealings with the Company, and to guarantee and be guarantor for such persons, firms or companies, and to accept from those to whom the Company shall lend money or give credit or guarantee all types of guarantees as the Company may deem fit, including – without limiting the generality of the foregoing – mortgages as well as pledges, charges, floating charges or security over any property of any kind, lands and chattels, and to release and surrender any such securities or redeem them on such terms as the Company may deem fit.
 - (h) To carry on the business of producing, manufacturing, working, improving, developing, importing, exporting, transportation, supply, marketing, distribution, trading, exploiting and dealing in technical and mechanical equipment, apparatus, tools, utensils, appurtenances, accessories, containers, packings, raw materials, products, good and materials, of all kinds and description and for any use whatsoever.
 - (i) To deal in any research, exploration and development of natural resources, and the exploitation thereof, to conduct researches with respect to this, and to establish, hold and operate institutions, experimental stations, laboratories and research associations.
 - (j) To carry on the business of transportation and moving and in any means of transportation or transportation of any kind and type.
 - (k) To apply for, purchase or otherwise acquire and obtain and register rights of use or inspection, to protect, extend and renew, in Israel or abroad, all kinds of patents, patent rights, brevet d'invention, licenses, protections, concessions (hereinafter – "patent rights") which may, in the opinion of the Company, be conducive to the interests of the Company, and to use patent rights and work in accordance therewith, to exploit the same in any manner, to enter into any agreement and do any act whatsoever in connection with patent rights; to sell and otherwise dispose of patent rights and to grant licenses and privileges in connection with the same.
 - (l) To engage in any scientific, technical, mechanical and other research work, experiments and tests, including for the purpose of improving or attempting to improve any invention and patent rights which the Company shall be entitled to, entitled to use or acquire or desire to acquire for itself.
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- (m) To apply for, obtain, acquire, maintain, exploit, sell, transfer in all parts of the world, patterns, processes, know-how, trade secrets, permits, licenses, rights of possession, concessions, tenements and any other rights, privileges and benefits of any kind which may entitle, authorize or assist the Company to carry on any of the businesses which it is authorized to carry on.
 - (n) To enter into any arrangements with any governments or authorities, whether central, municipal, local or otherwise, in all parts of the world, that may seem conducive to the objects of the Company, or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the Company may think desirable to obtain, exploit or perform.
 - (o) To adopt such means of making known the activities of the Company as may seem expedient, and, in particular, by advertising in the press, in the radio and in other ways, by circulars, by conducting exhibitions and advertising materials, and by granting prizes and grants.
 - (p) To purchase or otherwise acquire and undertake any business – whether as a going concern or otherwise – and any property, assets, good-will, rights and obligations of any person or company, if it may benefit the Company or advance any interests that is within the framework of the Company's objects.
 - (q) To establish and incorporate, or to participate in the establishment or incorporation of any company, so that such company shall acquire or undertake any or all of the assets, rights and liabilities of the Company, or for any other purpose which might, in the opinion of the Company, assist, directly or indirectly, the Company to advance any interest that is within any of the Company's objects.
 - (r) To amalgamate or merge with any company.
 - (s) To enter into partnership or any agreement for sharing of profits, combining of profits or cooperation with any person or company carrying on or entitled to carry on any business or businesses which the Company is entitled to carry on.
 - (t) To sell and transfer the enterprise of the Company, in whole or in part, for such consideration as the Company may deem fit, and, in particular, in consideration for shares, debentures or other securities, to another company with objects similar, in whole or in part, to the objects of this Company.
 - (u) To enter into any contract or agreement, and to execute any document, deed, contract or agreement, within the framework of the Company's objects.
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- (v) To insure the Company, its property, enterprises, plants and actions, in whole or in part, against any damages, loss, risk or liability.
- (w) To invest and deal with the monies of the Company not immediately required for its business in such manner as the Company may from time to time determine.
- (x) To distribute its assets, in whole or in part, among its members in specie; provided that such distribution would not cause a capital reduction not in accordance with the Companies Ordinance.
- (y) To provide pensions, grants and rewards to its employees and directors, or to persons who were its employees or directors, and to their family members, and to establish or support and assist with the opening of schools, educational or scientific institutions or commercial companies, whether related to the Company's objects or not at all related, and the Company may also establish and maintain any club or other establishment for the benefit of the Company's businesses or for the enjoyment of its employees and managers.
- (z) To act in order to attain any of the aforementioned objects, by virtue of this Memorandum of Association – to do such acts in Israel the Company is authorized – by virtue of the law, in any parts of the world, and to do in any country and place in the world, to perform and fulfill any commerce or business – that in the Company's opinion could assist in the advancement of any issue within the framework of any object of the Company's objects.
- (aa) To do all such actions related or connected to the objects included in this Memorandum of Association, explicitly or implicitly, or that may bring to the attainment of the above objects or any of them.
- (bb) To do all or any of the above actions, whether in Israel or outside of Israel in any part of the world, and either as principals, agents or trustees or otherwise, and either alone or in conjunction with others, and either by or through agents, contractors, trustees or otherwise.
- (cc) And it is hereby agreed and declared that in this Memorandum of Association the following expressions – whether appearing in the Memorandum of Association itself or in the Second Schedule to the Companies Ordinance¹ – shall have the following meanings:

“person” - includes company and corporation.

“company” or “corporation” – includes, unless it refers to this Company, any other company, cooperative society, any other society, body politic, public or juristic, association, partnership or body of persons, whether incorporated or not incorporated. “land”– includes any right or interest in or to land, whether registrable or not, buildings, plantations, and everything attached or affixed to and on land.

¹ Reference in this Memorandum to “the Second Schedule to the Companies Ordinance” is to the Second Schedule of the Companies Ordinance (New Version), 5743-1983.

(dd) And it is hereby further agreed and declared that, unless it is expressly otherwise stated in this Memorandum of Association, each of the objects and powers specified in each of the sub-clauses of this Clause, including, having regard to the provisions of this sub-clause in each of the clauses of the Second Schedule to the Companies Ordinance, is a main and independent object, and shall in no way be limited or restricted by any reference or inference from any other sub-clause of this clause or any clause of the Second Schedule to the Companies Ordinance, or by any reference to or inference from the name of the Company.

3. The liability of the members is limited.
4. The Company's share capital is NIS 170,000,000, divided into 17,000,000 ordinary shares of nominal value NIS 10.00 each.
5. Any change to the provisions of this Memorandum relating to the share capital of the Company shall require the approval of members, participating at a General Meeting in person or by proxy and vested with more than fifty percent (50%) of the total voting power attached to the shares whose holders participated, in person or by proxy, at such General Meeting.

We the undersigned, are desirous of being formed into a Company pursuant to this Memorandum of Association, and we hereby respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Subscribers' Names and ID Numbers	Address and Description	Number of Shares Taken ²	Signatures
Moshe Nuri 4657557	30 Lochamei Hageaot, Pethach Tikva	1994 Ordinary Shares 5 Management Shares	/s/ Moshe Nuri
Henya Nuri 5407479	30 Lochamei Hageaot, Pethach Tikva	1 Ordinary Share	/s/ Henya Nuri

Total shares taken 2000

Dated May 10th, 1987

/s/ Moshe Nuri /s/ Henya Nuri

WITNESS TO ABOVE SIGNATURES:

/s/ Chaim Greenvald, Adv.

² The class of management shares has been abolished and the shareholdings have changed.

[As amended through June 20, 2012]

**THE COMPANIES LAW
A COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED ARTICLES OF
ELLOMAY CAPITAL LTD.**

I PRELIMINARY

1. Interpretation

1.1. In these Articles the following terms shall bear the meaning ascribed to them below:

“**Affiliate**” is defined in Article 25.5.1 herein.

“**Alternate Director**” defined in Article 37.1 herein.

The “**Articles**” shall mean the articles of association contained in the Articles, as originally registered and as they may from time to time be amended.

The “**Board**” shall mean the Company’s Board of Directors.

The “**Company**” shall mean the above named company.

“**Control**” is defined in Article 25.5.1 herein.

“**Determining Majority**” as defined in Article 6 herein.

“**External Director**” as defined in the Law.

“**Extraordinary Meetings**” as defined in Article 21.1 herein.

The “**Law**” shall mean the Companies Law, 5759 – 1999, as the same may be amended from time to time, and all the rules and regulations promulgated thereunder.

The “**Memorandum**” shall mean the Memorandum of Association of the Company, as originally registered and as it may from time to time be amended.

“**Obligation**” as defined in Article 13.1 herein.

“**Officer**” is defined in Article 25.5.1 herein.

The “**Ordinance**” shall mean the Companies Ordinance [New Version], 5743-1983, as the same may be amended from time to time.

The “**Register of Members**” shall mean the Company’s Register of Members.

“**Registered Holder**” as defined in Article 10 herein.

“**Securities**” as defined in Article 18 herein.

“**Shareholders Agreement**” shall mean the Shareholders Agreement, dated as of March 24, 2008, between Kanir Joint Investments (2005) Limited Partnership (“**Kanir**”) and S. Nechama Investments (2008) Ltd. (“**Nechama Investments**”), a copy of which is attached hereto as Exhibit A.

Terms and expressions used in the Articles and not defined herein, shall bear the same meaning as in the Law.

1.2. Sections 2, 3, 4, 5, 6, 7, 8 and 10 of the Interpretation Law, 5741-1981, shall apply, mutatis mutandis, to the interpretation of the Articles.

1.3. The captions in the Articles are for convenience only and shall not be deemed a part hereof or affect the interpretation of any provision hereof.

2. **Name**

The Name of the Company shall be Ellomay Capital Ltd., and in Hebrew:

אלומיי קפיטל בע"מ

3. **Purpose and Objective**

3.1. The objective of the Company shall be to undertake any lawful activity, including any objective set forth in the Memorandum (for as long as it is in effect).

3.2. The purpose of the Company is to operate in accordance with commercial considerations with the intention of generating profits. Such considerations may take into account, amongst others, public interest and the interests of the Company's creditors and employees. In addition, the Company may contribute reasonable amounts for any suitable purpose even if such contributions do not fall within the business considerations of the Company. The Board may determine the amounts of the contributions, the purpose for which the contribution is to be made, and the recipients of any such contribution.

II SHARE CAPITAL

4. **Share Capital**

The Company's authorized share capital will be NIS 170,000,000 divided into 17,000,000 ordinary shares of the Company, nominal value NIS 10.00 each.

5. **Limited Liability**

The liability of the shareholders of the Company for the indebtedness of the Company shall be limited to payment of the nominal value of such shares.

6. **Alteration of Share Capital**

The Company may, from time to time, by a resolution approved at a General Meeting by such majority as is required to amend these Articles (as set forth in Article 25 below), or, if higher, such majority as shall be required to amend the Memorandum (for as long as it is still in force) (collectively, a "**Determining Majority**"):

6.1. Increase its share capital in an amount it considers expedient by the creation of new shares. The power to increase the share capital may be exercised by the Company whether or not all of the shares then authorized have been issued and whether or not all of the shares theretofore issued have been called up for payment. Such resolution shall set forth the amount of the increase, the number of the new shares created thereby, their nominal value and class, and may also provide for the rights, preferences of deferred rights that shall be attached to the newly created shares and the restrictions to which such shares shall be subject;

6.2. Consolidate all or any of its issued or unissued share capital and divide same into shares of nominal value larger than the one of its existing shares;

- 6.3. Subdivide all or any of its issued or unissued share capital, into shares of nominal value smaller than the one of its existing shares; provided, however, that the proportion between the amount paid and the amount unpaid on each share which is not fully paid-up shall be retained in the subdivision;
- 6.4. Cancel any shares which, as at the date of the adoption of the resolution, have not been issued or agreed to be issued, and thereby reduce the amount of its share capital by the aggregate nominal value of the shares so canceled;

III SHARES

7. **Rights Attached to Shares**

- 7.1. Subject to any contrary provisions of the Memorandum (for as long as it is in effect) or the Articles, same rights, obligations and restrictions shall be attached to all the shares of the Company regardless of their denomination or class.
- 7.2. If at any time the share capital is divided into different classes of shares, the rights attached to any class may be modified or abrogated by a resolution adopted by a Determining Majority at a General Meeting and by the adoption of a resolution, supported by a Determining Majority, approving same modification or abrogation at a General Meeting of the holders of the shares of such class.

The provisions of the Articles relating to General Meeting of the Company shall apply, mutatis mutandis, to any separate General Meeting of the holders of the shares of a specific class, provided, however, that the requisite quorum at any such separate General Meeting shall be one or more members present in person or by proxy and holding not less than thirty three and one third percent (33⅓%) of the issued shares of such class.
- 7.3. The creation of additional shares of a specific class, or the issuance of additional shares of a specific class, shall not be deemed, for purposes of article 7.2, a modification or abrogation of rights attached to shares of such class or of any other class.

8. **Issuance of Shares**

Issuance of shares of the Company shall be under the control of the Board, who shall have the authority to issue the Company's shares or grant options to acquire shares, to such persons and on such terms and conditions as the Board may think fit, or to delegate such authority in accordance with the Law.

9. **Share Certificates**

- 9.1. Each member shall be entitled, not later than 60 days from the date of issuance or the date of transfer, to receive from the Company one share certificate in respect of all the shares of any class registered in his name on the Register of Members or, if approved by the Company, several share certificates, each for one or more of such shares.
 - 9.2. Each share certificate issued by the Company shall be numerated, denote the class of the shares represented thereby and the name of the owner, thereof as registered on the Register of Members, and may also specify the amount paid-up thereon. A share certificate shall be signed on behalf the Company by the person or persons authorized by the Board.
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- 9.3. A share certificate denoting two or more persons as joint owners of the shares represented thereby shall be delivered to any one of the persons named on the Register of Members in respect of such joint ownership.
- 9.4. A share certificate defaced or defective, may be replaced upon being delivered to the Company and being canceled. A share certificate lost or destroyed may be replaced upon furnishing of evidence to the satisfaction of the Board proving such loss or destruction and subject to the submission to the Company of an indemnity letter and/or securities as the Board may think fit.

A member requesting the replacement of a share certificate shall bear all expenses incurred by the Company in connection with the provisions of this Article.

10. **Owners of Shares**

The Company shall be entitled to treat the person registered in the Register of Members as the holder of any share, as the absolute owner thereof (a “**Registered Holder**”) and shall also treat any other person deemed as a holder of shares pursuant to the Law, as an owner of shares.

11. **Calls on Shares**

- 11.1. The Board may, from time to time, make calls upon members to perform payment of any amount of the consideration of their shares not yet paid, provided same amount is not, by the terms of issuance of same shares, payable at a definite date. Each member shall pay to the Company the amount of every call so made upon him at the time(s) and place (s) designated in such call. Unless otherwise stipulated in the resolution of the Board, each payment with respect to a call shall be deemed to constitute a pro-rata payment on account of all of the shares in respect of which such call was made.
- 11.2. A call may contain a demand for payment in installments.
- 11.3. A call shall be made in writing and shall be delivered to the member(s) in question not less than fourteen (14) days prior to the date of payment stipulated therein. Prior to the due date stipulated in the call the Board may, by delivering a written notice to the member(s), revoke such call, in whole or in part, postpone the designated date(s) of payment or change the designated place of payment.
- 11.4. If, according to the terms of issuance of any share, any amount is due at a definite date, such amount shall be paid on same date, and the holder of the same share shall be deemed, for all intents and purposes, to have duly received a call in respect of such amount.
- 11.5. The joint holders of a share shall be bound jointly and severally to pay all calls in respect thereof. A call duly made upon one of the joint holders shall be deemed to have been duly made upon all of the joint holders.
- 11.6. Any amount not paid when due shall bear an interest from its due date until its actual payment at a rate equal to the then prevailing rate of interest for unauthorized overdrafts as charged by Bank Hapoalim Ltd, unless otherwise prescribed by the Board.

The provisions of this Article 11.6 shall in no way deprive the Company of, or derogate from any other rights and remedies the Company may have against such member pursuant to the Articles or any pertinent law.

- 11.7. The Board may agree to accept prepayment by any member of any amount due with respect to his shares, and may direct the payment of interest for such prepayment at a rate as may be agreed upon between the Board and the member so prepaying.
- 11.8. Upon the issuance of shares of the Company, the Board may stipulate similar or different terms with respect to the payment of the consideration thereof by their respective holders.

12. **Forfeiture and Surrender**

- 12.1. If any member fails to pay when due any amount payable pursuant to a call, or interest thereon as provided for herein, the Company may, by a resolution of the Board, at any time thereafter, so long as said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. All expenses incurred by the Company with respect to the collection of any such amount of interest, including, inter-alia, attorney's fees and costs of legal proceedings, shall be added to, and shall constitute a part of the amount payable to the Company in respect of such call for all purposes (including the accrual of interest thereon).
- 12.2. Upon the adoption of a resolution of forfeiture, the Board shall cause the delivery of a notice thereof to the member in question. Same notice shall specify that, in the event of failure to pay the entire amount due within the period stipulated in the notice (which period shall be not less than thirty (30) days), same failure shall cause, ipso facto, the forfeiture of the shares. Prior to the expiration of such period, the Board may extend the period specified in the notice of forfeiture or nullify the resolution of forfeiture, but such nullification shall not estop nor derogate from the power of the Board to adopt a further resolution of forfeiture in respect of the non-payment of said amount.
- 12.3. Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited together with the shares.
- 12.4. The Company, by a resolution of the Board, may accept the voluntary surrender by any member of all or any part of his shares.
- 12.5. Any share forfeited or surrendered as provided herein shall thereupon constitute the property of the Company, and may be resold. Such shares that have not yet been resold shall be considered dormant shares.
- 12.6. Any member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, be obligated to pay to the Company all amounts at the time of forfeiture or surrender due to the Company with respect thereof, including interest and expenses as aforesaid until actual repayment, whether the maturity date of same amounts is on or prior to the date of forfeiture or surrender or at any time thereafter, and the Board, in its discretion, may enforce payment of such amounts or any part thereof, unless such shares have been resold in which event the provisions of the Law shall apply. In the event of such forfeiture or surrender, the Company, by a resolution of the Board, may accelerate the maturity date(s) of any or all amounts then owed to the Company by same member and not yet due, however, arising whereupon all of such amounts shall forthwith become due and payable.

The Board may, at any time before any share so forfeited or surrendered shall have been reissued or otherwise disposed of to a third party, nullify the forfeiture or the acceptance of the surrender on such conditions as it thinks fit, but such nullification shall not estop nor derogate from the power of the Board to re-exercise its powers of forfeiture pursuant to this Article 12.

13. **Lien**

- 13.1. The Company shall have, at all times, a first and paramount lien upon all the shares registered in the name of each member on the Register of Members, upon all the dividends declared in respect of such shares and upon the proceeds of the sale thereof, as security for his obligations. For the purposes of this Article 13 and of Article 14, the term "Obligation" shall mean any and all present and future indebtedness owed to the Company by a member with respect to his shares, however arising, whether such indebtedness is absolute or contingent, joint or several, matured or unmatured, liquidated or non-liquidated.
- 13.2. Shall a member fail to fulfill any or all of his Obligations, the Company may enforce the lien, after same member was provided with a period of fourteen (14) days to fulfill the Obligations so breached.
- 13.3. A member shall be obliged to reimburse the Company for all expenses thereby incurred with respect to the enforcement of a lien upon same member's shares, and such obligation shall be secured by the shares which are subject to same lien.

14. **Sale of Shares after Forfeiture or Surrender or in Enforcement of Lien**

- 14.1. Upon any sale of shares after forfeiture or surrender or in the course of enforcement of a lien, the Company may appoint any person to execute an adequate instrument of transfer or any other instrument required to effect the sale, and shall be entitled to register the purchaser on the Register of Members as the holder of the shares so purchased. The purchaser shall not be obliged to check the regularity of the proceedings of forfeiture, surrender or enforcement of a lien or the use that was made consideration thereby paid with respect to the shares.
- As of the entry of the purchaser's name in the Register of Members in respect of such shares, the validity of the sale shall not be rebutted, and the sole remedy of any person aggrieved by the sale shall be in damages, and against the Company solely.
- 14.2. The net proceeds of any such sale, after payment of the selling expenses, shall serve for repayment of the Obligations of the respective member, and the balance if any shall be paid to the member, his inheritors, the executors of his will, the administrators of his estate, and to persons on his behalf.

15. **Redeemable Securities**

Subject to the Law, the Company may issue redeemable securities and redeem the same.

16. **Effectiveness of Transfer of Shares**

A transfer of title to shares of the Company, whether voluntarily or by operation of law, shall not confer upon the transferee any rights towards the Company as a Registered Holder unless and until such time as the transfer has been registered in the Register of Members.

17. **Procedure on Voluntary Transfer of Shares**

A person desiring to be registered as a Registered Holder, shall deliver to the Company an instrument of transfer of shares according to which he is the transferee accompanied by a notice to the effect, in a form to be prescribed by the Board, duly executed by such person and the transferor, and subject to the prior fulfillment of the provisions of Article 18 below, the Board shall instruct the registration of same in the Register of Members.

18. **Transfer of Shares**

- 18.1. The transfer of shares of the Company and any other securities issued by the Company and owned by a Registered Holder (in this Article 18, hereinafter, “**Securities**”) shall be made in writing in a conventional manner or as established by the Board; it may be effected by the signature of the transferor only, on the condition that an appropriate share transfer deed shall be submitted to the Company.
 - 18.2. Securities that are not paid up in full or are subject to any lien or pledge may not be transferred unless the transfer is approved by the Board, which may at its sole discretion withhold its approval without having to show grounds.
 - 18.3. Any transfer of Securities that are not paid up in full shall be subject to the signature of the transferee and the signature of a witness in verification of the authenticity of the signatures on the share transfer deed.
 - 18.4. The transferor shall be deemed to be the Registered Holder of the transferred Securities until the name of the transferee is entered in the Register of Members.
 - 18.5. The share transfer deed shall be submitted to the office for registration together with the certificates to be transferred and such other evidence as the Company may require with regard to the transferor’s title or right to transfer the Securities. The share transfer deed shall remain with the Company after its registration.
 - 18.6. The Company may demand payment of a transfer registration fee at a rate to be determined by the Board from time to time.
 - 18.7. The Board may close the Register of Members for a period no longer than 30 days every year.
 - 18.8. Upon the death of a Registered Holder of Securities of the Company, the Company shall recognize the guardians, administrators of the estate, executors of the will, and in the absence of such persons, the inheritors of the deceased person as the only ones entitled to be registered as the Registered Holders of Securities of the Company, subject to proof of their rights in a manner established by the Board.
 - 18.9. In the event of the deceased member being a Registered Holder of a Security jointly with other persons, the surviving member shall be considered the sole Registered Holder of said Securities, upon the approval of the Company, without exempting the estate of the deceased joint holder from any of the obligations relating to the jointly held Securities.
 - 18.10. A person acquiring a right to a Security by virtue of his being a guardian or administrator of the estate or inheritor of the deceased member, or receiver, liquidator or trustee in liquidation proceedings regarding a corporate member, or by any operation of law, may be subject to submission of such proof of entitlement as the Board may establish be entered as the Registered Holder of the respective Security or transfer the Security subject to the provisions of the Articles with regard to such transfer.
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- 18.11. A person acquiring a Security as a result of a transfer by operation of law shall be entitled to dividends and other rights in respect of the Security and also to receive and certify the receipt of dividends and other sums of money in connection with the said Security; however, such person shall not be entitled to receive notices of the convening of General Meetings of the Company or to participate or vote therein or to exercise any right conferred by the Security with the exception of the aforementioned rights, pending the registration of such person in the Register of Members.

19. **Issuance of Shares**

The number of shares, and other securities convertible or exercisable into shares, issued by the Company shall not exceed a maximum amount equal to the registered share capital of the Company; for this purpose, securities convertible or exercisable into shares, shall be considered as having been converted or exercised on the date of issuance.

IV GENERAL MEETINGS

20. **Annual Meeting**

- 20.1. An Annual Meeting shall be held once in every calendar year at such time (within a period of not more than fifteen (15) months after the last preceding Annual Meeting) and at such place as may be determined by the Board.
- 20.2. The Annual Meeting shall:
- 20.2.1. Discuss the audited financial statements of the Company for the last fiscal year;
- 20.2.2. Appoint auditors and establish their remuneration, or empower the Board to establish their remuneration;
- 20.2.3. Appoint the directors as stipulated in Article 32 below, and establish their remuneration;
- 20.2.4. Discuss any other business to be transacted at a General Meeting according to the Articles or by operation of law.

21. **Extraordinary Meeting**

- 21.1. All General Meetings other than Annual Meetings shall be called "Extraordinary Meetings".
- 21.2. The Board may, whenever it thinks fit, convene an Extraordinary Meeting, and shall be obligated to do so upon receipt of a requisition in writing in accordance with Section 63 of the Law.
- 21.3. Members of the Company shall not be authorized to convene an Extraordinary Meeting except as provided in Section 64 of the Law.
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22. **Notice of General Meetings**

- 22.1. Prior to any General Meeting, a written notice thereof shall be made public as required by Law. Such notice shall specify the place, the day and the hour of the General Meeting, the agenda of the meeting and such other information required under law. The notice will be published not less than fourteen (14) days prior to any General Meeting. The Company shall not be required to deliver notice to each shareholder, except as may be specifically required by Law.
- 22.2. Any written notice or other document may be served by the Company upon any member either personally or by sending it by prepaid mail addressed to such member at his address as described in the Register of Members or such other address as he may have designated in writing for the receipt of notices and other documents.
- 22.3. Notwithstanding anything to the contrary herein, notice by the Company of a General Meeting which is published in one international wire service shall be deemed to have been duly given on the date of such publication.

23. **Quorum**

- 23.1. Two or more members present in person or by proxy and holding shares conferring in the aggregate more than twenty-five percent (25%) of the total voting power attached to the shares of the Company, shall constitute a quorum at General Meetings. No business shall be considered or determined at a General Meeting, unless the requisite quorum is present when the General Meeting proceeds to consider and/or determine same business.
- 23.2. If within half an hour from the time appointed for the General Meeting a quorum is not present, the General Meeting shall, if convened upon requisition under Section 64 of the Law, be dissolved, but in any other case it shall stand adjourned on the same day, in the next week, at the same time and place. The requisite quorum at an adjourned General Meeting shall be any two or more members, present in person or by proxy. At an adjourned General Meeting the only businesses to be considered shall be those matters which might have been lawfully considered at the General Meeting originally called if a requisite quorum had been present, and the only resolutions to be adopted are such types of resolutions which could have been adopted at the General Meeting originally called.

24. **Chairman**

The Chairman, of the Board, or if there is no such chairman, or if he is not present, any other person appointed by the members present, shall preside as Chairman at a General Meeting of the Company. The Chairman of any General Meeting shall have no additional or casting vote.

25. **Adoption of Resolution at General Meetings**

- 25.1. A resolution, including, but not limited to, a resolution to amend these Articles and to approve a merger of the Company, shall be deemed adopted at a General Meeting if the requisite quorum is present and the resolution is supported by members present, in person or by proxy, vested with more than fifty percent (50%) of the total voting power attached to the shares whose holders were present, in person or by proxy, at such General Meeting and voted thereon, or such other percentage as is required by these Articles or by the Law.
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- 25.2. Any proposed resolution put to vote at a General Meeting shall be decided by a poll.
- 25.3. Subject to approval by a General Meeting at which the requisite quorum is present, the chairman is obligated at the request of the General Meeting, to adjourn the General Meeting, and the adjourned meeting shall convene at such date and place as is decided by the General Meeting. If the General Meeting is adjourned by more than twenty-one (21) days, a notice of the adjourned meeting shall be given in the manner set forth in Sections 67 through 69 of the Law. An adjourned meeting may only transact such business as left unfinished at the original meeting.
- 25.4. A declaration by the Chairman of the General Meeting that a proposed resolution has been adopted or rejected, shall constitute conclusive evidence of the adoption or rejection, respectively, of same resolution, and no further proof verifying the contents of such declaration or the number or proportion of the votes recorded in favor of or against such resolution shall be required.
- 25.5. Notwithstanding anything to the contrary herein, for so long as the Shareholders Agreement is in effect, at the written request of any two directors with respect to any proposed action or transaction described below, such action or transaction shall require the approval of the General Meeting by a resolution supported by members present, in person or by proxy, vested with at least 50.1% of the outstanding shares of the Company, or by such higher approval threshold as may be required by Law:
- 25.5.1. any transaction of the Company or of a subsidiary of the Company with (i) an Officer of the Company or a nominee to become a director of the Company, (ii) a shareholder of the Company which owns 5% or more of its outstanding share capital, (iii) a family member of the first degree of any of the foregoing persons or (iv) an Affiliate of any of the foregoing. “**Officer**” shall have the meaning of “office holder” under the Law. “**Affiliate**” shall mean, with respect to any party, any person (a) in which such party, directly or indirectly, owns at least majority interest (both economic and voting), (b) which directly or indirectly owns a majority interest (both economic and voting) in such party, or (c) which, directly or indirectly, is in Control of or is Controlled by such party. “**Control**” shall mean, with respect to a person that is a corporation, the ownership, directly or indirectly, of voting securities of such person carrying more than 50% of the voting rights attaching to all voting securities of such person which are sufficient, if exercised, to elect a majority of its board of directors, and in relation to a person that is a partnership, limited partnership, business trust or other similar entity, the ownership, directly or indirectly, of voting securities of such person carrying more than 50% of the voting rights attaching to all voting securities of the person or the ownership of other interests entitling the holder to exercise control and direction over the activities of such person;
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- 25.5.2. any amendment to the Memorandum or these Articles;
- 25.5.3. any merger or consolidation of the Company;
- 25.5.4. any material change in the Company's scope of business;
- 25.5.5. the voluntary liquidation or dissolution of the Company;
- 25.5.6. approval of the Company's annual budget and business plan, and any material deviation therefrom; and
- 25.5.7. any change of the signatory rights on behalf of the Company.

26. **Voting Power**

- 26.1. Subject to the provisions of Article 27.1 below and subject to any other provision hereof pertaining to voting rights attached or not-attached to shares of the Company, whether in general or in respect of a specific matter or matters, every member shall have one vote for each share registered in his name on the Register of Members, regardless of its denomination or class.
- 26.2. In case of equality of votes, the resolution shall be deemed to have been rejected.

27. **Attendance and Voting Rights at General Meeting**

- 27.1. Unless provided otherwise by the terms of issue of the shares, no member shall be entitled to be present or vote at a General Meeting (or be counted as part of the quorum thereat) unless all amounts due as at the date designated for same General Meeting with respect to his shares were paid.
 - 27.2. A corporate body being a member of the Company and entitled to vote and/or attend at a General Meeting may exercise such rights by authorizing any person, whether in general or for a specific General Meeting, to be present and/or vote on its behalf. Upon the request of the Chairman of the General Meeting, a writing evidence of such authorization and its validity (in a form acceptable to the Chairman) shall be furnished thereto.
 - 27.3. A member entitled to vote and/or attend at a General Meeting may appoint a proxy, whether is general or for a specific General Meeting, to exercise such rights, in a form approved by the Board.
 - 27.4. The instrument appointing a proxy shall be delivered to the Company not later than forty-eight (48) hours before the time designated for the General Meeting at which the person named in the instrument proposes to vote and/or attend.
 - 27.5. A member entitled to vote and/or attend at a General Meeting and is legally incapacitated, may exercise such rights by his custodian.
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27.6. If two or more persons are registered as joint owners of any share, the right to attend at a General Meeting, if attached to such share, shall be conferred upon all of the joint owners, but the right to vote at a General Meeting and/or the right to be counted as part of the quorum thereat, if attached to such share, shall be conferred exclusively upon the senior amongst the joint owners attending the General Meeting, in person or by proxy; and for this purpose seniority shall be determined by the order in which the names appear on the Register of Members.

27.7. The voting on the terms of the instrument of proxy shall be legal even in case of prior death or incapacity or bankruptcy of the principal, and in respect of a corporate principal, in case of its winding up or revocation of the instrument of proxy or transfer of the respective share, unless a notice in writing of such death or incapacity or bankruptcy or winding up or revocation of share transfer shall have been received by the Register of Members.

The written notice of revocation of the proxy shall be valid if signed by the principal and received by the Register of Members not later than one hour before the start of voting.

27.8. No proxy shall be valid after the expiry of 12 months from the date of its issue.

V BOARD OF DIRECTORS

28. Powers of the Board

28.1. The Board shall be vested with the exclusive authority to exercise all of the Company's powers which are not, by Law, the Memorandum (for as long as it is in effect), the Articles or any applicable law, required to be exercised by the General Meeting, the General Manager, or any other organ of the Company as such term is defined in the Law.

28.2. The Board shall set the policy guidelines for the Company and shall supervise the performance and activities of the General Manager.

29. Exercise of Powers of the Board

29.1. The powers conferred upon the Board shall be vested in the Board as a collective body, and not in each one or more of the directors individually, and all such powers may be exercised by the Board by adopting resolutions in accordance with the provisions of the Articles.

29.2. Except as otherwise required by these Articles, a resolution shall be deemed adopted at a meeting of the Board if supported by a majority of the directors attending such meeting and entitled to vote thereon. The Chairman of the Board shall have no casting vote, except as set forth in Article 41.2.

29.3. The Board may hold meetings using any means of communication, provided that all of the directors participating can simultaneously hear one another.

29.4. The Board may adopt resolutions without convening a meeting, as provided in the Law.

30. Committees of Directors

30.1. The Board may, subject to Section 112 of the Law, delegate any or all of its powers to committees, each consisting of two or more directors, one of which shall be an External Director, and it may, from time to time, revoke or alter the powers so delegated. Without derogating from the generality of the foregoing, subject to the Law, the Board may delegate to a committee its power to approve the terms of compensation of officers. Each committee shall, in the exercise of the powers so delegated, conform to any regulations and conditions prescribed by the Board upon the delegation or at any other time. Each resolution adopted by a committee within the powers delegated to it by the Board shall be deemed to have been held by the Board.

30.2. The Board will appoint from among its members an audit committee. All External Directors shall be members of the audit committee.

30.3. The provision of the Articles with respect to the meetings of the Board, their convening and adoption of resolutions thereat shall apply, mutatis mutandis, to the meetings of any such committee, unless otherwise prescribed by the Board.

31. **Number of Directors**

Unless otherwise prescribed by a resolution adopted at a General Meeting, the Board shall consist of not less than four (4) nor more than eight (8) directors (including the External Directors appointed as required under the Law).

32. **Appointment and Removal of Directors**

32.1. The directors shall be elected annually at a General Meeting as aforesaid and shall remain in office until the next Annual Meeting at which time they shall retire, unless their office is vacated previously as stipulated in the Articles, provided however that the External Directors shall be appointed, and shall remain in office, as prescribed in the Law.

32.2. The elected directors shall assume office on the day of their election.

32.3. A retiring director may be reelected. Pending the convening of an Annual Meeting at which the directors are to retire from office, all directors shall remain in office until the convening of the Annual Meeting of the Company except in case of prior vacation of a director's office according to the Articles.

32.4. If no directors are elected at the Annual Meeting, all the retiring directors shall remain in office pending their replacement by a General Meeting of the Company.

32.5. Except with regard to a director whose tenure of office expires upon the convening of a General Meeting or a person recommended by the Board to serve as director, no motions for appointment of a candidate as a director shall be made unless a notice in writing signed by a member of the Company (other than the candidate himself) who is entitled to participate in and vote at the meeting, stating the intent of the said member to propose a candidate for election to the office of director, together with a document in writing by the candidate expressing his consent to be so elected, shall have been received at the office of the Company within a period of not less than forty-eight (48) hours and not more than forty-two (42) days before the appointed date of the General Meeting.

32.6. The General Meeting may, by way of a resolution, remove a director from office before the expiry of his tenure, and appoint another person to serve as director of the Company in his place, and also appoint a number of directors in the event of the number of directors having decreased below the minimum established by the General Meeting.

32.7. The provisions of this Article 32 shall not apply to External Directors, whose appointment and removal shall be pursuant to the relevant provisions of the Law.

33. **Qualification of Directors**

No person shall be disqualified to serve as a director by reason of his not holding shares in the Company or by reason of his having served as director in the past.

The provisions of this Article 33 shall not apply to External Directors, whose qualifications are as set forth in the relevant provisions of the Law.

34. **Vacation of Director's Office**

The office of a director shall be vacated:

34.1. Upon his death;

34.2. On the date at which he is declared a bankrupt;

34.3. On the date he is declared legally incapacitated;

34.4. On the date stipulated therefor in the resolution of his election or the notice of his appointment, as the case may be;

34.5. On the date stipulated therefor in the resolution or notice of his removal or on the date of the delivery of such notice to the Company, whichever is later;

34.6. On the date stipulated therefor in a written notice of resignation thereby delivered to the Company or upon its delivery to the Company, whichever is later.

34.7. If he is convicted in a final judgment of an offence of a nature which disqualifies a person from serving as a director, as set forth in the Law.

34.8. If a court of competent jurisdiction decides to terminate his office, in accordance with the provisions of the Law, in a decision or judgment for which no stay of enforcement is granted.

35. **Remuneration of Directors**

The directors shall be entitled to remuneration by the Company for their services as directors. The remuneration may be established as a global sum or as a fee for participation in meetings. In addition to such remuneration, every director shall be entitled to a refund of reasonable expenses for travel, per diem money, and other expenses related to the discharge of his duties as a director.

The provisions of this Article 35 shall not apply to External Directors, whose remuneration shall be in accordance with the relevant provisions of the Law.

36. **Conflict of Interests**

The approval of any transaction that involves a conflict of interest with an Officer shall be approved in accordance with the Law and these Articles.

37. **Alternate Director**

- 37.1. Subject to the approval of the Board, a director may, by delivering a written notice to the Company, appoint an alternate for himself (hereinafter referred to as “**Alternate Director**”), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. The appointment of the Alternate Director shall be for an indefinite period and for all purposes, unless restricted to a specific period, to a specific meeting or act of the Board, to a specific matter or in any other manner, and same restriction was specified in the appointment instrument or in a written note delivered to the Company.
- 37.2. Any notice delivered to the Company pursuant to Article 37.1 shall become effective on the date specified therefor therein or upon delivery thereof to the Company or upon approval of the Board, whichever is later.
- 37.3. An Alternate Director shall be vested with all rights and shall bear all obligations of the director who appointed him, provided, however, that he shall not be entitled to appoint an alternate for himself (unless the instrument appointed him expressly provides otherwise), and provided further that the Alternate Director shall have no standing at any meeting of the Board or any committee thereof whereat the director who appointed him is present.
- 37.4. The following may not be appointed nor serve as an Alternate Director: (i) a person not qualified to be appointed as a director, (ii) an actual director, or (iii) another Alternate Director.
- 37.5. The office of an Alternate Director shall be vacated under the circumstances, mutatis mutandis, set forth in Article 34, and such office shall further be ipso facto vacated if the director who appointed such Alternate Director ceases to be a director.

38. **Meeting of the Board**

- 38.1. Subject to Articles 40 and 41 below, the Board may meet, adjourn its meeting and otherwise determine and regulate such meetings and their proceedings as it deems fit.
- 38.2. Upon the vacation of the office of a director, the remaining directors may continue to discharge their functions until the number of remaining directors decreases below the minimum established in the Articles. In the latter case the remaining directors may only act to convene a General Meeting of the Company.
- 38.3. The Board, by unanimous approval of all directors then in office, may at any time appoint any person to serve as director as replacement for a vacated office or in order to increase the number of directors, subject to the condition that the number of directors shall not exceed the maximum established in these Articles. Any so appointed director shall remain in office until the next Annual Meeting, at which he may be reelected.

39. **Convening Meetings of the Board**

- 39.1. The Chairman of the Board may, at any time, convene a meeting of the Board, and shall be obliged to do so (i) at least once every three months, (ii) upon receipt of a written demand from any one director, or (iii) in accordance with Section 122(4) or 169 of the Law. In the event there is no such Chairman or a meeting of the Board was not convened to a date which is no later than ten (10) days following delivery of such written demand or receipt of the relevant notice or report, any of the abovementioned directors may convene a meeting of the Board.

Convening a meeting of the Board shall be made by delivering a notice thereof to all of the directors within a reasonable length of time prior to the date thereof. Such notice shall specify the exact time and place of the meeting so called and a reasonably detailed description of the all of the issues on the agenda for such meeting. In urgent situations, a meeting of the Board can be convened without any prior notice with the consent of a majority of the directors.

39.2. A resolution adopted at a meeting of the Board, which had not convened in accordance with the necessary requirements set forth in the Law or these Articles may be invalidated in accordance with the applicable provisions of the Law.

39.3. A director may waive his right to receive prior notice of any meeting, in general or in respect of a specific meeting, and shall be deemed to have waived such right with respect to any meeting at which he was present.

40. **Quorum**

A majority of the number of directors then in office and entitled to participate in the discussion shall constitute a quorum at meetings of the Board, except if and as otherwise required in accordance with the Law. No business shall be considered or determined at any meeting of the Board unless the requisite quorum is present when the meeting proceeds to consider or determine same business.

41. **Chairman of the Board**

41.1. The Board may from time to time elect one of its members to be the Chairman of the Board, remove such Chairman from office and appoint another in his place. However, the General Manager shall not serve as the Chairman of the Board, nor shall the Chairman of the Board be vested with the powers designated to the General Manager, except in accordance with Section 121(3) of the Law. The Chairman of the Board shall preside at every meeting of the Board, but if there is no such Chairman, or if he is not present or he is unwilling to take the chair at any meeting, the directors present shall elect one of their members to be chairman of such meeting.

41.2. The Chairman of the Board shall have no casting vote, unless (i) the Chairman of the Board is then Mr. Shlomo Nehama and (ii) Nechama Investments, together with any Affiliates thereof, then holds at least 25.05% of the outstanding shares of the Company. Notwithstanding the foregoing, in case Mr. Shlomo Nehama elects to exercise his casting vote in respect of a specific resolution brought before the Board (the “**Triggering Resolution**”), then (a) prior to such exercise, Nechama Investments shall be required to trigger the “Buy Me Buy You” mechanism set forth in Section 6 of the Shareholders Agreement as an Offering Party (as defined in the Shareholders Agreement), whereby the Triggering Resolution will be pending until the consummation of the sale of the Restricted Shares (as defined in the Shareholders Agreement) of one party to the Shareholders Agreement to the other party of the Shareholders Agreement in accordance with such “Buy Me Buy You” mechanism; and (b) in the event that three (3) directors of the Company so require, the Triggering Resolution shall be conditioned upon the approval of the General Meeting pursuant to Article 25.1. Upon a transfer of the Restricted Shares by Kanir to third party in accordance with the terms of the Shareholders Agreement, the casting vote of the Chairman of the Board shall expire.

VI GENERAL MANAGER

42. General Manager

- 42.1. The Board shall appoint one or more persons, whether or not directors, as General Manager(s) of the Company, either for a definite period or without any limitation of time, and may confer powers, authorities and rights and/or impose duties and obligations upon such person or persons and determine his or their salaries as the Board may deem fit and subject to the provisions of the Law. Subject to the Law, the Board may delegate to the General Manager its power to approve the terms of compensation of other officers.

VII MINUTES OF THE BOARD

43. Minutes

- 43.1. The proceedings of each meeting of the Board and meeting of committee of the Board shall be recorded in the minutes of the Company. Such minutes shall set forth the names of the persons present at every such meeting and all resolutions adopted thereat and shall be signed by the chairman of the meeting.
- 43.2. All minutes approved and signed by the chairman of the meeting or the Chairman of the Board, shall constitute prima facie evidence of its contents.

VIII INTERNAL AUDITOR

44. Internal Auditor

- 44.1. The Board shall appoint an internal auditor in accordance with the provisions of the Law.
- 44.2. The Internal Auditor shall submit to the audit committee a proposal for an annual or periodic work program for its approval. The Audit Committee shall approve such proposal subject to the modifications which it considers necessary.
- 44.3. The General Manager shall be in charge of and supervise the Internal auditor's performance of its obligations.

IX DIVIDENDS AND PROFITS

45. Declaration of Dividends

- 45.1. The Board may, from time to time, subject to the provisions of the Law, declare a dividend at a rate as the Board may deem considering the accrued profits of the Company as set forth in its financial statements, and provided that the payment of such dividends will not reasonably prevent the Company from meeting its current and expected liabilities.
- 45.2. Subject to any special or restricted rights conferred upon the holders of shares as to dividends, all dividends shall be declared and paid in accordance with the paid-up capital of the Company attributable to the shares in respect of which the dividends are declared and paid. The paid-up capital attributable to any share (whether issued at its nominal value, at a premium or at a discount), shall be nominal value of such share. Provided, however that if the entire consideration for same share was not yet paid to the Company, the paid-up capital attribute thereto shall be such proportion of the nominal value as the amount paid to the Company with respect to the share bears to its full consideration, and further provided the amounts which have been prepaid on account of shares and the Company has agreed to pay interest thereon shall not be deemed, for the purposes of this Article, to be payments on account of such shares. In the event no amount has been paid with respect to any shares whatsoever, dividends may be declared and paid according to the nominal value of the shares.
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45.3. Notice of the declaration of dividends shall be published as required by applicable law.

46. **Rights to Participate in the Distribution of Dividends**

46.1. Subject to special rights with respect to the Company's profits to be conferred upon any person pursuant to these Articles and the Law, all the profits of the Company may be distributed among the members entitled to participate in the distribution of dividends.

46.2. Notwithstanding for foregoing, a holder of shares shall not be attributed with the right to participate in the distribution of dividends the record date for which preceded the date of issuance of such shares.

47. **Interest on Dividends**

The Company shall not be obligated to pay, and shall not pay interest on declared dividends.

48. **Payment of Dividends**

Subject to Article 49, a declared dividend may be paid by wire transfer or a check made to the order of the person entitled to receive such dividend (and if there are two or more persons entitled to the dividend in respect of the same share - to the order of any one of such persons) or to the order of such person as the person entitled thereto may direct in writing. Same check shall be sent to the address of the person entitled to the dividend, as notified to the Company.

49. **Payment in Specie**

Upon the recommendation of the Board, dividends may be paid, wholly or partly, by the distribution of specific assets of the Company and/or by the distribution of shares and/or debentures of the Company and/or of any other company, or in any combination of such manners.

50. **Setting-Off Dividends**

The Company's obligation to pay dividends or any other amount in respect of shares, may be set-off by the Company against any indebtedness, however arising, liquidated or non-liquidated, of the person entitled to receive the dividend.

The provisions contained in this Article shall not prejudice any other right or remedy vested with the Company pursuant to the Articles or any applicable law.

51. **Unclaimed Dividends**

- 51.1. Dividends unclaimed by the person entitled thereto within thirty (30) days after the date stipulated for their payment, may be invested or otherwise used by the company, as it deems fit, until claimed; but the Company shall not be deemed a trustee in respect thereof.
- 51.2. Dividends unclaimed within the period of seven (7) years from the date stipulated for their payment, shall be forfeited and shall revert to the Company, unless otherwise directed by the Board.

52. **Reserves and Funds**

- 52.1. The Board may, before recommending the distribution of dividends, determine to set aside out of the profits of the Company or out of an assets revaluation fund and carry to reserve or reserves such sums as it deems fit, and direct the designation, application and use of such sums. The Board may further determine that any such sums which it deems prudent not to distribute as dividends will not be set aside for reserve, but shall remain as such at the disposal of the Company.
- 52.2. The Board may, from time to time, direct the revaluation of the assets of the Company, in whole or in part, and the creation of an assets revaluation fund out of the revaluation surplus, if any.

53. **Capitalization of Profits**

- 53.1. The Board may capitalize all or any part of the sums or assets allocated to the credit of any reserve fund or to the credit of the profit and loss account or being otherwise distributable as dividends (including sums or assets received as premiums on the issuance of shares or debentures), and direct accordingly that such sums or assets be released for distribution amongst the members who would have been entitled thereto if distributed by way of dividends and in the same proportion; provided that same sums or assets be not paid in cash or in specie but be applied for the payment in full or in part of the unpaid consideration of the issued shares held by such members and/or for the payment in full of the consideration (as shall be stipulated in said resolution) for shares or debentures of the Company to be issued to such members subsequent to the date of said resolution, credited as fully paid up.
- 53.2. In the event a resolution as aforesaid shall have been adopted, the Board shall make all adjustments and applications of the moneys or assets resolved to be capitalized thereby, and shall do all acts and things required to give effect thereto. The Board may authorize any person to enter into agreement with the Company on behalf of all members entitled to participate in such distribution, providing for the issuance to such members of any shares or debentures, credited as fully paid, to which they may be entitled upon such capitalization or for the payment on behalf of such members, by the application thereto of the proportionate part of the money or assets resolved to be capitalized, of the amounts or any part thereof remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding upon all such members.

X ACCOUNTING BOOKS

54. **Accounting Books**

- 54.1. The Board shall cause the Company to hold proper accounting books and to prepare an annual balance sheet, a statement of Profit and Loss, and such other financial statements as the Company may be required to prepare under law.

The accounting books of the Company shall be held at the office or at a place deemed fit by the Board, and they shall be open to inspection by the directors.

- 54.2. The Board may determine at its sole discretion the terms on which any of the accounts and books of the Company shall be open to inspection by members, and no member (other than a director) shall be entitled to inspect any account or ledger or document of the Company unless such right is granted by law or by the Board.
- 54.3. At least once a year, the Board shall submit to the Annual Meeting financial statements for the period from the previous statement as required by Law. The balance sheet shall be accompanied by an auditors' report, if available.
- 54.4. The Company shall not be required to send copies of its financial statements to members.

XI BRANCH REGISTERS

55. **Authority to keep Branch Registers**

The Company may keep branch registers in any reciprocal state.

56. **Provisions in respect of keeping Branch Registers**

Subject to the provisions contained in the Law, the Board shall be authorized to make such rules and procedures in connection with the keeping of branch registers as it may, from time to time, think fit.

XII SIGNATURES

57. **The Company's Signature**

57.1. A document shall be deemed signed by the Company upon the fulfillment of the following:

57.1.1. It bears the name of the Company in print;

57.1.2. It bears the signature of one or more persons authorized therefor by the Board; and

57.1.3. The act of the person authorized by the Board as aforesaid was within its authority and without deviation therefrom.

57.2. The signatory rights on behalf of the Company shall be determined by the Board.

57.3. An authorization by the Board as provided in Article 57.2 may be for a specific matter, for a specific document or for a certain sort of document or for all the Company's documents or for a definite period of time or for an unlimited period of time, provided that any such authority may be terminated by Board, at will.

57.4. The provisions of this Article shall apply both to the Company's documents executed in Israel and the Company's documents executed abroad.

XIII NOTICES

58. **Notices in Writing**

58.1. Notices pursuant to the Law, the Memorandum and the Articles shall be made in the manner prescribed by the Board from time to time.

58.2. Unless otherwise prescribed by the Board, all notices shall be made in writing and shall be sent by mail.

59. **Delivery of Notices**

- 59.1. Each member and each director shall notify the Company in writing of his address for the receipt of notices, documents and other communications relating to the Company, its business and affairs.
- 59.2. Any notice, document or other communication shall be deemed to have been received at the time received by the addressee, or if sent by registered mail, within three (3) days from its dispatch, whichever is earlier.
- 59.3. The address for the purposes of Article 59.2 shall be the address furnished pursuant to Article 59.1, and the address of the Company for the purposes of Article 59.2 shall be its registered address or principal place of business.

XIV INDEMNITY AND INSURANCE

60. **Indemnity of Officers**

- 60.1. The Company may, from time to time and subject to any provision of law, indemnify an Officer in respect of a liability or expense set out below which is imposed on him or incurred by him as a result of an action taken in his capacity as an Officer of the Company:
- 60.1.1. monetary liability imposed on him in favor of a third party by a judgment, including a settlement or a decision of an arbitrator which is given the force of a judgment by court order;
- 60.1.2. reasonable litigation expenses, including legal fees, incurred by the Officer as a result of an investigation or proceeding instituted against such Officer by a competent authority, which investigation or proceeding has ended without the filing of an indictment or in the imposition of financial liability in lieu of a criminal proceeding, or has ended in the imposition of a financial obligation in lieu of a criminal proceeding for an offence that does not require proof of criminal intent (the phrases "proceeding that has ended without the filing of an indictment" and "financial obligation in lieu of a criminal proceeding" shall have the meanings ascribed to such phrases in Section 260(a)(1a) of the Companies Law) or in connection with an administrative enforcement proceeding or a financial sanction. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Officer in favor of an injured party as set forth in Section 52[54](a)(1)(a) of the Israeli Securities Law, 1968 (as amended, the "Securities Law"), and expenses that the Officer incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees; and
- 60.1.3. reasonable litigation expenses, including legal fees, which the Officer has incurred or is obliged to pay by the court in proceedings commenced against him by the Company or in its name or by any other person, or pursuant to criminal charges of which he is acquitted or criminal charges pursuant to which he is convicted of an offence which does not require proof of criminal intent.
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60.2. The Company may, from time to time and subject to any provision of the law:

60.2.1. Undertake in advance to indemnify an Officer of the Company for any of the following:

- (i) any liability as set out in Article 60.1.1 above, provided that the undertaking to indemnify is limited to the classes of events which in the opinion of the Board can be anticipated in light of the Company's activities at the time of giving the indemnification undertaking, and for an amount and/or criteria which the Board has determined are reasonable in the circumstances and, the events and the amounts or criteria that the Board deem reasonable in the circumstances at the time of giving of the undertaking are stated in the undertaking;
- (ii) any liability stated in Article 60.1.2 or 60.1.3 above;
- (iii) any matter permitted by applicable law.

60.2.2. indemnify an Officer after the occurrence of the event which is the subject of the indemnity.

61. **Insurance of Officers**

The Company may enter into an agreement for the insurance of the liability of an Officer, in whole or in part, with respect to any liability which may imposed upon such Officer as a result of an act performed by same Officer in his capacity as an Officer of the Company, for any of the following:

- 61.1.1. A breach of a cautionary duty toward the Company or toward another person;
- 61.1.2. A breach of a fiduciary duty toward the Company, provided the Officer acted in good faith and has had reasonable ground to assume that the act would not be detrimental to the Company;
- 61.1.3. A monetary liability imposed upon an Officer toward another;
- 61.1.4. Reasonable litigation expenses, including attorney fees, incurred by the Officer as a result of an administrative enforcement proceeding instituted against him. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Officer in favor of an injured party as set forth in Section 52[54] (a)(1)(a) of the Securities Law and expenses that the Officer incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees;
- 61.1.5. Any other matter in respect of which it is permitted or will be permitted under applicable law to insure the liability of an Officer in the Company.

61A. **Exemption**

Subject to the provisions of the Companies Law, including the receipt of all approvals as required therein or under any applicable law, the Board may resolve in advance to exempt an Officer from all or part of such Officer's responsibility or liability for damages caused to the Company due to any breach of such Officer's duty of care towards the Company.

XV WINDING UP

62. Distribution of Assets

If the Company be wound up, then, subject to provisions of any applicable law and to any special or restricted rights attached to a share, the assets of the Company in excess of its liabilities shall be distributed among the members in proportion to the paid-up capital of the Company attributable to the shares in respect of which such distribution is being made. The paid-up capital attributable to any share (whether issued at its nominal value, at a premium or at a discount), shall be a nominal value of such share, provided, however, that if the entire consideration for same share was not yet paid to the Company, the paid-up capital attributable thereto shall be such proportion of the nominal value as the amount paid to the Company with respect to the share bears to its full consideration.

[a copy of Exhibit A was filed as was filed with the SEC on March 31, 2008 as Exhibit 14 to an amendment to a Schedule 13D and is incorporated by reference herein]

SHAREHOLDERS AGREEMENT

This AGREEMENT (the “**Agreement**”) is made as of March 24, 2008, by and between Kanir Joint Investments (2005) Limited Partnership (“**Kanir**”), and S. Nechama Investments (2008) Ltd. (“**Nechama**”) (each of Kanir and Nechama is referred to herein as a “**Party**” and collectively as the “**Parties**”).

WHEREAS, Kanir owns 13,649,148 ordinary shares of Nur Macroprinters Ltd. (the “**Company**”) and 10,483,424 warrants of the Company; and

WHEREAS, the Parties contemplate entering into several transactions so that immediately following such transactions each Party will own approximately 22.7 million ordinary shares of the Company, Kanir will own approximately 13.5 million warrants of the Company and Nechama (directly or by an Affiliate) will own approximately 10.1 million warrants of the Company; and

WHEREAS, the Parties wish to set forth within the framework of this Agreement (a) the terms and conditions under which the Parties shall hold the Company shares and warrants, and (b) their respective relations in their capacity as shareholders of the Company.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree as of the date first mentioned above as follows:

1. **Preamble**. The Preamble to this Agreement constitutes an integral part of this Agreement.

2. **Sales by Parties; Minimum Holdings**:

2.1. Notwithstanding anything to the contrary in this Agreement, except for the provisions of Section 4.6, 6 and 7.4 below, until 31.3.2010 (the “**Lock-Up Period**”), none of the Parties shall sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber any Restricted Shares held by it, except that each Party shall be entitled to pledge the Restricted Shares held by such Party to a bank in order to finance the purchase thereof. “**Restricted Shares**” shall mean, for each Party (together with its Permitted Transferees pursuant to Section 4.6 below), such number of the Company’s shares constituting 25.05% of the total outstanding shares of the Company. The number of Restricted Shares shall be adjusted upon any issuance by the Company of any shares, including without limitation, upon the exercise of options, rights or warrants, upon the issuance of bonus shares or upon the consummation of stock splits, combinations and the like.

2.2. During the Lock-up Period, except as set forth in Section 6 and 7.4 below, and following the Lock-up Period for so long as neither Party has sold or otherwise transferred its Restricted Shares to a Proposed Purchaser (as defined in 4.1 below), each Party (together with its Permitted Transferees pursuant to Section 4.6 below) shall hold such number of shares of the Company constituting, at all times, at least 25.05% of the total outstanding shares of the Company. Accordingly, during the periods described in the immediately preceding sentence, if any Party’s share holding in the Company shall decrease below such threshold by dilution or otherwise, then promptly upon learning thereof, such Party shall acquire at least such number of additional shares of the Company to cause such Party to comply with this Section 2.2, by exercising options or warrants or purchasing shares from third parties or otherwise.

3. Purchase and Sale of Shares by Parties:

Following the date hereof and during the Term (as defined below), each Party shall be entitled to (i) directly or indirectly purchase additional Shares, warrants or other securities of the Company ("**Securities**"); and (ii) sell Securities other than Restricted Shares (which Restricted Securities may only be sold in accordance with other provisions of this Agreement), following the provision of a seven (7) days prior written notice to the other Party.

4. Right of First Refusal:

- 4.1. If, following the Lock-Up Period, Nechama or Kanir (the "**Selling Party**") wishes to sell or otherwise transfer all of such Party's Restricted Shares (the "**Offered Shares**") and shall obtain a bona fide offer (the "**Third Party Offer**") from a non-Affiliated potential purchaser (the "**Proposed Purchaser**") to purchase all such Offered Shares, then in such an event the Selling Party shall be required to first offer such Offered Shares to the other Party (the "**Offeree**"). The Selling Party shall send the Offeree a written offer (the "**Offer**") in which the Selling Party shall specify the following information: (i) the number of Offered Shares that the Selling Party proposes to sell or transfer to the Proposed Purchaser, the identity of the Proposed Purchaser, the price and payment terms and the other terms and conditions contained in the Third Party Offer; (ii) a representation and warranty that the Offered Shares shall, upon their transfer, be free and clear of all pledges, debts, security interests and other third party interests ("**Free and Clear**"). For the avoidance of doubt, (a) a Party shall not be entitled to sell and transfer to a Proposed Purchaser part of its Restricted Shares; and (b) no sale shall be done for consideration other than cash.
- 4.2. The Offer shall constitute an irrevocable offer made by the Selling Party to sell and transfer to the Offeree the Offered Shares, upon the terms specified in the Offer.
- 4.3. If the Offeree wishes to purchase all (but not a part) of the Offered Shares it shall notify in writing the Selling Party of its intent within fourteen (14) days of receipt of the Offer ("**Notice of Acceptance**") and the closing of such transaction shall take place within thirty (30) days of receipt of the Notice of Acceptance and the Offered Shares shall be sold and transferred to the Offeree Free and Clear against payment of the consideration as specified in the Offer
- 4.4. If the Offeree declines to purchase all of the Offered Shares upon the terms specified in the Offer or does not respond to the Offer within fourteen (14) days of its receipt or if the Offeree fails to consummate the transaction within thirty (30) days of the Notice of Acceptance due to the Offeree's fault, then in any of such events the Selling Party may sell all (but not a part) of the Offered Shares to the Proposed Purchaser, provided that such sale is consummated (i) in a bona fide transaction, (ii) at a price that is not lower than that specified in the Offer and (iii) subject to payment terms that are no more favorable to the Proposed Purchaser than those specified in the Offer, all within ninety (90) days of the date of the Offer and provided further that the Proposed Purchaser shall join this Agreement in writing and shall assume instead of the Selling Party, all of the rights and obligations of the Selling Party in its capacity as a shareholder of the Company in accordance with the terms of this Agreement. In the event that the sale to the Proposed Purchaser in the manner set forth above is not effected within said ninety (90) days, the right of first refusal described herein shall apply again.

4.5. A transfer of Control (as defined below) in any legal way in either Party shall be deemed for the purpose of this Agreement as a sale by such Party of all of its Restricted Shares and Sections 4 and 5 shall apply, *mutatis mutandis*. Each Party which is subject to such transfer of Control shall have the obligation to promptly notify the other Party of such event. Notwithstanding anything to the contrary, a transfer of interests in Kanir among its partners as of the date hereof shall not be deemed a transfer of Control.

4.6. Notwithstanding anything to the contrary in this Agreement, the rights of the Parties pursuant to the aforesaid provisions of this Section 4 and Section 5 below as well as the restriction under Section 2 above shall not apply with respect to a Permitted Transfer, provided that: (A) the transferee shall join this Agreement in writing and agree to be bound by the terms of this Agreement; and (B) the transferor shall continue to be bound by this Agreement and guarantee the performance by the transferee of its obligations under this Agreement.

For the purpose of this Section 4, the term “**Permitted Transfer**” means a sale or other transfer of Restricted Shares by a Party to an Affiliate of such Party.

“**Affiliate**” means, with respect to any Party, any person or legal entity (i) in which such Party, directly or indirectly, owns at least majority (more than 50%) interest (both economic and voting), or (ii) which directly or indirectly owns a majority (more than 50%) interest (both economic and voting) in such Party, or (iii) which, directly or indirectly, is in Control of or is Controlled by such Party.

“**Control**” means in relation to a person that is a corporation, the ownership, directly or indirectly, of voting securities of such person carrying more than 50% of the voting rights attaching to all voting securities of such person which are sufficient, if exercised, to elect a majority of its board of directors; and (ii) in relation to a person that is a partnership, limited partnership, business trust or other similar entity, the ownership, directly or indirectly, of voting securities of such person carrying more than 50% of the voting rights attaching to all voting securities of the person or the ownership of other interests entitling the holder to exercise control and direction over the activities of such person;

5. Tag Along:

- 5.1. Notwithstanding the provisions of Section 4 above, the Offeree shall, during the fourteen (14) day period in which the Offeree could have provided the Notice of Acceptance pursuant to Section 4 above, have the right to notify the Selling Party of its intent to exercise the Tag Along Right pursuant to this Section 5 above (the “**Tag Along Notice**”).
- 5.2. Following the Tag Along Notice, the Selling Party shall not sell any of the Offered Shares to the Proposed Purchaser, unless the Proposed Purchaser shall purchase from both the Offeree and the Selling Party, at the Offeree’s discretion, either (i) all of their respective Restricted Shares; or (ii) such a number of Restricted Shares equal to the product obtained by multiplying (i) the aggregate number of the Offered Shares, by (ii) a fraction the numerator of which is the number of Restricted Shares owned by the Offeree at the time of the proposed sale to the Proposed Purchaser and the denominator of which is the total number of Restricted Shares owned by both the Offeree and the Selling Party at the time of the proposed sale to the Proposed Purchaser; such sale to be upon the same terms and conditions under which the Selling Party’s Offered Shares shall be sold.

6. Buy Me Buy You:

- 6.1. If following January 1, 2009 (but (subject to Section 7.4 below) there shall be any disagreements between the Parties in relation to the Company or its business activities, then the Parties shall make their best efforts to resolve all such disagreements within thirty (30) days of a notice submitted by any of them to the other Party so requesting. If all the disagreements are not resolved within such thirty (30)-day period, the Parties shall make their best efforts to resolve all such disagreements by mediation. The Parties have selected Ram Caspi and Oded Eran as the mediators for any unresolved disagreements under this Agreement. In the event that any of the said mediators becomes unwilling or unable to serve, his respective firm shall appoint a senior partner as a successor mediator.
- 6.2. If all the disagreements are not resolved by mediation within thirty (30) day period as provided in Section 6.1 above, then each of the Parties (the “**Offering Party**”) shall have the right to notify the other Party (the “**Receiving Party**”), in writing (the “**Notice**”) of its demand to purchase all (but not a part) of the other Party’s Restricted Shares, or to sell all (but not a part) of its Restricted Shares to the other Party, at a price per share to be specified in the Notice, payable in cash against the transfer of the relevant shares Free and Clear. Issuing the said Notice shall constitute an irrevocable offer by the Offering Party for all intents and purposes.
- 6.3. Within thirty (30) days from the date of receipt of Notice, the Receiving Party shall be obligated to send to the Offering Party a notice indicating whether it shall sell all (but not a part) of its Restricted Shares to the Offering Party or purchase all (but not a part) of the Restricted Shares of the Offering Party, in accordance with the terms set forth in the Notice.

- 6.4. Failure on the Receiving Party to respond to the Notice within thirty (30) days from the date of receipt thereof, shall be the same as the Receiving Party's consent to sell all of its Restricted Shares to the Offering Party, in accordance with the terms set forth in the Notice.
- 6.5. If the Receiving Party issues a notice indicating that it wishes to purchase all (but not a part) of the Offering Party's Restricted Shares, as set forth in the Notice, the Parties shall be deemed to have entered into a binding agreement whereby the Receiving Party shall purchase all of the Offering Party's Restricted Shares in accordance with the terms set forth in the Notice.
- 6.6. If the Receiving Party issues a notice indicating that it wishes to sell all (but not a part) of the Receiving Party's Restricted Shares, as set forth in the Notice, the Parties shall be deemed to have entered into a binding agreement whereby the Offering Party shall purchase all of the Receiving Party's Restricted Shares in accordance with the terms set forth in the Notice.
- 6.7. The consummation of the sale transaction shall take place not later than hundred and twenty (120) days from the date of receipt of the Notice (the "**Closing Date**"). On the Closing Date, the Parties shall simultaneously perform all the acts required for transferring all of the selling party's Restricted Shares to the purchasing party Free and Clear, in accordance with the terms set forth in the Notice.

7. Board of Directors and General Meetings:

For the purpose of this Section 6, the following definitions shall apply:

Organizational Documents shall mean the memorandum of association, articles of association, certificate of incorporation, by laws, certificate of designation or other similar constitutional documents of an entity.

Related Party shall mean (1) a director or an officer of the Company or a nominee to become a director of the Company; (2) a shareholder of the Company which owns 5% or more of its issued share capital; (3) a family member of the first degree of any of the foregoing persons; and (4) an Affiliate of any of the foregoing.

Related Party Transaction shall mean any transaction of the Company or of a subsidiary of the Company with a Related Party.

- 7.1. **Composition of the Board of Directors.** The Board of Directors of the Company shall consist of 6 members. Each Party shall be entitled to recommend the appointment of two (2) directors and one (1) independent director to the Board of Directors of the Company and to recommend removing and replacing its respective proposed directors, subject to any applicable law.
- 7.2. The Parties shall use their best efforts to ensure that the candidates recommended pursuant to Section 7.1 above shall be appointed as directors of the Company or be removed, as the case may be, and that such recommended directors shall constitute the only members of the Board of Directors of the Company.

- 7.3. **Chairman of the Board.** During a period of five (5) years commencing on the date in which the Parties jointly acquire Control over the Company, Mr. Shlomo Nechama shall be appointed as the Chairman of the Board of the Company. At the expiration of such five (5) years period the Parties shall agree upon the identity of the successor Chairman of the Board of the Company. If Mr. Nechama is unable to perform his duty due to physical or mental incapacity and such inability continues for a period of at least 6 consecutive months, then in such an event the Parties shall agree upon the identity of the successor Chairman of the Board of the Company.
- 7.4. **Casting Vote.** In the event the number of Directors voting for the adoption of a resolution by the Board of Directors equals the number of Directors voting against such resolution, then so long as (i) Nechama holds Restricted Shares constituting at least 25.05% of the outstanding shares of the Company; and (ii) Mr. Shlomo Nechama serves as the Chairman of the Board, the Chairman of the Board shall have a casting vote (the “**Casting Vote**”). Notwithstanding anything to the contrary, in case Mr. Shlomo Nechama elects to exercise his Casting Vote in respect of a specific resolution brought before the Board of Directors (the “**Triggering Resolution**”), then (i) prior to such exercise, Nechama shall be required to trigger the Buy Me Buy You mechanism provided in Section 6 hereof as an Offering Party, whereby the Triggering Resolution will be pending until the consummation of the sale of the Restricted Shares of one party to the other party in accordance with such Buy Me Buy You mechanism; and (b) in the event that three (3) directors of the Company so require, the Triggering Resolution shall be conditioned upon the approval of the General Meeting of the Company. Upon a transfer of the Restricted Shares by Kanir to third party in accordance with the terms of this Agreement, the Casting Vote shall expire and the provisions of this Section 7.4 shall be terminated. For the avoidance of doubt it is hereby clarified that Nechama shall be entitled to trigger the Buy Me Buy You mechanism provided in Section 6 hereof as Offering Party, in accordance with this Section 7.4, even prior to January 1, 2009.
- 7.5. **Scope of Authority of the General Meeting.** In addition to those decisions which, under the Organizational Documents of a Company, require approval of the General Meeting of its shareholders, the Parties shall use their best efforts to cause the Articles of the Company to be amended so that a decision or action by or on behalf of the Company on any of the following matters, shall require the approval of holders of 50.1% or more of the outstanding shares of the Company, if so requested by any two (2) members of the Company’s Board of Directors:
- 7.5.1. Related Party Transactions;
 - 7.5.2. any amendment of the Company’s incorporation documents;
 - 7.5.3. any merger or consolidation of the Company;
 - 7.5.4. any material change in the Company’s scope of business;
 - 7.5.5. the voluntary liquidation or dissolution of the Company;

7.5.6. approval of the Company's annual budget and business plan, and any material deviation therefrom; and

7.5.7. any change of the signatory rights on behalf of the Company.

7.6. The Parties shall vote all the Company's shares held by them (whether Restricted Shares or otherwise) as provided in this Agreement and where this Agreement is silent as the Parties shall agree prior to any General Meeting of the Company as to their vote. In the event the Parties do not reach an agreement regarding certain resolution proposed to the General Meeting, The Parties shall vote all of their respective Shares against such proposed resolution.

8. No Agreements with Other Shareholders:

During the Term, each Party shall be prohibited from entering into, or otherwise being a party to, any Shareholders Agreement with any direct or indirect shareholder of the Company. Each Party represents to the other Party that as of the date of closing of the purchase of the Company's shares by the parties from the Fortissimo Entities it shall not be a party to any other Shareholders Agreement. "**Shareholders Agreement**" means any voting or similar agreement, or any agreement relating to the exercise of voting rights in the Company, or any similar undertaking or commitment (including a unilateral commitment), whether in the form of a written instrument or otherwise.

9. Term of the Agreement:

9.1. This Agreement shall come into effect as of the date hereof and shall be in full force and effect so long as (a) the Parties hold controlling interest in the Company, or (b) each of the Parties or its successor as provided in Section 4.4 hold all (but not a part) of its Restricted Shares (the "**Term**").

9.2. Upon exercise of the pledge on each Party's Restricted Shares provided by such Party to Discount Bank for financing the purchase thereof, this Agreement shall be automatically terminated.

10. Miscellaneous:

10.1. The Parties undertake that as soon as possible after the acquisition of the Control over the Company, they shall cause the Articles of the Company to be amended so that the revised Articles shall reflect the applicable provisions of this Agreement.

10.2. Unless the context otherwise requires, this Agreement shall apply to all Securities which are or may be held by either Party during the term of this Agreement.

10.3. Each of the Parties shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected hereby.

10.4. This Agreement shall be governed by the laws of the State of Israel, without regard to the conflict of law provisions thereof. Any dispute arising under or with respect to this Agreement shall be resolved exclusively in the appropriate court in Tel Aviv, Israel.

10.5. All notices required or permitted hereunder to be given to a Party pursuant to this Agreement shall be in writing and shall be deemed to have been duly given to the addressee thereof (i) if hand delivered, on the day of delivery, (ii) if given by facsimile transmission, on the business day on which such transmission is sent and confirmed, or (iii) if delivered by air mail, five business days following the date it was sent, to such Party's address as set forth below or at such other address as such Party shall have furnished to the other Party in writing in accordance with this provision:

If to Kanir:

Kanir Joint Investments (2005) Limited Partnership

25 Nachmani Street

Tel Aviv 66794

Israel (c/o Erdinast, Ben Nathan & Co., Advocates)

Attention: Menahem Raphael

Fax: (972) 3-525-0896

With a Copy to:

Goldfarb, Levy, Eran, Meiri, Tzafrir & Co.

2 Weizmann Street

Tel Aviv 64239

Israel

Attention: Adam Klein, Adv. & Ido Gonen, Adv.

Fax: (972) 3-6089909

If to Nechama:

c/o Caspi & Co. Law Offices

33 Yaavetz Street

Tel Aviv 65258

Israel

Attention: Ram Caspi, Adv.

Fax: +972-3-796-1001

- 10.6. Subject to Sections 7.3 and 7.4 above, nothing contained in this Agreement shall be deemed to grant any right to any person or entity that is not a party to this Agreement.
- 10.7. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but if any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.
- 10.8. Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.
- 10.9. This Agreement together with the documents expressly referred to herein, constitute the entire agreement among the Parties with respect to the subject matter contained herein and supersedes all prior agreements and understandings among the Parties with respect to such subject matter.
- 10.10. No modification, amendment or waiver (each, a “**Modification**”) of any provision of this Agreement will be effective unless such Modification is approved in writing by all Parties. The failure of any Party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such Party thereafter to enforce each and every provision of this Agreement in accordance with its terms.
- 10.11. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Kanir Joint Investments (2005) Limited Partnership

By: KANIR INVESTMENTS LTD.

Its General Partner

By: /s/ Menachem Raphael

Name: Menachem Raphael

Title: Director

By: /s/ Ran Fridrich

Name: Ran Fridrich

Title: Director

S.Nechama Investments (2008) Ltd.

By: /s/ Shlomo Nechama

Name: Shlomo Nechama

Title: Director

[Signature Page to Shareholders Agreement dated March 24, 2008]

**ELLOMAY CAPITAL LTD. (FORMERLY NUR MACROPRINTERS LTD.)
1998 SHARE OPTION PLAN FOR NON-EMPLOYEE DIRECTORS
(AS AMENDED)**

NUR Macroprinters Ltd. hereby adopts the 1998 Share Option Plan for Non-Employee Directors, as follows:

1. **Shareholder Approval and Purpose**

- 1.1. **Shareholder Approval.** At the Company's December 8, 1998 Annual Meeting of Shareholders, the Plan was ratified by an affirmative vote of the holders of a majority of the Shares which were present in person or by proxy and entitled to vote at the Meeting.
- 1.2. **Purpose of the Plan.** The Plan is intended to closely align the interests of the Non-Employee Directors with the interests of the Company's shareholders. This is achieved by making a significant portion of Non-Employee Director compensation directly related to the total return performance of the Shares. The Plan also is intended to encourage Share ownership on the part of Non-Employee Directors.

2. **Definitions**

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

- 2.1. **"Award"** means, individually or collectively, a grant under the Plan of an Option.
 - 2.2. **"Board"** means the Board of Directors of the Company.
 - 2.3. **"Committee"** means the committee appointed pursuant to Section 3.1 to administer the Plan.
 - 2.4. **"Company"** means NUR Macroprinters Ltd., an Israeli corporation, or any successor thereto.
 - 2.5. **"Control"** shall have the meaning ascribed thereto in Section 102 of the Ordinance.
 - 2.6. **"Director"** means any individual who is a member of the Board.
 - 2.7. **"Disability"** means a permanent and total disability, as determined by the Committee (in its discretion) in accordance with uniform and non-discriminatory standards adopted by the Committee from time to time.
 - 2.8. **"Exercise Price"** means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option.
 - 2.9. **"Fair Market Value"** means the average closing bid and sale prices of the Shares for the date in question as furnished by the National Association of Securities Dealers, Inc. through Nasdaq or any similar organization if Nasdaq is no longer reporting such information, or such other market on which the Shares are then traded, or if not then traded as determined in good faith (using customary valuation methods) by resolution of the members of the Board of Directors of the Company, based on the best information available to it.
 - 2.10. **"Grant Date"** means, with respect to 1998, October 26, 1998 and, with respect to each subsequent calendar year, August 1. For example, for 1999, the Grant Date is August 1, 1999. With respect to a particular Award, "Grant Date" means the particular Grant Date on which the Award was granted. Notwithstanding the preceding, a Non-Employee Director who is first elected or appointed on other than December 8, 1998, shall have only an initial Grant Date coincident with the date of his or her commencement of service on the Board.
 - 2.11. **"Holding Period"** means the period in which the Options granted to an Israeli Participant or, upon exercise thereof the Shares underlying thereunder, are to be held by the Trustee on behalf of such Israeli Participant, in accordance with Section 102 of the Ordinance, and pursuant to the Tax Track which the Company selects.
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- 2.12. **"Israeli Participants"** means Non-Employee Directors who do not Control the Company and who are subject to payment in Israel of tax on their income from the Company (other than withholding tax), as the Committee, in its discretion shall determine.
- 2.13. **"Non-Employee Director"** means a Director who is an employee of neither the Company nor of any Subsidiary.
- 2.14. **"Non-Israeli Participants"** means all Non-Employee Directors who are not Israeli Participants.
- 2.15. **"Option"** means an option to purchase Shares granted pursuant to Section 5
- 2.16. **"Option Agreement"** means the written agreement between the Company and a Participant setting forth the terms and provisions applicable to each Option granted under the Plan.
- 2.17. **"Ordinance"** means the Israeli Income Tax Ordinance [New Version], 1961, as amended and any regulations, rules, orders or procedures promulgated thereunder.
- 2.18. **"Participant"** means a Non-Employee Director who has an outstanding Award.
- 2.19. **"Plan"** means this 1998 Share Option Plan for Non-Employee Directors, as set forth in this instrument and as hereafter amended from time to time.
- 2.20. **"Shares"** means the Ordinary Shares of the Company, NIS 10.00 nominal value.
- 2.21. **"Subsidiary"** means any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns shares possessing fifty percent (50%) or more of the total combined voting power of all classes of shares in one of the other corporations in such chain.
- 2.22. **"Tax Track"** means one of the three tax tracks described under Section 102 of the Ordinance, specifically: (1) the "Capital Gains Track Through a Trustee"; (2) "Income Tax Track Through a Trustee"; or (3) the "Income Tax Track Without a Trustee"; each as defined respectively in Sections 6.2 and 6.3 of the Plan.
- 2.23. **"Termination of Service"** means a cessation of the Participant's service on the Board for any reason.
- 2.24. **"Trustee"** means the trustee appointed by the Company under the Trust Agreement as set forth in Section 6.5 of the Plan.

3. **Administration**

- 3.1. **The Committee.** The Plan shall be administered by the Committee. The Committee shall consist of one or more Directors who shall be appointed by, and serve at the pleasure of, members of the Company's Board who are not eligible to receive Awards under the Plan. The Committee shall be comprised solely of a Director or Directors who are not eligible to receive Awards under the Plan.
- 3.2. **Authority of the Committee.** It shall be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) interpret the Plan and the Awards, (b) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, (c) interpret, amend or revoke any such rules, and (d) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Non-Employee Directors who are non-Israeli nationals or employed outside of Israel.
- 3.3. **Decisions Binding.** Subject to the provisions of any applicable law, all determinations and decisions made by the Committee related to the Plan and its application shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.

4. **Shares Subject to the Plan**

- 4.1. **Number of Shares.** Subject to adjustment as provided in Section 4.3, the total number of Shares available and reserved for grant under the Plan shall not exceed 75,000. Shares granted under the Plan shall be taken from the Company's authorized but unissued Shares.
- 4.2. **Lapsed Awards.** If an Award terminates or expires for any reason, any Shares subject to such Award again shall be available to be the subject of an Award.
- 4.3. **Adjustments in Awards and Authorized Shares.** In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, share dividend, split-up, Share combination, or other change in the corporate structure of the Company affecting the Shares, the Committee shall adjust the number and class of Shares which may be delivered under the Plan, and the number, class, and Exercise Price of Shares subject to outstanding Awards and future grants, in such manner as the Committee (in its sole discretion) shall determine to be appropriate to prevent the dilution or diminution of such Awards. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

5. **Share Options**

5.1. **Granting of Options**

- 5.1.1. **Directors serving on the 1998 Grant Date.** Each Non-Employee Director who is such on the 1998 Grant Date, shall automatically receive, as of the 1998 Grant Date, an Option to purchase 10,000 Shares. Each Non-Employee who has received an Option pursuant to the preceding sentence shall also automatically receive, as of each subsequent Grant Date, an Option to purchase 10,000 Shares, provided that the individual shall receive an Option on any such subsequent Grant Date only if he or she both (a) is a Non-Employee Director on the Grant Date, and (b) has served as a Non-Employee Director for the entire period since the last Grant Date.
- 5.1.2. **Directors first elected or appointed after the 1998 Grant Date.** Each Non-Employee Director who first becomes such after the 1998 Grant Date, automatically shall receive on his or her initial Grant Date an option to purchase up to 10,000 Shares prorated based on the number of full months of service between the prior annual Grant Date and the next Grant Date. A Director joining the Board on or before the 15th day of the month will receive credit for service for the full month. For example, (a) if a Non-Employee Director joins the Company as such on June 15, 1999 such Director would be entitled to an initial grant of options to purchase 2,222 Shares and (b) if a Non-Employee Director joined the Company on June 15 of any subsequent year, such Director would be entitled to an initial grant of options to purchase 1,667 Shares. Each such Non-Employee Director also shall automatically receive, as of each subsequent Grant Date, an Option to purchase 10,000 Shares annually, provided that the individual shall receive an Option on any such Grant Date only if he or she both (y) is a Non-Employee Director on the Grant Date, and (z) has served as a Non-Employee Director for the entire period since the last Grant Date.

5.2. **Terms of Options**

- 5.2.1. **Option Agreement.** Each Option granted pursuant to this Section 5 shall be evidenced by a written Option Agreement (satisfactory to the Committee), which shall be executed by the Participant and the Company.
- 5.2.2. **Exercise Price.** The Exercise Price for the Shares subject to each Option shall be 100% of the Fair Market Value of such Shares on the applicable Grant Date.

5.2.3. Exercisability. Each Option granted pursuant to Section 5.1 shall become fully exercisable immediately upon issuance. Options not exercised before the applicable expiration periods designated in Section 5.2.4. below shall terminate upon the expiration thereof.

5.2.4. Expiration of Options. Each Option shall terminate upon the first to occur of the following events,

- (a) The expiration of ten (10) years from the applicable Grant Date;
- (b) The expiration of three (3) months from the date of the Participant's Termination of Service prior to age 70 for any reason other than the Participant's death or Disability, provided that the Committee, subject to subsequent shareholder approval, may determine to extend such period to a maximum of five years;
- (c) The expiration of two (2) years from the date of the Participant's Termination of Service by reason of Disability; or
- (d) The expiration of one (1) year from the date of the Participant's Termination of Service at or after age 70 for any reason other than the Participant's death or Disability.

5.2.5. Death of Director. Notwithstanding Section 5.2.4, if a Director dies prior to the expiration of his or her Option(s) in accordance with Section 5.2.4, his or her Option(s), which are exercisable on the date of his or her death shall terminate one (1) year after the date of death.

5.3. Payment. Options shall be exercised by the Participant's delivery of a written notice of exercise (satisfactory to the Committee) to the Company in care of Chief Financial Officer, 12 Abba Hillel Silver Street, P.O. Box 1281, Lod 71111, Israel, or at such other address as Company may hereafter designate in writing, setting forth the number of Shares with respect to which the Option is to be exercised, and accompanied by full payment for the Shares. Upon the exercise of any Option, the Exercise Price shall be payable to the Company in full in cash. As soon as practicable after receipt of a written notification of exercise and full payment for the Shares purchased, the Company shall deliver to the Participant (or the Participant's designated broker), Share certificates (which may be in book-entry form) representing such Shares.

5.4. Options are not Incentive Share Options. Options are not intended to be incentive stock options within the meaning of Section 422 of the United States Internal Revenue Code.

5.5. Conditions Upon Issuance of Shares

5.5.1. Investment Representation. As a condition to the exercise of an Option, the Committee may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, upon the advice of counsel for the Company, such representation is required.

5.5.2. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which requisite authority shall not have been obtained.

6. Awards to Israeli Participants

6.1. Option Subject to Section 102 of the Ordinance. Awards to Israeli Participants shall be made under the provisions of Section 102 of the Ordinance. Anything herein to the contrary notwithstanding, the Grant Date of Options to Israeli Participants and elected to have their Options issued under the Tax Track that the Company has selected, shall not be earlier than the date at which the Plan was approved by the Israeli Tax Authorities.

- 6.2. Trustee Tax Tracks. If the Company elects to grant Options through (i) the Capital Gains Tax Track Through a Trustee, or (ii) the Income Tax Track Through a Trustee, then, in accordance with the requirements of Section 102 of the Ordinance, the Company shall appoint a Trustee who will hold in trust on behalf of each Israeli Participant the Options and the Shares issued upon exercise of such Options.

The Holding Period for the Options will be as follows:

- (1) *The Capital Gains Tax Track Through a Trustee* – if the Company elects to Award the Options according to the provisions of this track, then the minimum Holding Period needed to benefit from that Capital Gain Tax Track will be twenty-four (24) months from the end of the tax year in which the Options were Awarded to the Trustee on behalf of the Israeli Participant, or such shorter period as may be approved by the Israeli Tax Authorities.
- (2) *Income Tax Track Through a Trustee* – if the Company elects to Award Options according to the provisions of this track, then the minimum Holding Period needed to benefit from that Income Tax Through a Trustee Track will be twelve (12) months from the end of the tax year in which the Options were Awarded to the Trustee on behalf of the Israeli Participant, or such shorter period as may be approved by the Israeli Tax Authorities.

Subject to Section 102 of the Ordinance, Israeli Participants who wish to benefit from the reduced tax shall not be able to receive from the Trustee, nor shall they be able to sell or dispose of Shares before the end of the applicable Holding Period. If an Israeli Participant sells or removes the Shares underlying an Award from the Trustee before the end of the applicable Holding Period (the "**Breach**"), such Israeli Participant shall pay all applicable taxes imposed on such Breach by the Ordinance.

In the event of a distribution of rights, including an issuance of bonus shares, in connection with Options originally granted (the "**Additional Rights**"), all such Additional Rights shall be allocated and/or issued to the Trustee for the benefit of Israeli Participant, and shall be held by the Trustee for the remainder of the Holding Period applicable to the Options originally Awarded. Such Additional Rights shall be treated in accordance with the provisions of the applicable Tax Track.

- 6.3. Income Tax Track Without a Trustee. If the Company elects to Award Options according to the provisions of this track, then the Options will not be subject to a Holding Period.
- 6.4. Track Selection. The Company, in its sole discretion, shall elect under which of the above three Tax Tracks, Awards to Israeli Participants shall be made and the Option Agreement will indicate the Tax Track under which the Options are being granted.
- 6.5. Trust Agreement
- 6.5.1. The terms and conditions applicable to the trust relating to Awards to Israeli Participants under the Tax Track selected by the Company shall be set forth in an agreement signed by the Company and the Trustee (the "**Trust Agreement**").
 - 6.5.2. The Company shall cause the Trustee to exercise the Options by countersigning and delivering to the Company a notice of exercise, upon receipt of written instructions from the Participant thereof, provided, that the Israeli Participant has made appropriate arrangements for the payment of the Exercise Price of the Shares issuable upon such exercise.
- 6.6. Tax Matters
- 6.6.1. Awards to Israeli Participants shall be governed by, and shall conform with and be interpreted so as to comply with, the requirements of Section 102 of the Ordinance and any written approval from the Israeli Tax Authorities. All tax consequences under any applicable law (other than stamp duty) which may arise from the Award of Options, from the exercise thereof or from the holding or sale of underlying Shares (or other securities issued under the Plan) by or on behalf of an Israeli Participant, shall be borne solely on such Israeli Participant. An Israeli Participant shall indemnify the Company and hold it harmless against and from any liability for any such tax or any penalty, interest or indexing.

- 6.6.2. If the Company elects to Award Options according to the provisions of the Income Tax Track Without a Trustee (Section 6.3 of the Plan), and if prior to the exercise of any and/or all of these Options, an Israeli Participant ceases to be a director of the Company, such Israeli Participant shall deposit with the Company a guarantee or other security as required by law, in order to ensure the payment of applicable taxes upon the exercise of such Options.
- 6.6.3. Until all taxes relating to Awards to Israeli Participants have been paid in accordance with the Ordinance, Options and/or the Shares underlying thereunder may not be sold, transferred, assigned, pledged, encumbered, or otherwise willfully hypothecated or disposed of, and no power of attorney or deed of transfer, whether for immediate or future use may be validly given. Notwithstanding the foregoing, the Options and/or the Shares underlying thereunder may be validly transferred in a transfer made by will or laws of descent, provided that the transferee thereof shall be subject to the provisions of Section 102 of the Ordinance and the rules thereunder as would have been applicable to the deceased Israeli Participant were he or she to have survived.

7. **Miscellaneous**

- 7.1. **No Effect on Service.** Nothing in the Plan shall (a) create any obligation on the part of the Board to nominate any Participant for reelection by the Company's shareholders, or (b) interfere with or limit in any way the right of the Company to terminate any Participant's service.
- 7.2. **Successors.** All obligations of the Company under the Plan shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.
- 7.3. **Beneficiary Designations.** If permitted by the Committee, a Participant may name a beneficiary or beneficiaries to whom any vested but unpaid Award shall be paid in the event of the Participant's death. Each such designation shall revoke all prior designations by the Participant and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate and, subject to the terms of the Plan and of the applicable Option Agreement, any unexercised vested Award may be exercised by the administrator or executor of the Participant's estate.
- 7.4. **Nontransferability of Awards.** No Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 7.3. All rights with respect to an Award granted to a Participant shall be available during his or her lifetime only to the Participant.
- 7.5. **No Rights as Shareholder.** Except to the limited extent provided in Section 7.3, no Participant (nor any beneficiary) shall have any of the rights or privileges of a shareholder of the Company with respect to any Shares issuable pursuant to exercise of an Option, unless and until certificates representing such Shares shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant, beneficiary or Company (as escrow agent).

- 7.6. Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy governmental, federal, state, and local taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

8. **Amendment, Termination and Duration**

- 8.1. Amendment or Termination. The Board, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension, or termination of the Plan shall not, without the consent of the Participant, alter or impair any rights or obligations under any Award theretofore granted to such Participant.
- 8.2. Duration of the Plan. The Plan shall commence on the date specified herein, and subject to Section 8.1 (regarding the Board's right to amend or terminate the Plan), shall remain in effect thereafter until December 8, 2018, unless terminated earlier by the Board.

9. **Legal Construction**

- 9.1. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.
- 9.2. Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- 9.3. Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other state having jurisdiction over the Company and the Participant, including the registration of the Shares under United States Securities Act of 1933, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- 9.4. Compliance with Rule 16b-3. For the purpose of ensuring that transactions under the Plan do not subject Participants to liability under Section 16(b) the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), if the Participants shall become subject thereto, all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the 1934 Act, and any future regulation amending, supplementing or superseding such regulation. To the extent any provision of the Plan, Option Agreement or action by the Committee or a Participant fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.
- 9.5. Governing Law. The Plan and all Option Agreements shall be construed in accordance with and governed by the laws of the State of Israel without giving effect to any choice or conflict of law provision or rule (whether of Israeli or otherwise) which would cause the application of the laws of any jurisdiction other than Israel.
- 9.6. Captions. Captions provided herein are for convenience only, and shall not serve as a basis for interpretation or construction of the Plan.

Ellomay Capital Ltd.
(Previously, NUR Macroprinters Ltd. and NUR Advanced Technologies Ltd.)
2000 Stock Option Plan

1. **Establishment, Purpose, and Definitions**

- (a) This, the 2000 Stock Option Plan (the "**Plan**") of NUR Macroprinters Ltd. (the "**Company**"), has been adopted and approved by the Board of Directors of the Company (the "**Board**") on August 9, 2002 and amended on July 15, 2003, June 23, 2008 and June 9, 2011.
- (b) The purpose of the Plan is to provide a means whereby Eligible Individuals (as defined in paragraph 4, below) may acquire ordinary shares of the Company par value NIS 10.00 each (the "**Shares**") pursuant to the exercise of options granted under the Plan (respectively the "**Options**" and "**Grant**"). Options may be Granted on the basis of past or future services by employees of the Company or of Affiliates ("**Service Options**"), or on the basis of past or future services by non-employees of the Company or of Affiliates ("**Non-Employee Options**").
- (c) The term "**Affiliate**" or "**Affiliates**" as used in the Plan means a present or future company that either (i) Controls the Company or is Controlled by the Company; or (ii) is Controlled by the same person or entity that Controls the Company.
- (d) The term "**Control**" as used in the Plan shall have the meaning ascribed thereto in Section 102 of the Israeli Income Tax Ordinance [New Version], 1961, as amended, and any regulations, rules, orders or procedures promulgated thereunder (all referred to together as "**Section 102**").
- (e) The term "**Employee**" as used in this Plan means an employee, officer - "Nosei Misra" - as such term is defined in the Companies law 5759-1999 ("**Officers**" and the "**Companies law**" respectively), or director of the Company or any Affiliate, provided that such person does not Control the Company.
- (f) The term "**Non-Employees**" as used in this Plan means consultants or Employees if such Employees Control the Company.
- (g) The terms "**Participant**" Participant as used in this Plan shall mean any Employee or Non-Employee Granted Options under this Plan.

2. **Administration of the Plan**

- (a) The Plan shall be administered by the Board or by a committee elected by the Board (the "**Committee**"), under such terms and conditions, as the Board shall determine. Members of the Committee shall serve at the pleasure of the Board. At least one member of the Committee shall be an independent director, such that such person would be qualified to serve on the Committee under the provisions of paragraph 2(b)(ii) below. The Committee shall select one of its members as chairman, and the provisions of the Articles of Association of the Company as to committees of the Board shall apply to the meetings of the Committee, including the provisions relating to the convening of meetings, the adoption of resolutions, and the adoption of resolutions in writing. Until such time as the Board shall delegate the administration of the Plan to the Committee or if the Board chooses not to delegate the administration of the Plan to the Committee, each reference in this Plan to "the Committee" shall be construed to refer to the Board.
 - (b) In the event that the Company becomes subject to the requirements of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 16b-3**"), then, notwithstanding the provisions of paragraph 2(a) above, (i) the Committee shall consist of two or more members of the board or such lesser number of members of the Board as permitted by Rule 16b-3, and (ii) none of the members of the Committee shall receive, while serving on the committee, or during the one-year period preceding appointment to the Committee, a grant or award of equity securities under (y) the plan, or (z) any other plan of the Company or its Affiliates under which the Participants are entitled to acquire Shares (including restricted Shares), stock, options, stock bonuses, related rights, or stock appreciation rights of the company or any of its Affiliates, other than pursuant to transactions in any such other plan which do not disqualify a director from being a disinterested person under Rule 16b-3. The limitations set forth in this paragraph 2(b) shall automatically incorporate any additional requirements that may in the future be necessary for the Plan to comply with Rule 16b-3.
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- (c) None of the members of the Committee shall receive, while serving on the Committee, or during the one-year period preceding appointment to the Committee, a Grant or award of Options or Shares under the Plan.
- (d) The Committee shall determine, from time to time, which Eligible Individuals (as defined and detailed in paragraph 4, below) shall be granted Options under the Plan, the timing of such Grants, the terms thereof (including any restrictions on the Shares), and the number of Shares subject to such Options.
- (e) Subject to paragraph 13(b) below, the Committee may amend the terms of any outstanding Option Granted under this Plan, provided however that the Exercise Price (as defined in paragraph 5 below) of an outstanding Option may not be amended, and further provided that any amendment which would adversely affect the Participant's rights under an outstanding Option shall not be made without the Participant's written consent. The Committee may, with the Participant's written consent, cancel any outstanding Options or accept any outstanding Option in exchange for a new Option.
- (f) Subject to paragraph 13(b) below, the Committee shall have the sole authority, in its absolute discretion, to adopt, amend, and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan; to construe and interpret the Plan, the rules and regulations, and the instruments evidencing Options Granted under the Plan; and to make all other determinations deemed necessary or advisable for the administration of the Plan. All decisions, determinations, and interpretations of the Committee shall be binding on all Participants.

3. **Shares Subject to the Plan**

- (a) The aggregate number of Shares available through the Grant of Options under the Plan (the "**Option Shares**" or "**Underlying Shares**") shall be as provided for by the Board and approved by the Shareholders of the Company from time to time. The Option Shares shall be available through Service Options and/or Non-Employee Options.

If an Option is surrendered (except surrender for the exercise into Shares) or for any other reason ceases to be exercisable in whole or in part, the Underlying Shares which were subject to such Option but as to which the Option had not been exercised shall continue to be available under the Plan.
- (b) If there is any change in the Shares subject to the Plan, or the Shares subject to any Option Granted under the Plan, through merger, consolidation, reorganization, recapitalization, reincorporation share split, distribution of bonus shares, a rights offering, or other change in the corporate structure of the Company, appropriate adjustments shall be made by the Committee in order to preserve but not to increase the benefits to the individual, including adjustments to the aggregate number and kind of Shares subject to the Plan, and the number and kind of Shares and the Exercise Price, as defined in paragraph 5 below.

4. **Eligible Individuals**

- (a) Subject to paragraph 2(c) above: (i) Employees shall be eligible to receive Service Options; and (ii) Non Employees shall be eligible to receive Non-Employee Options, as the Committee, in its discretion, shall designate from time to time. Notwithstanding this paragraph 4(a) all Grant of Options to Officers of any Israeli Company, shall be authorized and implemented only in accordance with the provisions of the Companies Law, as in effect from time to time.
- (b) Employees of the Company or an Affiliate who are subject to payment in Israel of tax on their income from the Company or an Affiliate (other than withholding tax), as the Committee, in its discretion shall determine, shall be defined for the purpose of the Plan as "Israeli Employees". All other Employees of the Company or an Affiliate shall be defined for the purpose of the Plan as "**Non-Israeli Employees**". Israeli Employees who Control the Company, or are otherwise not entitled to the benefits granted pursuant to Section 102, shall be defined for the purpose of the Plan as "**Controlling Employees**".

5. **The Option Price**

- (a) The exercise price of the Shares covered by each Option (the "**Exercise Price**") shall be as determined by the Committee; provided, however, that the Exercise Price of any Option Granted, shall not be less than eighty percent (80%) of the Stock Value at the time of issuance of such Options. The "**Stock Value**" at any time shall be equal to the then current Fair Market Value of the Shares. For purposes hereof, the "**Fair Market Value**" shall mean, as of any date, the last closing price, on Date of Grant, of the Shares in respect of which options Granted under the Plan may then be exercised on the NASDAQ National Market System (or, in the event that the National Market System is not the principal securities exchange on which the Shares are then traded, on such other principal securities exchange), or, in the event that no sales of the Shares took place on such date, the last closing price of the Shares on such principal securities exchange on the most recent prior date on which a sale of the Shares took place; provided, however, that if the Shares are not publicly traded on the date on which the Fair Market Value is to be determined, then the "Fair Market Value" shall mean the per share Fair Market Value of the Company as determined by the Board of Directors. If the Committee is unable to agree on the Fair Market Value, then the Fair Market Value shall be determined by an independent valuation expert satisfactory to the Committee. The Fair Market Value as determined by such independent valuation expert shall be conclusive. The Exercise Price of an Option shall be subject to adjustment to the extent provided in paragraph 3(b) above.
- (b) Options Granted to Employees subject to US Tax: at an Exercise Price which is not less than the "fair market value" (as described in Section 422 of the Internal Revenue Code of 1986 (the "Code")) of the Shares on the grant date (110% of such fair market value in the case of an individual who owns more than 10% of the combined voting power of all classes of stock in the Company or an Affiliate (a "**10% Stockholder**")).

6. **Grant of Options: Dividends and Voting Rights**

- (a) The effective date of the Grant of an Option (the "**Date of Grant**") shall be the date specified by the Committee in its determination relating to the award of such Option. The Committee shall promptly give the Participant written notice (the "**Notice of Grant**") of the Grant of an Option. The terms of such Notice of Grant shall be determined by the Committee, subject to the terms of the Plan.
- (b) Subject to the vesting provisions of paragraph 9(c), each Option may be exercised, in whole or in part, at any time during the period (the "**Option Period**") set forth in the Notice of Grant. However, Underlying Shares derived from Options Granted under one of the Section 102 Trustee Tracks, may not be sold or transferred from the Trustee (as hereinafter defined) before the end of the applicable Holding Period as defined in Section 102 and paragraph 7 of this Plan. Options not exercised during the Option Period shall terminate upon the expiration thereof.
- (c) To the extent that any dividend is payable on the Shares under applicable law, or the Articles of Association of the Company, all Underlying Shares (whether or not held in Trust) shall entitle beneficial Participants ("**Beneficial Employees**") to receive dividends with respect thereto. For so long as such Shares are held in Trust, any and all dividends received by the Trustee on such Underlying Shares shall be paid by the Trustee to the Beneficial Employees thereof, subject to any required withholding of tax in respect thereof.
- (e) Except as provided in the immediately following sentence, in order to exercise an Option, the Participant shall complete and execute a notice of exercise ("**Notice of Exercise**") in such form as may be prescribed by the Committee from time to time and shall deliver the same to the Company together with the purchase price of the Shares pursuant to paragraph 13 hereof. In the case of any Beneficial Employee who's Options are held by the Trustee, such Beneficial Employee shall instruct the Trustee to countersign such Notice of Exercise (the same having been signed by such Beneficial Employee) and to deliver the same to the Company.
- (f) The Participant shall have no rights as a shareholder with respect to Shares under a Grant of Options until a share certificate has been delivered to the Participant and is fully paid for. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued

7. **Trust Arrangement and Holding Period**

- (a) Option Subject to Section 102: Grants to Israeli Employees shall be made under the provisions of Section 102. Grants to Non-Israeli Employees or Controlling Employees shall not be made under Section 102. Anything herein to the contrary notwithstanding, the Date of Grant of Options to Israeli Employees, who are not Controlling Employees, and elected to have their Options issued under the Trustee Track of Section 102 that the Company has selected, shall not be earlier than the date at which the Option Plan was approved by the Israeli Tax Authorities.
- (b) Trustee Tax Tracks: If the Company elects to Grant Options through (i) the Capital Gains Track Through a Trustee, or (ii) the Income Tax Track Through a Trustee then, in accordance with the requirements of Section 102, the Company shall appoint a Trustee who will hold in trust on behalf of each Participant the Options and the Underlying Shares issued upon exercise of such Options in trust on behalf of each Participant. The Company shall allocate such Options to the Trustee on behalf of such Israeli Employees in a letter specifying all details required under Section 102 Rules ("**Allocation**").

The holding period for the Options will be as follows ("**Holding Period**"):

- (1) The Capital Gains Tax Track Through a Trustee – if the Company elects to Allocate the Options according to the provisions of this track, then the Holding Period will be 24 months from the end of the tax year in which the Options were Allocated to the Trustee on behalf of the Participant, or such shorter period as may be approved by the Israeli Tax Authorities.
- (2) Income Tax Track Through a Trustee – if the Company elects to Allocate Options according to the provisions of this track, then the Holding Period will be 12 months from the end of the tax year in which the Options were Allocated to the Trustee on behalf of the Participant, or such shorter period as may be approved by the Israeli Tax Authorities.

Subject to Section 102, Israeli Employees shall not be able to receive from the Trustee, nor shall they be able to sell or dispose of Underlying Shares before the end of the applicable Holding Period.

In the event of a distribution of rights, including an issuance of bonus shares, in connection with Options originally Granted (the "**Additional Rights**"), all such Additional Rights shall be Allocated and/or issued to the Trustee for the benefit of Israeli Employees, and shall be held by the Trustee for the remainder of the Holding Period applicable to the Options originally Allocated. Such Additional Rights shall be treated in accordance with the provisions of the applicable Tax Track.

- (c) Income Tax Track Without a Trustee: If the Company elects to Allocate Options according to the provisions of this track, then the Options will not be subject to a Holding Period.
- (d) Track Selection: The Company, in its sole discretion, shall elect under which (and if to Allocate Options under one) of the above three Tracks, Allocations to Israeli Employees shall be made.
- (e) Concurrent Conditions: The Holding Period, if any, is in addition to the vesting period as specified in paragraph 9 (c) of the Plan. The Holding Period and vesting period may run concurrently, but neither is a substitute for the other, and each are independent terms and conditions for Options Granted.
- (f) Trust Agreement:
 - (i) The terms and conditions applicable to the Trust relating to the Trustee Tax Track selected by the Company, as appropriate, shall be set forth in an agreement signed by the Company and the Trustee (the "**Trust Agreement**").
 - (ii) The Company shall cause the Trustee (subject to the vesting provisions of paragraph 9(c) hereof) to exercise the Options by countersigning and delivering to the Company a Notice of Exercise, upon receipt of written instructions from the Beneficial Employee thereof, provided the Beneficial Employee has made appropriate arrangements for the payment of the Exercise Price of the Shares issuable upon such exercise.

- (iii) Subject to paragraph 9(a) of this Plan, Options and/or Underlying Shares held by the Trustee shall continue to be held by the Trustee, on behalf of the Beneficial Employee at least until the end of the later of the (a) applicable Holding Period and (b) Vesting Period ("**Release Date**"). At any time after the Release Date and upon the receipt of a written request of any Beneficial Employee, the Trustee shall release from the Trust the Underlying Shares, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Beneficial Employee, provided, however, that the Trustee shall not so release any such Shares to such Beneficial Employee unless the latter, prior to, or concurrently with, such release, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes, if any, required to be paid upon such release have, in fact, been paid.
- (iv) Alternatively, from and after the Release Date, upon the written instructions of the Beneficial Employee to sell any Shares issued upon exercise of Options, the Trustee shall take such steps as may be required to effect such sale and shall transfer such Shares to the purchaser concurrently with the receipt, or after having made suitable arrangements to secure the payment of the proceeds of the purchase price in such transaction. The Trustee shall withhold from such proceeds any and all taxes required to be paid in respect of such sale, shall remit the amount so withheld to the appropriate tax authorities and shall pay the balance thereof directly to the Beneficial Employee, reporting to such Beneficial Employee and to the Company the amount so withheld and paid to said tax authorities.
- (g) Option Subject to the Trustee Tax Track without a Trustee: If the Company determines to Allocate Options subject to a Trustee Tax Track without a Trustee, the Company shall Allocate all Options Granted under the Plan to Israeli Employees (and a copy of the Notice of Grant shall be given) to a trustee designated by the Board (who may be the Trustee). The Trustee shall hold each such Option in trust (the "**Trust**") for the Beneficial Employee. No Options shall be released from the Trust until the vesting of such Option pursuant to paragraph 9(c) hereof (the "**Vesting Date**"). From and after the Vesting Date, upon the written request of any Beneficial Employee, the Trustee shall release from the Trust the Options Allocated and exercise them on behalf of such Beneficial Employee, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Beneficial Employee, provided, however, that the Trustee shall not so release and exercise any such Options on behalf of the Beneficial Employee unless the latter, prior to, or concurrently with, such release and exercise, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes and/or compulsory payments, if any, required to be paid upon such release and exercise have, in fact, been paid.

If prior to the exercise of any and/or all of the Options Allocated under this Tax Track, such Israeli Employee ceases to be an employee, director, or Officer of the Company or Affiliate, the Israeli Employee shall deposit with the Company or Affiliate a guarantee or other security as required by law, in order to ensure the payment of applicable taxes upon the exercise of such Options.

8. **Option Subject to Section 3(i)**

All Options Granted under the Plan to Controlling Employees shall be Granted (and a copy of the Notice of Grant shall be given) under Section 3(i) to the Income Tax Ordinance. The Company shall Allocate the Options to a trustee designated by the Board (who may be the Trustee). The Trustee shall hold each such Option in trust (the "**Trust**") for the Beneficial Controlling Employee. No Options shall be released from the Trust until the vesting of such Option pursuant to paragraph 9(c) hereof (the "**Release Date**"). From and after the Release Date, upon the written request of any Beneficial Controlling Employee, the Trustee shall release from the Trust the Allocated Options and exercise them on behalf of such Beneficial Employee, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Beneficial Controlling Employee, provided, however, that the Trustee shall not so release and exercise any such Options on behalf of the Beneficial Controlling Employee unless the latter, prior to, or concurrently with, such release and exercise, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes and/or compulsory payments, if any, required to be paid upon such release and exercise have, in fact, been paid.

9. **Options Granted to Non-Israeli Employees**

- (a) All Options Granted under the Plan to Non Israeli Employees shall be Granted (and a copy of the Notice of Grant shall be given) subject to all applicable laws, rules and regulations, whether of Belgium, Hong Kong or of the United States of America, or of any other country or state having jurisdiction over the Company and the Participant. The Company shall Allocate the Options to a trustee designated by the Board (who may be the Trustee). The Trustee shall hold each such Option in trust (the "**Trust**") for the Non Israeli Employee. No Options shall be released from the Trust until the vesting of such Option pursuant to Section 10 hereof (the "**Release Date**"). From and after the Release Date, upon the written request of any Non Israeli Employee, the Trustee shall release from the Trust the Allocated Options and exercise them on behalf of such Non Israeli Employee, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Non Israeli Employee, provided, however, that the Trustee shall not so release and exercise any such Options on behalf of the Non Israeli Employee unless the latter, prior to, or concurrently with, such release and exercise, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes and/or compulsory payments, if any, required to be paid upon such release and exercise have, in fact, been paid.
- (b) The Options Granted subject to this Plan to Employees subject to payment in the US of tax on their income from the Company or an Affiliate are intended to be "incentive stock option" as described in Section 422 of the Code ("**ISOs**"). To the extent some or all of the Options subject to a certain Grant exceed the \$100,000 rule of Code Section 422(d), the certain Option Grant or the lesser excess part will be treated as a nonqualified stock option under the United States tax law. Notwithstanding any inconsistent or contrary provision of this Plan, if an Option Grant has not expired on the relevant date as provided for in section 10 below, the Options shall cease to be treated as ISOs 91 days after the Participant ceases to be a common law employee of the Company or an Affiliate corporation as defined in Code Sections 424(e) and 424(f) (a "**Common Law Employee**"), unless the Participant ceases to be a Common Law Employee by reason of death or disability (as defined in code Section 22(e)(3)), in which case the term "1 year and 1 day" shall replace the term "91 days" in this clause above.

10. **Terms and Conditions of Options**

- (a) The Committee shall determine the term of each Option Granted under the Plan; provided, however, that the term of an Option shall not be for more than ten (10) years.
- (b) Upon termination of employment (regardless of whether or not termination is by the employee or employer, due to death or disability), all unvested Options shall lapse, and within three (3) months from such termination all vested but not-exercised Options shall lapse.
- (c) Upon termination of the service contract with a Participant, which is not employed by the Company or an Affiliate, all unvested Options shall lapse, and within three months from such termination all vested but not exercised Options shall lapse. In the event that the termination is the result of a material breach of the service contract by the Participant, all unvested and vested but not exercised Options shall lapse immediately.
- (d) Upon termination of employment by employer for cause (as defined hereunder), all unvested and vested but not exercised Options shall lapse immediately.

Cause shall mean, henceforth and hereinafter, with respect to both Employees and Service Providers (i) conviction of any felony involving moral turpitude or affecting the Company; (ii) embezzlement of funds of the Company or its subsidiaries or its affiliates; (iii) any breach of the Participants fiduciary duties or duties of care of the Company or serious breach of trust, including without limitation disclosure of confidential information of the Company or its subsidiaries; (iv) engaging in business competitive with the business of the Company; and (v) any conduct (other than conduct in good faith) reasonably determined by the Board of Directors to be materially detrimental to the Company or its subsidiaries.

- (e) All Granted Service Options shall vest over a three or four- year period as detailed in the Notice of Grant. One-third of such Options will vest after the first or second anniversary of the Date of Grant, the second third will vest after the second or third anniversary of the Date of Grant, and the remaining Options will vest after the third or fourth anniversary of the Date of Grant. Notwithstanding the foregoing and subject to paragraph 2(f) above, the Committee may determine different vesting schedules for Service Options. Non-Employee Options shall vest at the discretion of the Committee.
- (f) Notwithstanding the aforesaid, if the Participant ceases to be a full-time Employee of the Company or any of its Affiliates and becomes a part-time Employee, such Options (to the extent exercisable at the time the Participant ceases to be a full-time Employee) shall be exercisable for a period of six (6) months following such cessation of the full-time employment, and shall thereafter terminate. All Options that are not vested at the time of cessation of the full-time employment shall ipso facto expire and be of no legal effect.
- (g) If a Participant should retire (as such term is defined by the Committee at its sole and absolute discretion), he shall, subject to the approval of the Committee, continue to enjoy such rights, if any, under the Plan and on such terms and conditions, with such limitations and subject to such requirements as the Committee in its discretion may determine.
- (h) Notwithstanding the foregoing provisions of Section 10, the Committee may provide, either at the time an Option is granted or thereafter, that such Option may be exercised after the periods provided for in Section 9 above, but in no event beyond the Option Period.
- (i) The Company or any of its Affiliates are not obligated by the Plan or by a Grant of Options to continue the Participant's employment or service engagement.

11. **Use of Proceeds**

Cash proceeds realized from the exercise Options Granted under the Plan shall constitute general funds of the Company.

12. **Amendment, Suspension, or Termination of the Plan**

- (a) The Board may at any time amend, extend, suspend, or terminate the Plan as it deems advisable; provided that such amendment, extension, suspension, or termination complies with all applicable legal requirements.
- (b) Notwithstanding anything herein to the contrary, the Board shall in no event amend the Plan in the following respects without the consent of shareholders then sufficient to approve the Plan in the first instance:
 - (i) To increase the maximum number Shares subject to Options issued under the Plan; or
 - (ii) To change the designation or class of persons eligible to receive Options under the Plan.
- (c) No Option may be Granted under the Plan during any suspension of, or after the termination of, the Plan, and no amendment, suspension, or termination of the Plan, shall without the affected individual's consent, alter or impair any rights or obligations under any Option previously Granted under the Plan.

The Plan shall terminate with respect to the Grant of Options on August 31, 2018 unless previously terminated or extended by the Board pursuant to this paragraph 12.

13. **Assignability**

No Option Granted pursuant to this Plan shall, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to them given to any third party whatsoever, and during the Participant's lifetime, each and all of the Participant's rights to purchase Option Shares hereunder shall be exercisable only by him or her or by his or her legal guardian, and neither the Option nor any right hereunder shall be transferable by Participant by operation of law or otherwise other than by will or the laws of descent and distribution. Any such action made directly or oblique, for an immediate validation or for a future one, shall be void.

14. **Payment Upon Exercise of Options**

Payment of the Exercise Price upon exercise of any Option Granted under this Plan shall be made in cash in such currency as the Committee shall specify in the applicable Share Option Agreement; provided, however that, subject to applicable Israeli laws (including, without limitation, currency control laws), the Committee, in its sole discretion, may permit a Participant to pay the Exercise Price in whole or in part (i) by delivery on a form prescribed by the Committee of an irrevocable direction to a securities broker approved by the Committee to sell Shares and deliver all or a portion of the proceeds to the Company in payment for the Shares; (ii) by delivery of the Participant's promissory note with such recourse, interest, security, and redemption provisions as the Committee in its discretion determines appropriate; (iii) in any combination of the foregoing.

15. **Restrictions on Transfer of Shares**

The Shares acquired pursuant to the Plan shall be subject to such restrictions and agreements regarding sale, assignment, encumbrances, or other transfer as are in effect among the Shareholders of the Company at the time such Share is acquired, as well as to such other restrictions as the Committee shall deem advisable.

16. **Tax Matters**

All tax consequences under any applicable law which may arise from the Grant of an Option, from the exercise thereof, from the sale of Underlying Share by the Participant or from any other act of the Company and/or Affiliate or such Participant in connection with any of the foregoing shall be borne solely by such Participant, and such Participant shall indemnify the Company and each Affiliate of the Company, and hold them harmless, against and from any liability for any such tax or any penalty, interest or indexation thereon or thereof.

Whenever an amount with respect to withholding tax relating to Options Granted to a Participant and/or Underlying Shares issued upon the exercise thereof is due from the Participant and/or the Company and/or an Affiliate, the Company and/or an Affiliate shall have the right to demand from a Participant such amount sufficient to satisfy any applicable withholding tax requirements related thereto, and whenever Shares or any other non-cash assets are to be delivered pursuant to the exercise of an Option, or transferred thereafter, the Company and/or an Affiliate shall have the right to require the Participant to remit to the Company and/or to the Affiliate, or to the Trustee an amount in cash sufficient to satisfy any applicable withholding tax requirements related thereto, and if such amount is not timely remitted, the Company and/or the Affiliate shall have the right to withhold or set-off (subject to Law) such Shares or any other non-cash assets pending payment by the Participant of such amounts.

Until all taxes have been paid in accordance with Rule 7 of the Section 102 rules, Options and/or Underlying Shares may not be sold, transferred, assigned, pledged, encumbered, or otherwise willfully hypothecated or disposed of, and no power of attorney or deed of transfer, whether for immediate or future use may be validly given. Notwithstanding the foregoing, the Options and/or Underlying Shares may be validly transferred in a transfer made by will or laws of descent, provided that the transferee thereof shall be subject to the provisions of Section 102 and the Section 102 Rules as would have been applicable to the deceased Participant were he or she to have survived.

17. **Miscellaneous**

(a) Currency Control Provisions: For so long as, and to the extent that, the Israel Currency Control Law, 1978 (the "**Control Law**") shall so require, the following provisions shall apply:

(i) Certificates, if any, representing Shares issued hereunder shall be delivered to a bank in Israel which is an authorized dealer in foreign currency (within the meaning of the Control Law) ("**Authorized Dealer**") to hold the same for the benefit of the Participant pursuant to the terms of the Plan and any applicable Share Option Agreement, and in conformity with the applicable requirements of the Controller of Foreign Currency in the Bank of Israel;

- (ii) All payments of the purchase price shall be effected by the Participants through an Authorized Dealer; and
- (iii) The proceeds of any sale by the Participant (or by the Trustee at the discretion and on behalf of any Participant) of Shares which is effected in foreign currency shall be remitted to Israel, and deposited with an Authorized Dealer, immediately upon receipt thereof, and in all events not later than sixty (60) days after the date on which the certificate, if any, representing such Shares is received by the Trustee (on behalf of such Participant) for purposes of sale.
- (b) Governing Law: The Plan, and the Granting and exercise of the Options thereunder, and the Company's obligation to sell and deliver the Option Shares or cash under the Options, are subject to all applicable laws, rules and regulations, whether of Israel, Belgium, Hong Kong or of the United States of America, or of any other country or state having jurisdiction over the Company and the Participant, including the registration of the Option Shares under the United States Securities Act of 1933, and to such approvals by any governmental agencies or national securities exchanges as may be required.

18. **Participant Undertakings**

- (a) If the Options shall be Granted to a Participant under one of the Section 102 Tax Tracks, then in the Notice of Grant the Participant shall: (1) agree and acknowledge that he or she have received and read the Plan, and the Option Agreement and the Notice of Grant; (2) undertake all the provisions set forth in: Section 102 (including provisions regarding the applicable Tax Track under which the Options have been Granted), the 102 Rules, the Plan, the Notice of Grant and the Trust Agreement; and (3) subject to the provisions of Section 102 and the Section 102 Rules, undertake not to sell or release the Underlying Shares from Trust before the end of the applicable Holding Period (if any).
- (b) Agreement to Purchase for Investment. The Shares represented by the Options Granted under the terms of the Plan are subject to registration and prospectus requirements of the United States Securities Act of 1933, as amended ("**Unregistered Shares**"). By acceptance of Options, the Participant agrees that a purchase of Unregistered Shares under such Options will not be made with a view to their distribution, as that term is used in the aforesaid Act, unless in the opinion of counsel to the Company such distribution is in compliance with or exempt from the said registration and prospectus requirements, and the Participant agrees, if required by the Board at the time of exercise, to sign a certificate to such effect at the time or times he exercises the Options in respect of Unregistered Shares. The Participant further acknowledges and understands that the Unregistered Shares purchased upon exercise of these Options must be held indefinitely unless they are subsequently registered under the United States Securities Act or an exemption from such registration is available. The Participant understands that the certificate evidencing the Unregistered Shares will be imprinted with a legend in substantially the following form:

"The Shares represented by this Certificate have not been registered under the United States Securities Act of 1933. The Shares have been acquired for investment and may not be sold, transferred or assigned in the absence of an effective registration statement for these Shares under the United States Securities Act of 1933, or an opinion of NUR Macroprinters Ltd's counsel, that registration is not required under the said Act."
- (c) In the event Participant sells or otherwise disposes of Shares within one year of exercise or two years of Grant, Participant agrees to notify the Company in advance in writing of this action.

[Ephraim Abramson & Co. Letterhead]

March 25, 2013

Ellomay Capital Ltd.
9 Rothschild Boulevard
Tel Aviv 66881
Israel

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), on behalf of Ellomay Capital Ltd. (the "Company"), relating to 634,814 of the Company's Ordinary Shares, NIS 10.00 nominal value per share (the "Shares"), issuable upon the exercise of options granted or to be granted under the Company's 1998 Share Option Plan for Non-Employee Directors and 2000 Stock Option Plan (together, the "Plans").

We are members of the Bar of the State of Israel and, in rendering our opinion, we do not express an opinion (expressly or by implication) as to any matter relating to the laws of any jurisdiction other than the State of Israel and our opinion relates only to Israeli law. In addition, we render no opinion in relation to any representation made or given in the Registration Statement.

As Israeli counsel for the Company, we have examined such corporate records and other documents and have made such investigation of matters of fact and of Israeli law as we have considered necessary or appropriate for the purposes of the opinion set forth herein.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. As to all questions of fact material to this opinion, we have relied, without independent investigation, upon statements and certificates or comparable documents of officers and representatives of the Company and upon certificates of public officials.

Based upon such examination and investigation, and upon the assumption that there will be no material changes in the documents examined and the matters investigated, we are of the opinion that the Shares, when paid for and issued in accordance with the terms of the Plans and in accordance with the Registration Statement, will be legally and validly issued, fully paid and non-assessable.

This opinion is furnished to you solely in connection with the Registration Statement and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. This consent is not to be construed as an admission that we are a party whose consent is required to be filed with the Registration Statement under the provisions of the Securities Act.

Very truly yours,

/s/ Ephraim Abramson & Co.
Ephraim Abramson & Co.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Ellomay Capital Ltd.:

We consent to the use of our report dated March 25, 2013, with respect to the consolidated statements of financial position of Ellomay Capital Ltd. as of December 31, 2012 and 2011, and the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for each of the years in the two-year period ended December 31, 2012, incorporated herein by reference.

/s/ Somekh Chaikin
Somekh Chaikin

Certified Public Accountants (Isr).
Member firm of KPMG International

Tel-Aviv, Israel

March 25, 2013

[BDO Auditores S.L. letterhead]

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 1998 Share Option Plan for Non-Employee Directors and the 2000 Stock Option Plan of Ellomay Capital Ltd. (the “Company”) of our report dated March 22, 2013 with respect to the financial statements of Ellomay Spain S.L. included in the Company’s Annual Report on Form 20-F for the year ended December 31, 2012.

/s/ BDO Auditores S.L.

BDO Auditores S.L.

Certified Public Accountants

Madrid, Spain

March 22, 2013

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 1998 Share Option Plan for Non-Employee Directors and the 2000 Stock Option Plan of Ellomay Capital Ltd. of our report dated April 14, 2011, with respect to the consolidated financial statements of Ellomay Capital Ltd. and its subsidiaries included in its Annual Report on Form 20-F for the year ended December 31, 2012, filed with the Securities and Exchange Commission.

Tel Aviv, Israel
March 26, 2013

/s/ Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ELLOMAY CAPITAL LTD.
(Exact name of registrant as specified in its charter)

Israel
(State or other jurisdiction of
Incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

9 Rothschild Boulevard
Tel Aviv 66881, Israel
(Address of Principal Executive Offices, including Zip Code)

1995 Flexible Stock Incentive Plan
1997 Stock Option Plan
1998 Non-Employee Director Share Option Plan
(Full title of the plan)

CT Corporation System
111 Eighth Avenue
13th Floor
New York, NY 10011
(Name and address of agent for service)

(212) 894-8940
(Telephone number, including area code, of agent for service)

Copies to:

Kenneth A. Schlesinger, Esq.
OLSHAN FROME WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Tel: 212.451.2300 Fax: 212.451.2222

Ephraim Abramson, Adv.
Abramson & Co., Law Offices
2 Beitar St.
Jerusalem 93386
ISRAEL
Tel: +972-2-5654000 Fax: +972-2-5654001

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐
Non-Accelerated Filer ☒ (Do not check if a smaller reporting company)

Accelerated Filer ☐
Smaller Reporting Company ☐

EXPLANATORY NOTE

Ellomay Capital Ltd., or the Registrant, is filing this Post-Effective Amendment No. 1 to Form S-8 Registration Statement to deregister certain ordinary shares, nominal value NIS 10.00 per share, or the Ordinary Shares, originally registered by the Registrant for offer or sale pursuant to the Registrant's 1995 Flexible Stock Incentive Plan and 1997 Stock Option Plan, or, together, the Plans. The Registrant has resolved not to grant any more options under the Plans, and that both the registered shares underlying options not yet granted, as well as the shares underlying options that are surrendered (except in the case of surrender for the exercise into shares) or which cease to be exercisable under the Plans, shall be transferred to the share pool reserved for issuance under the Registrant's 2000 Stock Option Plan, or the 2000 Plan. The total number of Ordinary Shares available for grant under the 2000 Plan and carried over to the 2000 Plan, or the Carryover Shares, is 72,459. In addition, in connection with the sale of the Registrant's business to Hewlett Packard Company on February 29, 2008, in July 2008 the Registrant purchased and cancelled 1,710 outstanding options granted under the Plans.

This Post-Effective Amendment No. 1 is being filed to remove from registration 74,169 Ordinary Shares of the Registrant. The Registrant is contemporaneously filing a Registration Statement on Form S-8, or the New Registration Statement, to register the 72,459 Ordinary Shares transferred to the 2000 Plan for issuance, offer and sale under the 2000 Plan. The registration fees paid for the Carryover Shares under this Registration Statement shall be carried over to the New Registration Statement.

The numbers of Ordinary Shares set forth herein reflect the one-for-ten reverse split of the Registrant's Ordinary Shares, effected on June 9, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective No. 1 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tel Aviv, the State of Israel on the 25th day of March, 2013.

ELLOMAY CAPITAL LTD.
(Registrant)

By: /s/ Ran Fridrich
Ran Fridrich
Director and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ran Fridrich and Kalia Weintraub, and either of such persons acting alone, as his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this Registration Statement together with all schedules and exhibits thereto, (ii) act on, sign and file with the Securities and Exchange Commission any registration statement relating to this Offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, (iii) act on, sign and file with the Securities and Exchange Commission any exhibits to such registration statement or pre-effective or post-effective amendments, (iv) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (v) act on and file any supplement to any reoffer prospectus included in this registration statement or any such amendment and (vi) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or appropriate to be done (including with respect to any reoffer prospectus included in this registration statement), as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact, any of them or any of his, her or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this post-effective registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title of Capacities</u>	<u>Date</u>
<u>/s/ Shlomo Nehama</u> Shlomo Nehama	Chairman of the Board of Directors	March 25, 2013
<u>/s/ Ran Fridrich</u> Ran Fridrich	Director and Chief Executive Officer (Principal Executive Officer)	March 25, 2013
<u>/s/ Kalia Weintraub</u> Kalia Weintraub	Chief Financial Officer (Principal Financial and Accounting Officer)	March 25, 2013
<u>/s/ Anita Leviant</u> Anita Leviant	Director	March 25, 2013
Menahem Rafael	Director	March [], 2013
<u>/s/ Oded Akselrod</u> Oded Akselrod	Director	March 25, 2013
<u>/s/ Barry Ben Zeev</u> Barry Ben Zeev	Director	March 25, 2013
<u>/s/ Mordechai Bignitz</u> Mordechai Bignitz	Director	March 25, 2013

Authorized Representative in the U.S.:

CT Corporation System

By: /s/ Sandra Ortega

Name: Sandra Ortega

Title: Assistant Secretary

Date: March 22, 2013

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of April 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF EXHIBIT 1 TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On April 4, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Announces Execution of a Definitive Agreement in connection with the Previously Announced 12MWp Photovoltaic Transaction in Italy." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Kalia Weintraub

Kalia Weintraub
Chief Financial Officer

Dated: April 4, 2013



**Ellomay Capital Announces Execution of a Definitive Agreement in connection with the
Previously Announced 12MWp Photovoltaic Transaction in Italy**

Tel-Aviv, Israel, April 4, 2013 – **Ellomay Capital Ltd.** (NYSE MKT: ELLO) (“**Ellomay**” or the “**Company**”) announced that it executed a definitive agreement (the “**Definitive Agreement**”) in connection with the previously announced transaction to acquire two photovoltaic (solar) sites with fixed technology in the Veneto Region, Italy, with an aggregate capacity of 12MWp, which are connected to the Italian national grid under the August 2011 Feed-in-Tariff. The previously announced aggregate purchase price was updated to Euro 26.5 million, based on a September 30, 2012 cutoff date, and the final purchase price is expected to be reduced by at least Euro 1.8 million due to distributions from the cutoff date until the final closing date.

The transactions contemplated by the Definitive Agreement are expected to close at the end of the second quarter of 2013, subject to customary closing conditions. There can be no assurance that all of the conditions to closing will be satisfied by such date or thereafter.

About Ellomay Capital

Ellomay Capital is an Israeli public company whose shares are listed on the NYSE MKT, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay Capital’s assets include ten photovoltaic plants in Italy with an aggregate capacity of approximately 10.8 MWp, 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel’s largest private power plant, which is currently under construction and is expected to have an aggregate capacity of approximately 800 MW (representing approximately 8% of Israel’s current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company’s plans and objectives of management are forward-looking statements. The use of certain words, including the words “estimate,” “project,” “intend,” “expect,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company’s forward-looking statements and you should not place undue reliance on the Company’s forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company’s forward-looking statements, including changes in the regulatory provisions applicable to the photovoltaic sites and in the applicable Feed-in-Tariff, non-fulfillment of one or more of the conditions to closing set forth in the Definitive Agreement, changes in the actual output of the Veneto photovoltaic sites and the other photovoltaic sites owned by the Company and changes in the financial market that could affect the ability of the Company to obtain financing from financial institutions or from alternative sources. These and other risks and uncertainties associated with the Company’s business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company’s Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:
Kalia Weintraub
CFO
Tel: +972 (3) 797-1111
Email: anatb@ellomay.com

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF THE EXHIBITS TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On May 13, 2013, Ellomay Capital Ltd. issued a press release announcing that the 2013 annual meeting of its shareholders will be held on Tuesday, June 18, 2013.

The following documents are attached hereto and incorporated herein by reference:

Exhibit 1. Press Release dated May 13, 2013.

Exhibit 2. Notice of the annual general meeting of the shareholders and proxy statement.

Exhibit 3. Form of Proxy Card.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich
Ran Fridrich
Chief Executive Officer and Director

Dated: May 13, 2013

**Ellomay Capital Announces 2013 Annual Meeting of Shareholders**

Announces it is considering a dual-listing of its ordinary shares on the Tel Aviv Stock Exchange

Tel-Aviv, Israel, May 13, 2013 – **Ellomay Capital Ltd. (NYSE MKT: ELLO)** (“**Ellomay**” or the “**Company**”), announced today that it will hold its annual general meeting of shareholders on Tuesday, June 18, 2013 at 11:30 a.m., Israel time, at Ellomay’s offices located at 9 Rothschild Boulevard, 2nd Floor, Tel-Aviv 66881, Israel.

The agenda of the shareholders’ meeting will be as follows:

1. Reelection of Shlomo Nehama, Ran Fridrich, Hemi Raphael, Anita Leviant and Oded Akselrod as directors;
2. Reappointment of Somekh Chaikin, a member of KPMG International, as the independent auditors of the Company for the fiscal year ending December 31, 2013 and until the next annual meeting of the Company’s shareholders, and authorization of the Board of Directors to approve, following the approval of the Audit Committee, the remuneration of the independent auditors in accordance with the volume and nature of their services;
3. Approval of a compensation policy for the Company’s directors and officers;
4. Approval of an amendment to the Company’s 1998 Share Option Plan for Non-Employee Directors;
5. Approval of an amendment to the vesting terms of non-employee directors’ option grants;
6. Approval of amendments to the Management Services Agreement among the Company, Meisaf Blue & White Holdings Ltd. and Kanir Joint Investments (2005) Limited Partnership and its extension for a three-year term; and
7. Receipt and consideration of the Auditors’ Report and the Financial Statements of the Company for the fiscal year ended December 31, 2012.

Shareholders of record as of the close of business on May 20, 2013 will be entitled to vote at the shareholders’ meeting. Ellomay plans to mail a proxy statement that describes the proposals to be considered at the shareholders’ meeting and a proxy card on or about May 21, 2013. The proxy statement will also be furnished to the Securities and Exchange Commission on Form 6-K, which will be available in the “SEC Filings” section of Ellomay’s website at <http://www.ellomay.com>.

Each of the resolutions to be presented at the shareholders’ meeting requires the affirmative vote of holders of at least a majority of the ordinary shares voted in person or by proxy at the shareholders’ meeting on the matter presented for passage. However, the approval of the proposals under Items 3 and 6 are, and the approval of the proposal under Item 5 may be, required to comply with additional special “disinterested” voting requirements as set forth in the proxy statement.

The Company knows of no other matters to be submitted at the shareholders' meeting other than as specified in this Notice of Annual Meeting of Shareholders. If any other business is properly brought before the shareholders' meeting, it is the intention of the persons named as proxies to vote in respect thereof in accordance with his or her respective discretionary authority and best judgment. Shareholders wishing to express their position on an agenda item for the Shareholders Meeting may do so by submitting a written statement to the Company's offices at the above address no later than May 30, 2013.

The Company further announced today that it is considering a dual-listing of its ordinary shares on the Tel Aviv Stock Exchange, pursuant to the "dual listing" mechanism included in the Israeli Securities Law, 1968. The Company cannot at this point estimate when and if such additional listing will occur and the impact of such additional listing on the volume and price of the Company's ordinary shares, if any. Should the listing of the Company's ordinary shares on the Tel Aviv Stock Exchange occur, the Company's ordinary shares will continue to be listed on the NYSE MKT.

About Ellomay Capital

Ellomay Capital is an Israeli public company whose shares are listed on the NYSE MKT, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay Capital's assets include ten photovoltaic plants in Italy with an aggregate capacity of approximately 10.8 MWp, 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel's largest private power plant, which is currently under construction and is expected to have an aggregate capacity of approximately 800 MW (representing approximately 8% of Israel's current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company's plans and objectives of management are forward-looking statements. The use of certain words, including the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company's forward-looking statements and you should not place undue reliance on the Company's forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company's forward-looking statements, including the prevailing market conditions in the Tel Aviv Stock Exchange. These and other risks and uncertainties associated with the Company's business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company's Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

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CFO

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ELLOMAY CAPITAL LTD.
9 Rothschild Boulevard, 2nd Floor
Tel Aviv 66881
Israel

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held on June 18, 2013
11:30 a.m.

To Our Shareholders:

Notice is hereby given that the annual meeting of shareholders, or the Shareholders' Meeting, of Ellomay Capital Ltd. (also referred to hereinafter as "Ellomay" or the "Company") will be held at the Company's offices at 9 Rothschild Boulevard, 2nd Floor, Tel Aviv 66881, Israel on Tuesday, June 18, 2013, at 11:30 a.m., Israel time, and thereafter as it may be adjourned from time to time.

The agenda of the Shareholders' Meeting will be as follows:

1. Reelection of Shlomo Nehama, Ran Fridrich, Hemi Raphael, Anita Leviant and Oded Akselrod as directors;
2. Reappointment of Somekh Chaikin, a member of KPMG International, as the independent auditors of the Company for the fiscal year ending December 31, 2013 and until the next annual meeting of the Company's shareholders, and authorization of the Board of Directors to approve, following the approval of the Audit Committee, the remuneration of the independent auditors in accordance with the volume and nature of their services;
3. Approval of a compensation policy for the Company's directors and officers;
4. Approval of an amendment to the Company's 1998 Share Option Plan for Non-Employee Directors;
5. Approval of an amendment to the vesting terms of non-employee directors' option grants;
6. Approval of amendments to the Management Services Agreement among the Company, Meisaf Blue & White Holdings Ltd. and Kanir Joint Investments (2005) Limited Partnership and its extension for a three-year term; and
7. Receipt and consideration of the Auditors' Report and the Financial Statements of the Company for the fiscal year ended December 31, 2012.

The Company's Board of Directors recommends that you vote in favor of the foregoing proposals, all of which are more fully described in the accompanying Proxy Statement.

Only shareholders of record at the close of business on May 20, 2013 are entitled to notice of, and to vote at, the Shareholders' Meeting or any adjournment(s) thereof.

The Company expects that the Proxy Statement and the accompanying proxy card will be mailed to shareholders of record (as set forth above) on or about May 21, 2013.

Each of the resolutions to be presented at the Shareholders' Meeting requires the affirmative vote of holders of at least a majority of the ordinary shares voted in person or by proxy at the Shareholders' Meeting on the matter presented for passage. However, the approval of the proposals under Items 3 and 6 are, and the approval of the proposal under Item 5 may be, required to comply with additional special "disinterested" voting requirements as set forth in the Proxy Statement.

Joint holders of ordinary shares should note that, pursuant to Article 27.6 of the Company's Second Amended and Restated Articles of Association, the right to vote at the Shareholders' Meeting will be conferred exclusively upon the senior owner among the joint owners attending the Shareholders' Meeting, in person or by proxy, and for this purpose, seniority will be determined by the order in which the names appear in our register of shareholders.

The Company knows of no other matters to be submitted at the Shareholders' Meeting other than as specified in this Notice of Annual Meeting of Shareholders. If any other business is properly brought before the Shareholders' Meeting, it is the intention of the persons named as proxies to vote in respect thereof in accordance with his or her respective discretionary authority and best judgment.

Shareholders wishing to express their position on an agenda item for the Shareholders' Meeting may do so by submitting a written statement to the Company's offices at the above address no later than May 30, 2013.

You are cordially invited to attend the Shareholders' Meeting. **Whether or not you plan to be present at the Shareholders' Meeting and regardless of the number of ordinary shares you own, you are requested to complete and return the enclosed proxy, which is solicited by the Company's Board of Directors, and mail it promptly in the accompanying envelope, so that your vote may be recorded. Under the Company's Second Amended and Restated Articles of Association, your proxy must be received by 11:30 a.m., Israel time, on June 16, 2013 (two days prior to the Shareholders' Meeting), to be counted for the Shareholders' Meeting.** If you are a record shareholder present at the Shareholders' Meeting and desire to vote in person, you may revoke your appointment of proxy at the Shareholders' Meeting so that you may vote your shares personally.

By Order of the Board of Directors,

/s/ Shlomo Nehama

Shlomo Nehama

Chairman of the Board of Directors

May 13, 2013

**ELLOMAY CAPITAL LTD.
9 Rothschild Boulevard, 2nd Floor
Tel Aviv 66881
Israel**

**PROXY STATEMENT FOR AN ANNUAL MEETING OF SHAREHOLDERS
To be held on June 18, 2013
11:30 a.m.**

The annual meeting of shareholders, or the Shareholders' Meeting, of Ellomay Capital Ltd. (also referred to hereinafter as "Ellomay," the "Company," "us," "we" or "our") will be held at our offices at 9 Rothschild Boulevard, 2nd Floor, Tel Aviv 66881, Israel on Tuesday, June 18, 2013, at 11:30 a.m., Israel time, and thereafter as it may be adjourned from time to time.

SOLICITATION OF PROXIES

It is proposed that at the Shareholders' Meeting, resolutions be adopted as follows:

1. Reelection of Shlomo Nehama, Ran Fridrich, Hemi Raphael, Anita Leviant and Oded Akselrod as directors;
2. Reappointment of Somekh Chaikin, a member of KPMG International, as the independent auditors of the Company for the fiscal year ending December 31, 2013 and until the next annual meeting of the Company's shareholders, and authorization of the Board of Directors to approve, following the approval of the Audit Committee, the remuneration of the independent auditors in accordance with the volume and nature of their services;
3. Approval of a compensation policy for the Company's directors and officers;
4. Approval of an amendment to the Company's 1998 Share Option Plan for Non-Employee Directors;
5. Approval of an amendment to the vesting terms of non-employee directors' option grants;
6. Approval of amendments to the Management Services Agreement among the Company, Meisaf Blue & White Holdings Ltd. and Kanir Joint Investments (2005) Limited Partnership and its extension for a three-year term; and
7. Receipt and consideration of the Auditors' Report and the Financial Statements of the Company for the fiscal year ended December 31, 2012.

The proxy materials are being mailed to our shareholders as of May 20, 2013, or the Record Date, on or about May 21, 2013.

A form of proxy for use at the Shareholders' Meeting and a return envelope for the proxy are enclosed. Upon the receipt of a properly signed and dated proxy in the form enclosed, which is received in time and not revoked prior to the Shareholders' Meeting, Ms. Kalia Weintraub, our Chief Financial Officer, and Mr. Eran Zupnik, our EVP of Business Development, or either one of them, with full power of substitution, will vote, as proxy, the ordinary shares represented thereby at the Shareholders' Meeting in accordance with the instructions indicated on the proxy, or, if no direction is indicated, in accordance with the recommendation of our Board of Directors. **In accordance with our Second Amended and Restated Articles of Association, as amended from time to time, or the Articles of Association, your proxy must be received by us by 11:30 a.m., Israel time, on June 16, 2013 (two days prior to the date of the Shareholders' Meeting) in order to be counted at the Shareholders' Meeting.**

The enclosed form of proxy is solicited by our Board of Directors for use at the Shareholders' Meeting and at any adjournments of the Shareholders' Meeting. All expenses of this solicitation will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers, and employees of the Company, without receiving additional compensation, may solicit proxies by telephone, in person, or by other means. Brokerage firms, nominees, fiduciaries, and other custodians have been requested to forward proxy solicitation materials to the beneficial owners of ordinary shares of the Company held of record by such persons, and the Company will reimburse such brokerage, nominees, fiduciaries, and other custodians for reasonable out-of-pocket expenses incurred by them in connection therewith.

The proxy may be revoked at any time prior to its exercise by notice in writing of the shareholder to us, delivered at our address above, indicating that its/his/her proxy is revoked, by timely submitting another proxy with a later date, or by attending the Shareholders' Meeting and voting in person after properly requesting that the proxy submitted be revoked. Shareholders who are not registered directly with our transfer agent, Continental Stock Transfer & Trust Company of New York, New York, must timely present a legal proxy from their broker, bank or other nominee, in order to vote in person at the Shareholders' Meeting.

RECORD DATE; QUORUM

Only shareholders of record at the close of business on May 20, 2013 are entitled to notice of, and to vote at, the Shareholders' Meeting or any adjournment(s) thereof. As of May 1, 2013, we had 10,692,371 issued and outstanding ordinary shares (this number does not include 85,655 ordinary shares all of which were repurchased by us, that were held by us at that date by us as treasury shares under Israeli law). Each ordinary share, other than ordinary shares held by us as treasury shares, is entitled to be counted for purposes of a quorum and to one vote on each matter to be voted on at the Shareholders' Meeting. Our Articles of Association do not provide for cumulative voting for the election of directors or for any other purpose.

The presence at the Shareholders' Meeting, in person or by proxy, of two or more shareholders holding more than 25% of the voting rights of the Company, will constitute a quorum. All ordinary shares represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for purposes of determining whether a quorum exists. If within half an hour from the time appointed for the Shareholders' Meeting a quorum is not present, the meeting shall stand adjourned on the same day, in the next week, at the same time and place. The requisite quorum at an adjourned meeting shall be any two or more members, present in person or by proxy at the meeting.

VOTING RIGHTS; REQUIRED VOTES

The votes of all shareholders voting on a proposal are counted. Abstentions and broker non-votes will not be treated as either a vote "for" or "against" a proposal. "Broker non-votes" are shares held by brokers or other nominees which are present in person or represented by proxy, but which are not voted on a particular matter because instructions have not been received from the beneficial owner of the shares. Brokers and other nominees have discretionary voting authority under the applicable rules of the New York Stock Exchange to vote on "routine" matters. Please note that the uncontested election of directors is not considered a "routine" matter under such rules. This means that if a brokerage firm holds your shares on your behalf, those shares will not be voted in the election of directors, or with respect to the other non-routine matters on the agenda of the Shareholders' Meeting, unless you provide voting instructions to your brokerage firm or obtain a proxy from your brokerage firm and vote the shares yourself, in person or by proxy.

Each of the resolutions to be presented at the Shareholders' Meeting requires the affirmative vote of holders of at least a majority of the ordinary shares voted in person or by proxy at the Shareholders' Meeting on the matter presented for passage. However, the approval of the proposals under Items 3 and 6 are, and the approval of the proposal under Item 5 may be, required to comply with additional special "disinterested" voting requirements as set forth herein.

PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding the beneficial ownership of our ordinary shares by each person known by us, to the best of our knowledge, to be the beneficial owner of more than 5% of our ordinary shares as of May 1, 2013 (except as otherwise indicated below). Each of our shareholders has identical voting rights with respect to each of its shares.

To our knowledge, except as otherwise indicated in the footnotes to this table, each shareholder in the table has sole voting and investment power for the ordinary shares shown as beneficially owned by them.

	Ordinary Shares Beneficially Owned ⁽¹⁾	Percentage of Ordinary Shares Beneficially Owned
Shlomo Nehama ⁽²⁾⁽⁵⁾	4,016,842	37.6%
Kanir Joint Investments (2005) Limited Partnership ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	2,841,440	26.6%
Zohar Zisapel ⁽⁷⁾	841,976	7.9%

- (1) As used in this table, “beneficial ownership” means the sole or shared power to vote or direct the voting or to dispose or direct the disposition of any security as determined pursuant to Rule 13d-3 promulgated under the U.S. Securities Exchange Act of 1934, as amended. For purposes of this table, a person is deemed to be the beneficial owner of securities that can be acquired within 60 days from May 1, 2013 through the exercise of any option or warrant. Ordinary shares subject to options or warrants that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding such options or warrants, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages are based on a total of 10,692,371 ordinary shares outstanding as of May 1, 2013. This number of outstanding ordinary shares does not include a total of 85,655 ordinary shares held at that date as treasury shares under Israeli law, all of which were repurchased by us. For so long as such treasury shares are owned by us they have no rights and, accordingly, are neither eligible to participate in or receive any future dividends which may be paid to our shareholders nor are they entitled to participate in, be voted at or be counted as part of the quorum for, any meetings of our shareholders.
- (2) According to information provided by the holders, the 4,016,842 ordinary shares beneficially owned by Mr. Nehama consist of: (i) 3,551,869 ordinary shares held by S. Nechama Investments (2008) Ltd., or Nechama Investments, which constitute approximately 33.2% of our outstanding ordinary shares and (ii) 464,973 ordinary shares held directly by Mr. Nehama, which constitute approximately 4.4% of our outstanding ordinary shares. Mr. Nehama, as the sole officer, director and shareholder of Nechama Investments, may be deemed to indirectly beneficially own any ordinary shares owned by Nechama Investments, which constitute (together with his shares) approximately 37.6% of our outstanding ordinary shares.
- (3) According to information provided by the holder, Kanir Joint Investments (2005) Limited Partnership, or Kanir, is an Israeli limited partnership. Kanir Investments Ltd., or Kanir Ltd., in its capacity as the general partner of Kanir, has the voting and dispositive power over the ordinary shares directly beneficially owned by Kanir. As a result, Kanir Ltd. may be deemed to indirectly beneficially own the ordinary shares beneficially owned by Kanir. Messrs. Hemi Raphael and Ran Fridrich, who are members of our Board of Directors, are the sole directors of Kanir Ltd. and Mr. Raphael is a majority shareholder of Kanir Ltd. As a result, Messrs. Raphael and Fridrich may be deemed to indirectly beneficially own the ordinary shares beneficially owned by Kanir, which constitute, together with their holdings as set forth in footnote (4), 30.8% and 28%, respectively, of our outstanding ordinary shares. Kanir Ltd. and Messrs. Raphael and Fridrich disclaim beneficial ownership of such ordinary shares except to the extent of their respective pecuniary interest therein, if any.
- (4) According to information provided by Hemi Raphael, Mr. Raphael beneficially owns 454,524 ordinary shares, consisting of: (i) 314,514 ordinary shares held by a BVI private company wholly-owned by Mr. Raphael, which constitute approximately 2.9% of our outstanding shares and (ii) 140,010 ordinary shares held directly by Mr. Raphael, which constitute approximately 1.3% of our outstanding shares. Mr. Raphael, as the sole officer, director and shareholder of such private company, may be deemed to indirectly beneficially own any ordinary shares beneficially owned by such private company, which constitute (together with the shares held directly by him) approximately 4.3% of our outstanding ordinary shares. According to information provided by Mr. Fridrich, Mr. Fridrich directly owns 148,567 ordinary shares, which constitute approximately 1.4% of our outstanding shares.

- (5) By virtue of the 2008 Shareholders Agreement, Mr. Nehama, Nechama Investments, Kanir, Kanir Ltd., and Messrs. Raphael and Fridrich may be deemed to be members of a group that holds shared voting power with respect to 6,393,309 ordinary shares, which constitute approximately 59.8% of our outstanding ordinary shares, and holds shared dispositive power with respect to 5,356,878 ordinary shares, which constitute 50.1% of the outstanding ordinary shares. Accordingly, taking into account the shares directly held by Messrs. Nehama, Raphael (taking into account also shares held by the private company wholly-owned by him) and Fridrich, they may be deemed to beneficially own approximately 64.1%, 64% and 61.2%, respectively, of our outstanding ordinary shares. Each of Mr. Nehama and Nechama Investments disclaims beneficial ownership of the ordinary shares beneficially owned by Kanir. Each of Kanir, Kanir Ltd. and Messrs. Raphael and Fridrich disclaims beneficial ownership of the ordinary shares beneficially owned by Nechama Investments. A copy of the 2008 Shareholders Agreement was filed with the Securities and Exchange Commission, or the SEC, on March 31, 2008 as Exhibit 14 to an amendment to a Schedule 13D and is not incorporated by reference herein.
- (6) Based upon a Schedule 13D/A filed with the SEC on December 22, 2010, on previous Schedule 13D filings by the persons referenced herein and on other information known to us. Bonstar, an Israeli company, currently holds 233,258 ordinary shares, which constitute approximately 2.2% of the outstanding ordinary shares. Bonstar is a limited partner of Kanir and assisted Kanir in the financing of the purchase of some of its ordinary shares. Accordingly, Bonstar may be deemed to be a member of a group with Kanir and its affiliates, although there are no agreements between Bonstar and either of such persons and entities with respect to the ordinary shares beneficially owned by each of them. Mr. Joseph Mor and Mr. Ishay Mor are the sole shareholders of Bonstar and Mr. Joseph Mor serves as the sole director of Bonstar. Messrs. Joseph Mor and Ishay Mor also hold, through a company jointly held by them, 175,000 ordinary shares, which constitute approximately 1.6% of the outstanding ordinary shares. By virtue of their control over Bonstar and the other company, Messrs. Joseph Mor and Ishay Mor may be deemed to indirectly beneficially own the 408,258 ordinary shares beneficially owned by Bonstar and by the other company, which constitute approximately 3.8% of the ordinary shares. Each of Bonstar and Messrs. Joseph Mor and Ishay Mor disclaims beneficial ownership of the ordinary shares beneficially owned by Kanir and Nechama Investments, except to the extent of their respective pecuniary interest therein, if any.
- (7) Based solely upon, and qualified in its entirety with reference to, a Schedule 13G/A filed with the SEC on January 24, 2013, reporting holdings as of December 31, 2012. According to the information included in such Schedule 13G/A, Zohar Zisapel is an Israeli citizen. The holdings of Mr. Zisapel consist of: (i) 841,726 ordinary shares held by the Mr. Zisapel and (ii) 250 ordinary shares held of record by Lomsha Ltd., an Israeli company controlled by Mr. Zisapel.

MATTERS SUBMITTED TO SHAREHOLDERS

ITEM 1

REELECTION OF DIRECTORS

Background

At the Shareholders' Meeting, the shareholders will elect directors to serve on our Board of Directors. Our Articles of Association provide for a Board of Directors consisting of not less than four and no more than eight members, as may be determined from time to time at a general meeting of our shareholders. The directors (other than the external directors) are elected annually at our annual meeting of shareholders and remain in office until the next annual meeting, unless a director has previously resigned, vacated his/her office, or was removed in accordance with our Articles of Association. Our Board of Directors may elect additional directors to the Board of Directors.

Our Board of Directors is currently composed of the following seven directors: Shlomo Nehama, Ran Fridrich, Hemi Raphael, Oded Akselrod, Anita Leviant, Barry Ben Zeev and Mordechai Bignitz. Shlomo Nehama, Ran Fridrich, Hemi Raphael, Oded Akselrod and Anita Leviant are standing for reelection. Mordechai Bignitz and Barry Ben Zeev are both external directors whose current service terms expire in December 2014 and December 2015, respectively.

General

We are unaware of any reason why any of the nominees, if elected, should be unable to serve as a member of our Board of Directors. If any of the nominees are unable to serve, the persons named as proxies, or either one of them, will vote the shares represented thereby "FOR" the election of other nominees proposed by our Board of Directors. All nominees listed below have advised the Board of Directors that they intend to serve as members of the Board of Directors if elected.

As a controlled company, within the meaning set forth in the NYSE MKT Company Guide, we are exempt from the requirement that a majority of a company's board of directors qualify as independent directors within the meaning set forth in the NYSE MKT Company Guide and from the NYSE MKT Company Guide requirement regarding the process for the nomination of directors; instead, we follow Israeli law and practice in connection with board composition and nominations.

Pursuant to the requirements of Section 224B(a) of the Israeli Companies Law, 1999, or, as amended from time to time, the Companies Law, each of the director nominees provided us with a "Declaration of Competence" prior to the publication of the notice of annual meeting of shareholders. These declarations are available for review at our offices, at the address set forth above, during regular business hours.

As previously approved by our shareholders, we pay our non-executive directors (Anita Leviant, Oded Akselrod, Barry Ben Zeev and Mordechai Bignitz) remuneration for their services as directors based on the minimum fees permitted by the Companies Regulations (Rules for Compensation and Expenses of External Directors), 5760-2000, or the Compensation Regulations. The current minimum cash amounts applicable to us pursuant to the Compensation Regulations are an annual fee of NIS 51,745 (equivalent to approximately \$14,426) and an attendance fee of NIS 1,830 (equivalent to approximately \$510) per meeting (board or committee). These amounts are updated twice a year based on increases in the Israeli Consumer Price Index. According to the Compensation Regulations, which we apply to all our non-executive directors, the directors are entitled to 60% of the meeting fee if they participated at the meeting by teleconference and not in person, and to 50% of the meeting fee if resolutions were approved in writing, without convening a meeting. In addition, each of these non-executive directors also receives an annual grant of options to purchase 1,000 ordinary shares under the terms and conditions set forth in our 1998 Share Option Plan for Non-Employee Directors, or the 1998 Option Plan. For proposed amendments to the terms of our 1998 Option Plan and to the vesting terms of options granted under the 1998 Option Plan to non-employee directors see Items 4 and 5 herein.

Messrs. Nehama, Fridrich and Raphael waived their right to receive the aforementioned director fees and options in connection with the execution of a management services agreement, or the Management Services Agreement, among us, Kanir and Meisaf Blue & White Holdings Ltd., or Meisaf. Based on the terms of the Management Services Agreement, in consideration of the performance of the management services and the board services, we agreed to pay Kanir and Meisaf an aggregate annual services fee in the amount of \$250,000 plus value added tax pursuant to applicable law, in equal parts and quarterly payments. Following extensions approved by our Audit Committee, Board and shareholders, the current term of the Management Services Agreement is until the earlier of: (i) March 31, 2015, or (ii) the termination of service of either of the Kanir and Nechama Investments affiliates on our Board of Directors. For proposed amendments to the Management Services Agreement and its extension by a three-year term, see Item 6 herein.

The following information is supplied with respect to each person nominated and recommended to be elected by our Board of Directors and is based upon our records and information furnished to the Board of Directors by the nominees.

The nominees for directors are:

Name	Age	Position with the Company
Shlomo Nehama	58	Chairman of the Board and Director
Ran Fridrich ⁽¹⁾	60	Director and Chief Executive Officer
Hemi Raphael	61	Director
Oded Akselrod ⁽²⁾⁽³⁾	66	Director
Anita Leviant ⁽¹⁾	58	Director

(1) Member of the Company's Advisory Committee.

(2) Member of the Company's Audit Committee.

(3) Member of the Company's Compensation Committee.

Shlomo Nehama has served as a director and Chairman of the Board of Ellomay since March 2008. From 1998 to 2007, Mr. Nehama served as the Chairman of the Board of Bank Hapoalim B.M., one of the largest Israeli banks. In 1997, together with the late Ted Arison, he organized a group of American and Israeli investors who purchased Bank Hapoalim from the State of Israel. From 1992 to 2006, Mr. Nehama served as the Chief Executive Officer of Arison Investments. From 1982 to 1992, Mr. Nehama was a partner and joint managing director of Eshed Engineers, a management consulting firm. He also serves as a director in several philanthropic academic institutions, on a voluntary basis. Mr. Nehama is a graduate of the Technion - Institute of Technology in Haifa, Israel, where he earned a degree in Industrial Management and Engineering. Mr. Nehama received an honorary doctorate from the Technion for his contribution to the strengthening of the Israeli economy.

Ran Fridrich has served as a director of Ellomay since March 2008, as our interim chief executive officer since January 2009, and as our chief executive officer since December 2009. Mr. Fridrich is the co-founder and executive director of Oristan, Investment Manager, an investment manager of CDO Equity and Mezzanine Funds and a Distress Fund, established in June 2004. In January 2001 Mr. Fridrich founded the Proprietary Investment Advisory, an entity focused on fixed income securities, CDO investments and credit default swap transactions, and served as its investment advisor through January 2004. Prior to that, Mr. Fridrich served as the chief executive officer of two packaging and printing Israeli companies, Lito Ziv, a public company, from 1999 until 2001 and Mirkam Packaging Ltd. from 1983 until 1999. Mr. Fridrich also serves as a director of Cargal Ltd. since September 2002 and since 2007 as director in Plastosac. Mr. Fridrich is a graduate of the Senior Executive Program of Tel Aviv University.

Hemi Raphael has served as a director of Ellomay since June 2006. Mr. Raphael is an entrepreneur and a businessman involved in various real estate and financial investments. Mr. Raphael also serves as a director of Cargal Ltd. since May 2004 and of Dorad Energy Ltd. Prior thereto, from 1984 to 1994, Mr. Raphael was an active lawyer and later partner at the law firm of Goldberg Raphael & Co. Mr. Raphael holds an LLB degree from the School of Law at the Hebrew University of Jerusalem and he is a member of the Israeli Bar Association and the California Bar Association.

Oded Akselrod has served as a director of Ellomay since February 2002. Mr. Akselrod serves as a business advisor to corporations and investment funds in Israel. Mr. Akselrod was the general manager of the Investment Corp. of United Mizrahi Bank Ltd., a wholly owned subsidiary of United Mizrahi Bank Ltd. that was merged into United Mizrahi Bank Ltd. on October 2004. Prior to joining the Investment Corp. of United Mizrahi Bank, from 1994 to 1997, Mr. Akselrod held the position of general manager of Apex-Leumi Partners Ltd. as well as Investment Advisor of Israel Growth Fund. Prior thereto, from 1991 to 1994, Mr. Akselrod served as general manager of Leumi & Co. Investment Bankers Ltd. Mr. Akselrod began his career in various managerial positions in the Bank Leumi Group including: member of the management team of Bank Leumi, deputy head of the international division, head of the commercial lending department of the banking division, member of all credit committees at the Bank, assistant to Bank Leumi's CEO and head of the international lending division of Bank Leumi Trust Company of New York. Mr. Akselrod holds a Bachelor's degree in Agriculture Economics from Hebrew University, Jerusalem and an MBA degree from Tel Aviv University. Mr. Akselrod is also a director of Gadish Global Ltd., Gadish Investments in Provident Funds Ltd. and Geva Dor Investments Ltd.

Anita Leviant has served as a director of Ellomay since March 2008. Ms. Leviant heads LA Global Consulting, a practice specializing in consulting and representing investors and leading global and financial projects and cross border transactions. For a period of twenty years, until 2006, Ms. Leviant held several senior positions with Hapoalim Banking group including EVP Deputy Head of Hapoalim Europe and Global Private Banking and EVP General Global Counsel of the group, and served as a director in the overseas subsidiaries of Bank Hapoalim. Prior to that, Ms. Leviant was an associate in GAFNI & CO. Law Offices in Tel Aviv where she specialized in Liquidation, Receivership and Commercial Law and was also a Research Assistant to the Law School Dean in the Tel Aviv University specialized in Private International Law. Ms. Leviant holds a LL.B degree from Tel Aviv University Law School and is a member of both the Israeli and the New York State Bars. Ms. Leviant currently also serves as President of the Israel-British Chamber of Commerce, Council Member of the UK- Israel Tech Council, Board Member of the Federation of Bi-Lateral Chambers of Commerce and a Co-Founder of the Center for Arbitration and Dispute Resolutions Ltd.

Information about Mordechai Bignitz and Barry Ben Zeev, our external directors (whose current terms in office expire in December 2014 and December 2015, respectively):

Mordechai Bignitz has served as an external director of Ellomay since December 20, 2011. Mr. Bignitz is involved in economic and financial consulting and investment management and currently serves as the chairman of the investment committee of Migdal Capital Markets, one of Israel's largest investment houses. From 2009 to 2011, Mr. Bignitz served as CEO of Geffen Green Energy Ltd., an Israeli private company. From 2006 to 2010, Mr. Bignitz served as a director of Leader Capital Markets Ltd. (TASE: LDRC) and from 2007 to 2010 he served as a director of Leader Holdings & Investments Ltd. (TASE: LDER). From 2004 to 2007, Mr. Bignitz served as CEO of Advanced Paradigm Technology. From 1992 to 2004, Mr. Bignitz served as director and CFO of DS Capital Markets. From 1994 to 1996, Mr. Bignitz served as Managing Director of Dovrat, Shrem & Co. Trading Ltd. From 1991 to 1994 Mr. Bignitz served as Vice President and CFO of Dovrat Shrem & Co. and prior to that he served as Vice President of Clal Retail Chains (a subsidiary of the Clal Group) and Vice President & CFO of Clal Real Estate Ltd. Mr. Bignitz serves as a director of Israel Financial Levers (IFL) Ltd. (TASE: LVR). Mr. Bignitz is a CPA, holds a BA in Accounting and Economics from Tel-Aviv University and completed the Executive Program in Management and Strategy in Retail at Babson College in Boston. Mr. Bignitz qualifies as an external director according to the Companies Law.

Barry Ben Zeev has served as an external director of Ellomay since December 30, 2009. Mr. Ben Zeev is a business strategic consultant. From 1978 to 2008, Mr. Ben Zeev served in various positions with Bank Hapoalim. During 2008, he served as the bank's Deputy CEO and as its CFO, in charge of the financial division. From 2001 to 2007, he served as the bank's Deputy CEO in charge first of the private international banking division and then of the client asset management division. Mr. Ben Zeev has served on the board of many companies, including as a director on the board of the Israeli Stock Exchange in 2006-2007. He currently serves as a director of Partner Communications Ltd. (NASDAQ and TASE: PTNR), Kali Equity Markets, Hiron-Trade Investments & Industries Buildings Ltd. (TASE: HIRON) and Poalim Asset Management (UK) Ltd., a subsidiary of Bank Hapoalim B.M. and on the advisory board of the Bereishit Fund. Mr. Ben Zeev holds an MBA from Tel-Aviv University specializing in financing, and a BA in Economics from Tel-Aviv University.

Required Vote

The adoption of this proposal requires the affirmative vote of a majority of the ordinary shares of the Company voted in person or by proxy at the Shareholders' Meeting.

Proposal

At the Shareholders' Meeting, our Board of Directors will propose that the following resolution be adopted:

“RESOLVED, to reelect each of Shlomo Nehama, Ran Fridrich, Hemi Raphael, Oded Akselrod and Anita Leviant, as directors of the Company to hold office until the next annual meeting of the Company's shareholders and until their respective successors are duly elected and qualified.”

Shareholders may specify the names of the directors for which they wish to withhold their vote on the attached proxy card. Upon the receipt of a properly signed and dated proxy and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby **“FOR”** the above-mentioned proposal.

ITEM 2

REAPPOINTMENT OF INDEPENDENT AUDITORS

Background

Shareholders will be asked to reappoint Somekh Chaikin, a member of KPMG International, as our independent auditors for the year ending December 31, 2013 and until the next annual meeting of our shareholders and to authorize our Board of Directors to approve their fees, following the approval of the Audit Committee, in accordance with the volume and nature of their services. Somekh Chaikin have been our independent auditors since December 2011. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, has served as our independent registered public accounting firm during 2011 until the appointment of Somekh Chaikin.

The following table sets forth the fees paid by us and our subsidiaries to our principal independent registered public accounting firms during 2011 and 2012, respectively:

	<u>2011</u>	<u>2012</u>
	<u>(in thousands of U.S. Dollars)</u>	
Audit Fees ⁽¹⁾	\$ 93	\$ 87
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	\$ 23	\$ 32
All Other Fees	-	-
Total	\$ 116	\$ 119

(1) Professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements or services that are normally provided by the accountants in connection with statutory and regulatory filings or engagements.

(2) Professional services related to due diligence investigations.

(3) Professional services rendered by our independent registered public accounting firm for international and local tax compliance, tax advice services and tax planning.

Required Vote

The adoption of this proposal requires the affirmative vote of a majority of the ordinary shares of the Company voted in person or by proxy at the Shareholders' Meeting.

Proposal

At the Shareholders' Meeting, our Board of Directors will propose that the following resolution be adopted:

"RESOLVED, to reappoint Somekh Chaikin, a member of KPMG International, as the independent auditors of the Company for the fiscal year ending December 31, 2013, and until the next annual meeting of shareholders, and that the Board of Directors, following the approval of the Audit Committee, be, and it hereby is, authorized to approve the payment of fees of said independent auditors, considering the volume and nature of their services."

Upon the receipt of a properly signed and dated proxy and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby **"FOR"** the above-mentioned proposal.

ITEM 3

ADOPTION OF A COMPENSATION POLICY FOR DIRECTORS AND OFFICERS

Background

On December 12, 2012, amendment no. 20 to the Companies Law, or Amendment No. 20, became effective. Amendment No. 20 revised the approval process of arrangements with “office holders” (i.e., the chief executive officer, chief business manager, vice general manager, any other person assuming the responsibilities of any of the foregoing positions without regard to such person’s title, and a director, or manager directly subordinate to the chief executive officer) as to their terms of service or employment, including the grant of an exemption, insurance, undertaking to indemnify or indemnification, retirement bonuses and any other benefit, payment or undertaking to pay any such amounts, given due to service or employment, or, together, Terms of Service and Employment.

General

Among its other provisions, Amendment No. 20 requires the board of directors of a public company to adopt a policy with respect to the Terms of Service and Employment of office holders, or the Compensation Policy, on or before September 12, 2013, after taking into consideration the recommendations of the compensation committee. Amendment No. 20 further provides for the approval of the Compensation Policy by the company’s shareholders with the “special majority” requirement set forth below.

Amendment No. 20 provides that a company’s board of directors may approve a Compensation Policy even in the event it was not approved by the shareholders; provided that the compensation committee and thereafter the board of directors resolved, based on reasons that will be set forth in the resolutions, and after an additional discussion concerning the Compensation Policy, that the approval of the Compensation Policy in spite of the objection of the company’s shareholders is for the benefit of the company.

A Compensation Policy for a period exceeding three years is required to go through the complete approval process once every three years. In addition, the board of directors is required to periodically examine the Compensation Policy and the need for adjustments in the event of a material change in the circumstances prevailing during the adoption of the Compensation Policy or for other reasons.

Amendment No. 20 provides that the Compensation Policy will be determined and later reevaluated, among other things, in accordance with the following considerations: (i) the advancement of the company’s goals, its work plan and its policy with a long term view; (ii) the creation of appropriate incentives for the office holders of the company, considering, among other things, the risk management policy of the company; (iii) the size of the company and the nature of its operations; and (iv) in connection with the Terms of Service and Employment that include variable components – the contribution of the office holder to the achievement of the company’s goal and to the maximization of its profits, all with a long term view and in accordance with the position of the office holder. In addition, Amendment No. 20 requires that a Compensation Policy include, among other things, consideration of certain issues and include certain instructions.

Following the recommendation of our Compensation Committee, our Board of Directors approved, and recommends that our shareholders approve, a Compensation Policy in accordance with the provisions and requirements of Amendment No. 20, in the form attached hereto as **Exhibit A**. The proposed Compensation Policy includes, among other issues, guidelines with respect to the structure of the bonus plans for directors and officers, the maximum monthly aggregate fixed base salary and benefits that the Company may pay each of the directors and officers and the maximum amount of bonus and value of equity-based compensation (at the date of grant) that the Company may pay or grant its directors and officers, as the case may be.

Required Vote

As noted above, the approval of the Compensation Policy by our shareholders requires the affirmative vote of the holders of a majority of the shares present, in person or by proxy, and voting on the matter; provided that at least one of the following “special majority” requirements is met: (i) the shares voting in favor of the matter include at least a majority of the shares voted by shareholders who are not controlling shareholders and who do not have a personal interest in the approval of the Compensation Policy or (ii) the total number of shares voted against the Compensation Policy by shareholders referenced under (i) does not exceed 2% of our outstanding voting rights.

A “controlling shareholder” for purposes of the requisite majority is defined as a shareholder that has the ability to direct the activity of the company, other than an ability resulting only from serving as a director or having another position in the company. A person is deemed to control a company if he holds, together or with others, one half or more of the “means of control” in the company. Based, among other things, on their holdings in our shares and the 2008 Shareholders Agreement, Mr. Shlomo Nehama, our Chairman of the Board and a director nominee, Nechama Investments and Kanir, and Messrs. Fridrich and Raphael, who are members of our Board of Directors and director nominees, are each deemed to be our “controlling shareholders” for purposes of the required “special majority” and may also be deemed to have a “personal interest” in the approval of the Compensation Policy due to the positions they hold.

The Companies Law requires that each shareholder voting on the proposal indicate whether or not the shareholder is a “controlling shareholder” or has a “personal interest” in the approval of the Compensation Policy. Otherwise, the shareholder is not eligible to vote on this proposal.

Under the Companies Law, a “personal interest” of a shareholder (i) includes a personal interest of any member of the shareholder’s family or of the shareholder’s spouse’s family (or a spouse thereof) or a personal interest of a company with respect to which the shareholder (or any of the aforementioned family members) serves as a director or chief executive officer, owns at least 5% of the shares or has the right to appoint a director or chief executive officer, and (ii) excludes an interest arising solely from the ownership of our ordinary shares. Under the Companies Law, in the case of a person voting by proxy for another person, “personal interest” includes a personal interest of either the proxy holder or the shareholder granting the proxy, whether or not the proxy holder has discretion how to vote. If you do not have a personal interest in a matter presented to the shareholders, you may assume that using the form of proxy enclosed herewith will not create a personal interest.

Proposal

At the Shareholders’ Meeting, our Board of Directors will propose that the following resolution be adopted:

“RESOLVED, to approve the Compensation Policy attached to the Proxy Statement as Exhibit A.”

Upon the receipt of a properly signed and dated proxy, which includes an indication as to whether or not the shareholder is a controlling shareholder or has a “personal interest” in the approval of the proposal as explained above, and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby “**FOR**” the above-mentioned proposal.

ITEM 4

AMENDMENT TO THE 1998 SHARE OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

Background

As noted under Item 1 above and as previously approved by our shareholders, each of our non-employee and external directors is granted options to purchase 1,000 ordinary shares on an annual basis pursuant to the terms of our 1998 Option Plan. The current terms of the 1998 Option Plan provide that such annual option grants become fully exercisable upon the grant date.

General

As the terms of our Compensation Policy, discussed and set forth under Item 3 above, require a minimum one-year period prior to vesting of option grants, our Board of Directors approved, and recommends that our shareholders approve, an amendment to the terms of the 1998 Option Plan to allow for such vesting schedule with respect to options that will be granted following the Shareholders' Meeting. Our 1998 Option Plan was filed as Exhibit 4.1 to our Annual Report on Form 20-F for the fiscal year ended December 31, 2012.

Required Vote

The adoption of this proposal requires the affirmative vote of a majority of the ordinary shares of the Company voted in person or by proxy at the Shareholders' Meeting.

Proposal

At the Shareholders' Meeting, our Board of Directors will propose that the following resolution be adopted:

"RESOLVED, to approve the following amendments to Section 5.2.3 of our 1998 Option Plan:

"Exercisability. Each Option granted pursuant to Section 5.1 shall become ~~fully exercisable immediately upon issuance~~ exercisable based on the vesting schedule determined in accordance with the requisite approvals under applicable law. Options not exercised before the applicable expiration periods designated in Section 5.2.4. below shall terminate upon the expiration thereof."

The words proposed to be added are underlined and the words proposed to be deleted are presented by "~~strikethrough~~".

Upon the receipt of a properly signed and dated proxy, and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby "**FOR**" the above-mentioned proposal.

ITEM 5

AMENDMENT TO THE VESTING TERMS OF NON-EMPLOYEE DIRECTORS' OPTION GRANTS

Background

As noted under Items 1 and 4 above and as previously approved by our shareholders, each of our non-employee and external directors is granted options to purchase 1,000 ordinary shares on an annual basis pursuant to the terms of our 1998 Option Plan. Based on the approval of our shareholders and the terms of the 1998 Option Plan (prior to the adoption of the proposed amendment under Item 4 above), all options granted to our non-employee directors and external directors become fully exercisable upon issuance.

General

Based on the Compensation Policy proposed under Item 3 and subject to the approval of the amendment to our 1998 Option Plan proposed under Item 4, our Compensation Committee and Board of Directors approved, and recommend that our shareholders approve, that future option grants under our 1998 Option Plan to current and future non-employee directors will not be immediately exercisable but will vest in one installment on the first anniversary of the grant date of the options, provided that the option holder still serves as a member of our Board of Directors on such date (otherwise, the unvested options will immediately expire on the date of Termination of Service, as such term is defined in the 1998 Option Plan).

This resolution will not apply to options granted under our 1998 Option Plan to our incumbent external directors in their current term, as the terms of service of our external directors cannot generally be revised during their term in office (a three-year term).

Required Vote

Pursuant to the Companies Law, the terms of service of members of our Board of Directors that are in compliance with our Compensation Policy generally require the approval of our Compensation Committee, Board of Directors and our shareholders by the affirmative vote of the holders of a majority of the shares present, in person or by proxy, and voting on the matter.

Pursuant to the transitional provisions of Amendment No. 20, until the adoption of a Compensation Policy by a public company such as the Company, the terms of service of members of the board of directors require the approval of the Compensation Committee, Board of Directors and the affirmative vote of the holders of a majority of the shares present, in person or by proxy, and voting on the matter; provided, however, that such shareholder approval is required to also meet the "special majority" requirement set forth in Item 3 above. Therefore, to the extent the proposal set forth under Item 3 is not approved at the Shareholders' Meeting, the aforementioned "special majority" requirement will apply to this proposal.

As a "special majority" may be required, the Companies Law requires that each shareholder voting on the proposal indicate whether or not the shareholder is a "controlling shareholder" or has a "personal interest" in the approval of the proposal. Otherwise, to the extent the "special majority" set forth above will be required, the shareholder is not eligible to vote on this proposal. For a detailed explanation of the term "personal interest," see "Item 3: Required Vote."

For the avoidance of doubt, if this proposal is not approved by the requisite majority, our non-employee directors will continue to be eligible to receive option grants under the current vesting terms.

Proposal

At the Shareholders' Meeting, our Board of Directors will propose that the following resolution be adopted:

“RESOLVED, to approve the amendment to the vesting schedule of options granted to current and future non-employee directors as set forth in the Proxy Statement.”

Upon the receipt of a properly signed and dated proxy, which includes an indication as to whether or not the shareholder is a controlling shareholder or has a “personal interest” in the approval of the proposal as explained above, and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby “FOR” the above-mentioned proposal.

ITEM 6

AMENDMENTS TO THE MANAGEMENT SERVICES AGREEMENT AMONG THE COMPANY, MEISAF BLUE & WHITE HOLDINGS LTD. AND KANIR JOINT INVESTMENTS (2005) LIMITED PARTNERSHIP AND ITS EXTENSION FOR A THREE-YEAR TERM

Background

Since March 31, 2008, Meisaf, an Israeli company wholly-owned by Mr. Shlomo Nehama, our Chairman of the Board and a controlling shareholder, and Kanir (another controlling shareholder who currently has two representatives on our Board of Directors, Messrs. Hemi Raphael and Ran Fridrich, who also serves as our CEO) have been providing us management and board services in accordance with the Management Services Agreement. The Management Services Agreement was attached as Exhibit A to the proxy statement filed with the SEC on Form 6-K on December 1, 2008.

Pursuant to the Management Services Agreement, Meisaf and Kanir provide management services and board services and advise and provide assistance to our management concerning our affairs and business. These services have been, and are expected to continue to be, provided by Mr. Nehama, who also serves as the Chairman of our Board or Directors, Mr. Fridrich, who also services as our CEO, and Mr. Raphael, who serves as an active director and as a member of the board of directors of Dorad Energy Ltd.

In consideration of the performance of the management services and the service of their representatives as members of our Board of Directors, Meisaf and Kanir are paid an aggregate annual fee in the amount of \$250,000, in equal parts and quarterly payments. Meisaf and Kanir are also entitled to receive reimbursement for reasonable out-of-pocket business expenses borne by them in connection with the provision of the services, as customary in the Company. We also provide Messrs. Nehama, Fridrich and Raphael, with office space and secretarial services in connection with their services to us. The Management Services Agreement includes a waiver by the Board of Directors representatives of Meisaf and Kanir of any director fees and options to purchase our ordinary shares that they may be entitled to as a result of their service on our Board of Directors, and Kanir and Mr. Fridrich have also waived any additional fees or benefits in connection with the provision of CEO services by Mr. Ran Fridrich since January 2009.

The original term of the Management Services Agreement was until March 31, 2010. At each of the annual general meetings of our shareholders held on December 30, 2009, December 22, 2010 and December 20, 2011, our shareholders approved extensions to the term of the Management Services Agreement and accordingly the Management Services Agreement is currently in effect until the earlier of: (i) March 31, 2015, or (ii) the termination of service of either of the Kanir and Nechama Investments affiliates on our Board of Directors.

General

Increase of Management Services Fee

In light of the ongoing and expected future contribution and involvement of Messrs. Nehama, Fridrich and Raphael to and in our business and operations, our Compensation Committee, Audit Committee and Board of Directors discussed and approved, and recommend that our shareholders approve, an increase in the annual aggregate fee paid to Meisaf and Kanir from \$250,000, plus applicable value added tax, to \$400,000, plus applicable value added tax, commencing on the date of the Shareholders' Meeting.

In their deliberations, our Compensation Committee, Audit Committee and Board of Directors contemplated, among other things, the considerations and issues as required by Amendment No. 20 to the Companies Law. Our Compensation Committee, Audit Committee and Board of Directors considered, among other things:

- o The alternative cost of obtaining the services of an active chairman of the board and active director and of employing a chief executive officer in a full-time position, based on the Compensation Policy as recommended by our Compensation Committee and approved by our Board of Directors and on the compensation terms for similar positions held in Israeli public companies with similar features;
- o The extent of time and the type of services provided by Meisaf's and Kanir's representatives, including, among other things, the provision of CEO, active chairman and active director services, the ongoing management of our operations, evaluating, negotiating and consummating business acquisitions, the management of our funds and financial affairs, discussions with potential investors and the management of our investor relations activities and the management of our financing activities;

- o The increase in the scope of services provided to us by Messrs. Nehama, Fridrich and Raphael since the original effective date of the Management Services Agreement (March 31, 2008), due, among other circumstances, to the appointment of Mr. Fridrich as our CEO and to the substantial increase in our operations and activities, both local and foreign, including the increase in the number of employees and local and foreign subsidiaries.

Extension of the Management Services Agreement and Amendment of Termination Provision

Our Compensation Committee, Audit Committee and Board of Directors further approved, and recommend that our shareholders approve, an extension of the term of the Management Services Agreement until a date that is three years following the date of the Shareholders' Meeting and an amendment to the Management Services Agreement to add an option for the parties to terminate the Management Services Agreement with a prior written notice of six (6) months. Therefore, if the proposed amendment is approved, the term of the Management Services Agreement will be until the earlier of (i) June 17, 2016, (ii) the termination of service of either of the Kanir and Nechama Investments affiliates on our Board of Directors, or (iii) a date that is six (6) months following the delivery of a written termination notice by Meisaf and Kanir to the Company or by the Company to Meisaf and Kanir.

Required Vote

Mr. Shlomo Nehama, our Chairman of the Board and a director nominee, Nechama Investments and Kanir, and Messrs. Fridrich and Raphael, who are members of our Board of Directors and director nominees, are each deemed to be our "controlling shareholders" for purposes of Section 268 of the Companies Law due to the holdings of Mr. Nehama, Nechama Investments, Kanir and Messrs. Raphael and Fridrich as set forth above, their respective positions with such entities and the 2008 Shareholders Agreement. Pursuant to Sections 270(4) and 275 of the Companies Law, the receipt of services from a controlling shareholder, including through an entity such controlling shareholder controls and the Terms of Service and Employment of a controlling shareholder, requires the approval, in the following order, of: our Audit Committee (or Compensation Committee with respect to Terms of Service and Employment of a controlling shareholder), our Board of Directors and the affirmative vote of a majority of our ordinary shares voted in person or by proxy at the Shareholders' Meeting, which is also required to satisfy at least one of the following conditions: (i) the shares voting in favor of the matter include at least a majority of the shares voted by shareholders who do not have a personal interest in the approval of the transaction or (ii) the total number of shares voted against the transaction does not exceed 2% of our outstanding voting rights.

The Companies Law requires that each shareholder voting on the proposal indicate whether or not the shareholder has a "personal interest" in the approval of the proposal. Otherwise, the shareholder is not eligible to vote on this proposal. For a detailed explanation of the term "personal interest," see "Item 3: Required Vote."

For the avoidance of doubt, if this proposal is not approved by the requisite majority, the validity of the Management Services Agreement as currently in effect will not be affected.

Proposal

At the Shareholders' Meeting, our Board of Directors will propose that the following resolution be adopted:

"RESOLVED, to approve the amendments to the Management Services Agreement among the Company, Meisaf and Kanir and its extension by a three-year term, all as described in the Proxy Statement."

Upon the receipt of a properly signed and dated proxy, which includes an indication as to whether or not the shareholder has a "personal interest" in the approval of the proposal as explained above, and unless otherwise instructed in the proxy, either of the persons named in the enclosed proxy will vote the shares represented thereby "**FOR**" the above-mentioned proposal.

ITEM 7

CONSIDERATION OF THE ANNUAL FINANCIAL STATEMENTS

Background

As required by the Companies Law, our independent auditors' report and audited consolidated financial statements for the fiscal year ended December 31, 2012, will be presented for discussion at the Shareholders' Meeting.

Our audited financial statements for the year ended December 31, 2012 are included in our 2012 Annual Report on Form 20-F, which was filed with the SEC on March 25, 2013. You may receive a hard copy of the complete audited financial statements for the fiscal year ended December 31, 2012, free of charge, upon request. You may review a copy of our filings with the SEC, including exhibits and schedules, and obtain copies of such materials at the SEC's public reference room at Room 1580, 100 F Street, N.E., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants that we file electronically with the SEC. These SEC filings are also available to the public from commercial document retrieval services.

This item will not involve a vote of the shareholders.

PROPOSALS OF SHAREHOLDERS

Any of our shareholders who intend to present a proposal at a shareholders' meeting must satisfy the requirements of the Companies Law. Under the Companies Law, only shareholders who severally or jointly hold at least one percent (1%) of our outstanding voting rights are entitled to request that our Board of Directors include a proposal, in a future shareholders' meeting, provided that such proposal is appropriate to be discussed in such meeting.

OTHER BUSINESS

The Board of Directors is not aware of any other matters that may be presented at the Shareholders' Meeting other than those mentioned in the attached Company's Notice of Annual Meeting of Shareholders. If any other business is properly brought before the Shareholders' Meeting, it is intended that Kalia Weintraub and Eran Zupnik, the persons named as proxies, or either one of them, will vote the shares in accordance with his or her respective discretionary authority and best judgment.

By Order of the Board of Directors,

/s/ Shlomo Nehama

Shlomo Nehama

Chairman of the Board of Directors

Tel Aviv, Israel
May 13, 2013



Ellomay Capital Ltd.

Directors and Officers Compensation Policy

As approved on [_____]

1. Objectives & Content

In this document we will define and detail Ellomay Capital Ltd.'s (the "Company" or "Ellomay") compensation policy regarding the Company's Directors and Officers¹ (the "Compensation Policy").

The publication of the Compensation Policy is intended to increase the transparency and visibility of Ellomay's activities regarding all aspects of its Directors' and Officers' compensation and to enhance its shareholders' ability to influence the compensation of the Company's Directors and Officers.

The policy is worded in the masculine form only for purposes of convenience and is designated for equal and identical application to women and men, without any difference or change.

It is stressed that this Compensation Policy does not grant any rights to the Company's Directors and Officers, and the adoption of this Compensation Policy per se will not grant any of the Company's Directors and Officers a right to receive any component of compensation set forth in this Compensation Policy. The components of compensation to which a Director or Officer will be entitled will be exclusively those that are determined specifically in relation to him in accordance with the requirements of the Israeli Companies Law, 1999 and the regulations promulgated thereunder (together, the "Companies Law").

It is clarified that in the event a Director or Officer receives compensation that is less than the compensation in accordance with this Compensation Policy, it will not be regarded as a deviation from this Compensation Policy, and such terms of his service or employment will not necessitate the approval of the General Meeting that is required in the event of approval of terms of service and employment that deviate from the Compensation Policy.

2. General

2.1. Compensation Policy Purposes:

The Compensation Policy is designed to support the achievement of the Company's long term work plan goals and ensure that:

2.1.1. Officers' interests are as closely as possible aligned with the interests of Ellomay's shareholders;

2.1.2. The correlation between pay and performance will be enhanced;

¹ i.e. "Office Holders," as such term is defined in the Companies Law.

- 2.1.3. Ellomay will be able to recruit and retain top level senior managers capable of leading the Company to further business success and facing the challenges ahead;
- 2.1.4. Company Officers will be motivated to achieve a high level of business performance without taking unreasonable risks;
- 2.1.5. An appropriate balance will be established between different compensation elements – fixed vs. variable, short term vs. long term and cash payments vs. equity based compensation.

2.2. The organs involved in the determination of the Compensation Policy are:

- 2.2.1. Compensation Committee – Provides the BOD (as hereinafter defined) with recommendations regarding the appropriate Compensation Policy, the required updates to the Compensation Policy and its renewal and approves Directors' and Officers' service and employment terms and conditions.
- 2.2.2. Board of Directors ("BOD") – Approves the Compensation Policy for Directors and Officers and is responsible for periodical reviews of the Compensation Policy and its updating if necessary.
- 2.2.3. The General Meeting of Shareholders – Approves the Compensation Policy for Directors and Officers to the extent that such an approval is required by law.

2.3. Business environment and its impact on Company Officers' compensation:

Ellomay is in the business of energy and infrastructure with operations that currently mainly include production of renewable and clean energy. The Compensation Policy is intended to ensure the Company's ability to retain and recruit a dedicated and experienced professional management that will be able to successfully promote the Company's interests and manage its business, operations and assets.

3. Compensation of Directors and Officers in view of the Company's Values and Strategy

3.1. The connection between the Company's results and Officers' compensation:

We believe the total compensation of our Officers should be influenced by our business results as well as each Officer's individual contribution to the achievement of these results.

3.2. The ratio between the compensation of Officers and the other employees of the Company (including contractors):

The Compensation Committee and the BOD will review, from time to time, the ratio between the total cost of employment of each of Officers and the average and median salaries of the rest of the employees (including contractors), as well as the ratio between the total cost of employment of each of the Officers and the average and median cost of employment of the rest of the employees (including contractors) and discuss its possible impact on labor relations within the Company.

In the opinion of the Compensation Committee and BOD members, the current ratio is appropriate and reasonable in view of the nature of the Company, its size, the mixture of manpower and its field of operation and has no negative impact on the labor relations within the Company.

4. Basic Concepts of the Company's Compensation Policy

Directors' and Officers' compensation should include a number of elements so that each of these elements rewards a different aspect of their overall contribution to the Company's success:

- Fixed Base Salary, Director Fees or Management Service Fee – Compensates Directors and Officers for the time they devote to performing their roles in the Company and for the daily performance of their tasks. The fixed base salary correlates to the Officer's skills (such as: experience, position knowledge, expertise, education, professional qualifications, etc.), on the one hand, and to the job requirements as well as the authority and responsibilities the job carries, on the other hand.
- Social and Incidental Benefits – Several of the social benefits are mandatory according to different local legislation (such as: pension and long term savings, severance pay, vacation, sick leave, etc.), others are provided according to market specific conventions and enable the Company to compete in the working environment (such as education funds and company cars in Israel) and the remainder are meant to complement the Fixed Base Salary and compensate the Officers for expenses incurred in connection with their job requirements (such as: travel expenses or allowances).
- Variable, Performance Based Rewards (Annual Bonus, Commissions and Grants) – Reward Directors and Officers for their contributions to the Company's success and achievement of business goals during a predefined timeframe.
- Equity Based Compensation – Designed to strengthen the link between long term shareholders' returns and the Company's Directors' and Officers' rewards. This type of reward creates a stronger correlation between Directors' and Officers' motivation and interest and the interests of the Company's shareholders. Another significant effect of Equity Based compensation is its contribution to retention, due to its inherent long term characteristics.

To ensure an adequate fit of all reward elements and the appropriate construction of the Total Compensation Package, all compensation elements of a Company Director or Officer will be presented to the approving organ prior to approval of any specific payment or reward.

5. **Compensation Elements**

5.1. **Fixed Compensation:**

Fixed Compensation (base salary and benefits) for the Company's Officers will be as detailed in the following table

Position	Total Fixed Compensation monthly maximum in NIS** and USD***
Chairman*	Up to 88,000 NIS (23,150 USD)
CEO*	Up to 110,000 NIS (28,950 USD)
Officer Reporting to CEO	Up to 93,500 NIS (24,600 USD)
Active Director*	Up to 66,000 NIS (17,370 USD)

* The Company's Chairman of the BOD, CEO and Active Director are currently representatives of the Company's controlling shareholders and are compensated for their BOD services and for management services based on a management services agreement. Should the Company resolve to retain the services of Directors or Officers performing similar functions who are not representatives of controlling shareholders, this policy will apply.

** These amounts will be linked to increases in the Israeli CPI

*** USD rate of 3.8 NIS

A deviation of up to 10% above these amounts will not be deemed to deviate from the terms of this Compensation Policy.

5.2. **Fixed Base Salary:**

5.2.1. **Determining the Fixed Base Salary of the Company's Officers**

The Fixed Base Salary for the Company's Officers is first determined based on a pre-defined salary range. The range for each position will be based on:

- Relevant peer group benchmark data;

- Job requirements, authority and responsibilities the job carries and prior agreements executed with the Officer;
- Education, skills, expertise, professional experience and achievements of the Officer;
- Internal ratios between positions and between the Officer and the other employees (including contractors) of the Company; and
- The Company's financial situation, business challenges and goals.

The pay grade, approved within said range, will reflect the Officer's skills and fit into the intended position.

In Israel, the Company's Officers are naturally exempt from the provisions of the Israeli Working and Rest Hours Law, as they hold senior managerial positions as defined in such Law. Therefore, they are not entitled to any additional compensation for overtime.

5.2.1.1. Market Comparisons (Benchmark):

In order to set the Fixed Base Salary (and other compensation elements) ranges for recruitment of Officers to the Company, a comparative compensation study may be conducted in the relevant market, reviewing similar position holders in comparable companies in the relevant geographies. The comparative study will cover companies meeting as many criteria as possible from the following list:

- Holding companies, preferably in the areas of renewable and clean energy, life science and hi-tech ;
- Publicly traded companies whose shares are traded on the Tel-Aviv Stock Exchange or Israeli companies whose shares are traded on the NASDAQ or NYSE markets and their market cap and/or shareholders' equity are close to that of Ellomay; and
- Companies competing with Ellomay for managerial talent and for potential Company Officers in particular.

Companies for which no reliable data can be collected will not be included in the comparison, even if they meet many or even all other criteria.

The comparative study will cover all compensation elements and will present (if data availability allows) the following:

- Customary Fixed Base Salary range for similar roles (including data distribution);
- Customary range for Annual Bonus (in terms of percentage of annual salary);
- Customary range for Equity Based Compensation economic value on the date of grant (in terms of percentage of annual salary); and
- Customary fringe and other benefits.

5.2.1.2. Internal comparison – gaps between Officers' compensation and between the Officer and the rest of the employees:

Before determining a Company Officer's pay, the following considerations, including their impact on labor relations in the Company, in general, and within the management team in particular, will be taken into account:

- The ratio between the Officer's compensation and the compensation of all other Company Officers at the same level; and
- The ratio between the Officer's cost of employment and the salary and cost of employment of all other Company employees (including contractors).

These amounts will be reviewed from time to time, compared to prevailing relevant market conditions and cost of living and updated if necessary.

5.2.2. Annual salary review principles and indexing:

In order to retain Company Officers for long periods, their Fixed Base Salary will be reviewed from time to time in comparison to similar roles in the relevant market, taking into consideration the Company's financial situation. If necessary, a pay increase request will be presented to the relevant organs for approval. Automatic indexing mechanism (to the relevant CPI) may apply to the Officers' pay.

5.2.3 Directors Cash Compensation:

The cash compensation of non-employee and external Directors will be determined in accordance with the Compensation Regulations for External Directors and/or the Companies Regulations (Relief for Public Companies whose Shares are Traded in a Stock Exchange Outside Israel), as the case may be, and shall not exceed the maximum compensation permitted by these regulations.

In addition, Directors will be entitled to reimbursement for expenses incurred in the performance of their work, including trips overseas for work purposes.

5.3. Variable compensation:

Variable compensation elements are intended to achieve the following goals:

- Linking part of the Company's Officers' compensation to the achievement of business goals and targets which will, in the long term, maximize shareholders' return and create a joint interest between Company Officers and shareholders;
- Increasing Company Officers' motivation to achieve long term Company goals; and
- Correlating part of the Company's pay expenses with its business performance and increasing financial and operational flexibility.

5.3.1. Ratio between elements of the compensation package

The appropriate ratio between the fixed components of Directors' and Officers' compensation and their variable compensation are as follows:

Position	Annual Variable Compensation in Cash	Annual Equity Based Compensation *
Chairman	Up to 6 monthly base salaries or the equivalent thereof	--
CEO	Up to 6 monthly base salaries or the equivalent thereof	Up to 6 monthly base salaries or the equivalent thereof
Officer Reporting to CEO	Up to 6 monthly base salaries	Up to 6 monthly base salaries
Non-Employee and External Directors	--	Fixed grant pursuant to the Company's Option Plan for Non-Employee Directors
Active Director	Up to 6 monthly base salaries or the equivalent thereof	--

*At the time of grant

The aggregate variable performance based compensation (cash and equity) shall not exceed 9 monthly base salaries on an annual basis.

5.3.2. Annual Bonus Principles

An Annual Bonus Plan may be approved for a specific fiscal year. An Annual Bonus Plan will be approved by the requisite approvals under the Companies Law and will include the following definitions:

- The duration of the bonus plan;

- The financial measure for calculating the bonus for a Director or Officers shall be chosen from between the Market Cap, Operating Income or Equity;
- The percentage from the selected measure that will be paid to each Director or Officer as a bonus;
- The threshold condition for the payment of the bonus will be the existence of operating profit during the plan period;
- Target Bonus definition – the Target Bonus is the bonus paid when goals are met at precisely 100%;
- Maximum Bonus – the maximum bonus for a Director or Officer per annum will not exceed 6 monthly base salaries and, to the extent the Company does not have profits for such year, the maximum bonus for a Director or Officer for such year will not exceed 2 monthly base salaries;
- The measures and their weights used to assess the Directors' or Officers' success and calculate the bonus; and
- Payment terms – to the extent the bonus exceeds 3 monthly base salaries, any such excess will be paid to the Officer or Director only following the approval of the results of the subsequent year and subject to there being no decrease during such subsequent year in the financial measure used to calculate the bonus.

5.3.2.1. Defining the Bonus Plan Measures and Targets

As part of the development of an annual Bonus Plan, plan measures and annual targets will be set as a basis for the evaluation of Company Officers' or Directors' performance during the year. The Plan will include 2 types of measures:

- Company Measures – Financial measures for Company performance such as: Market Cap, Operating Income, Equity, etc. These measures will be the same for all Company Officers and Directors and will have a weight of between 80%-100% of the total bonus.
- Managerial Appraisal – An evaluation of the performance of each Officer in non-quantitative aspects of their contribution to the Company's long term success. The managerial appraisal score will have a weight of up to 20% of the total bonus.

5.3.2.2. Setting the Bonus budget; reviewing and reducing bonuses

The total annual bonus budget will be calculated according to the sum of the Maximum Bonuses of all Company Officers participating in the plan.

Following the approval of the bonus plans and of the annual financial reports for the relevant fiscal year, the recommended bonuses will be presented to the Compensation Committee and the BOD.

The Compensation Committee and the BOD will have the authority to reduce the Annual Bonus based on their discretion considering the following aspects:

- The recipient's contribution to the development of Company's business beyond the recipient's direct responsibility;
- The Quality and speed of the recipient's reaction to crises and other unexpected events; and
- The overall managerial performance of the recipient's, motivating employees and leadership.

5.3.2.3. Grant payment and refunding mechanism

The Annual Bonuses will be paid with the first monthly salary following the review by the BOD, usually immediately following the approval of the annual financial reports.

Each Director and Officer will sign a document committing to refund any part of the annual bonus paid based on financial measures that may in the future prove to be based on a mistake which will require a restatement of the financial statements during the 3 years following the mistaken report. Such refund will be made within 6 months of publication of the restated financial statements.

5.3.1. Equity Based Compensation

As part of the overall Directors and Officers compensation package in public companies, it is standard practice to offer a component of equity based compensation, which aims to establish proximity of interest between the relevant Directors and Officers and the shareholders of the Company. Given the long term nature of the equity compensation plans, they support the ability of the Company to retain its senior managers in their positions for a long period.

In light of the advantages that stem from equity compensation plans, Ellomay will consider offering its Directors and Officers the option of participating in an equity compensation plan, based on the following:

5.3.1.1. Tools of Equity Compensation

The option plan will be defined and implemented in a manner that complies with the requirements of the relevant law of the countries in which the Directors and Officers are residing or are employed. In Israel, the plan will, to the extent possible, comply with the provisions of Section 102 of the Income Tax Ordinance.

The option grants presented for approval shall include the following details:

- The maximum number of options to be granted.

- The value of the equity based compensation (at the time of grant) per year, for each Officer, shall not exceed 50% of the aggregate compensation.
- The per-share exercise price of the options will not be lower than the known closing price in the market at the date of grant.
- The allocation of options between the various Directors and Officers and the existence of reserves for grants to Directors and Officers who may join the Company during the period of the plan.
- Options granted to Directors under the current option plan of the Company will vest in one installment on the first anniversary of the grant date. Options granted to Officers will commence vesting on the first anniversary of the grant date and will vest over a period of not less than three years from the date of grant.
- The possibility of defining the maximum value for exercising of an option.
- The possibility of conditioning the vesting of part or all of the options of some of the Officers upon the achievement of predetermined performance goals.
- The expiration date of the options shall not be shorter than a year from the vesting date of each portion and shall not be longer than ten years after the grant date;
- Terms in connection with the option holder leaving the Company (due to dismissal, resignation, and death or disability) and changes in Company ownership.

5.3.1.2. Option Grants

Subject to the approvals required under the Companies Law, 1999, the Directors and Officers will be granted options to purchase shares of the Company pursuant to the provisions of the approved option plan.

When a new Officer joins the Company during the period of an option plan, the Company will consider granting options to the joining Officer out of the reserve determined in the relevant option plan.

The Company will grant options to its non-employee and external Directors based on the terms of the applicable option plan of the Company.

5.3.1.3. Options Exercise

Upon the vesting of each portion of the options granted, each Director and Officer will be entitled to exercise the vested options at his disposal held by the trustee (to the extent relevant).

5.4. Additional terms and fringe benefits

5.4.1. Pension, disability and life insurance

The Company will provide all Company Officers with Pension, Long Term Disability and life Insurance according to local practices and legislation.

The Company's contributions will be calculated based only on the Fixed Monthly Salary and matching deductions will be made from the Officers' salary.

Officers in Israel will sign the form of the general confirmation of the Labor Minister pursuant to section 14 of the Severance Payment Law, at the time of the renewal of agreements or the recruitment of a new Officer, and the Company shall contribute the severance payments of the Officer to the pension fund/managers insurance, in accordance with the Officer's choice concerning the contributions to pension insurance.

5.4.2. Education Fund

The Company will contribute to the Education Fund at the rate of 7.5% of each Officer's Fixed Monthly Salary and deduct 2.5% from the Officer's Fixed Monthly Salary and will transfer these sums to an Education Fund to be chosen by the Officer.

5.4.3. Company Car / Transportation Allowance

The Company will allow Officers to choose to waive part of their salary in lieu of the Company placing a vehicle at their disposal for their personal use, as customary in system of operative leasing. With respect to new Officers, the Company will not bear the cost of the tax applicable to the value of the use of the vehicle.

5.4.4. Expenses and incidentals

Officers will be entitled for reimbursement for any expenses incurred in the course of performing their roles, according to relevant Company procedures.

5.4.5. Annual Vacation and Sick Leave

Officers will be entitled to annual vacation and sick leave according to applicable law and prevailing Company procedures, taking into consideration any relevant prior tenure in similar roles (or according to local legislation).

5.4.6. Others

Officers will be entitled to any additional benefits and perquisites according to Company Procedures and any relevant local legislation.

6. Termination Terms

Company Officers will be entitled to an Advance Notice period prior to termination of employer / employee relations of up to 6 months.

The actual Advance Notice period for each Officer will be determined by the prior to signing the employment agreement with the Officer.

Unless the BOD decides to release the Officer from this obligation, the Officer will be required to continue performing all role responsibilities During the Advance Notice period.

7. Non-Competition

The Officers will give a written undertaking, at the time of signing the employment agreement with the Company, to refrain from any competition with the Company for a period that shall not be less than one year from the termination date of their employment by the Company.

8. Indemnification, Exemption and Insurance of Directors and Officers

The Directors and Officers will be covered by a Directors and Officers insurance liability policy, to be periodically purchased by the Company, subject to the requisite approvals under the Companies Law. The Company has granted, and will continue to grant, letters of indemnification and exemption letters to its Directors and Officers, subject to the requisite approvals under the Companies Law.

9. Policy maintenance – Authority and Responsibility

9.1. Keeping the Policy current

The CFO is responsible for keeping this Compensation Policy current.

9.2. Approval of changes to the Compensation Policy

Updates to this policy will be approved by the Compensation Committee, the BOD and the General Meeting as required by Companies Law.

PROXY CARD

▼ FOLD AND INSERT IN ENVELOPE PROVIDED ▼

ELLOMAY CAPITAL LTD.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 18, 2013

The undersigned, a shareholder of Ellomay Capital Ltd., an Israeli company (the “**Company**”), revoking any previous proxies, does hereby appoint Kalia Weintraub and Eran Zupnik (each of them, or any substitute, hereinafter, the “**Proxy**”), or either one of them, with the full power of substitution, and hereby authorizes the Proxy to represent and to vote, as designated on the reverse side, all ordinary shares, NIS 10.00 nominal value per share, of the Company held of record by the undersigned at the close of business on May 20, 2013, at the Annual Meeting of Shareholders of the Company to be held at the offices of the Company at 9 Rothschild Boulevard, 2nd Floor, Tel-Aviv 66881, Israel, on Tuesday, June 18, 2013, at 11:30 a.m., Israel time (the “**Shareholders’ Meeting**”), and any adjournment(s) thereof.

WHEN PROPERLY MARKED AND EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED “FOR” THE PROPOSALS SET FORTH HEREIN. PLEASE NOTE THAT YOU ARE REQUIRED TO INDICATE WHETHER OR NOT YOU ARE A CONTROLLING SHAREHOLDER OR HAVE A PERSONAL INTEREST, AS THE CASE MAY BE, IN CONNECTION WITH THE APPROVAL OF PROPOSALS 3A, 5A AND 6A BY MARKING ITEMS 3B, 5B AND 6B, WHETHER YOU VOTE FOR OR AGAINST SUCH PROPOSALS. IF YOU FAIL TO MARK ITEM 3B, ITEM 5B OR ITEM 6B, YOUR VOTE WILL NOT BE COUNTED WITH RESPECT TO PROPOSALS 3A, 5A (UNLESS A SPECIAL MAJORITY IS NOT REQUIRED FOR THE APPROVAL OF THIS PROPOSAL) OR 6A, WHETHER OR NOT A VOTE WITH RESPECT TO SUCH PROPOSALS IS MARKED. IF YOU PROPERLY MARK ITEM 3B, ITEM 5B OR ITEM 6B AND NO DIRECTION IS MADE UNDER THE RELEVANT PROPOSALS, THIS PROXY WILL BE VOTED “FOR” THE RELEVANT UNDIRECTED PROPOSALS.

With respect to any additional matters as may properly come before the Shareholders’ Meeting and any adjournment or postponement thereof, said Proxy will vote in accordance with her or his discretionary authority and best judgment.

Return of your proxy does not deprive you of your right to attend the Shareholders’ Meeting, to revoke the proxy or to vote your shares at the Shareholders Meeting in person. All proxy instruments and powers of attorney must be delivered to the Company no later than 48 hours prior to the Shareholders’ Meeting.

(Continued, and to be marked, dated and signed, on the other side)

Please mark your votes like this ☒

		FOR all Nominees	WITHHOLD AUTHORITY for all Nominees	FOR all Nominees except (see instructions below)
1.	To reelect five members of the Board of Directors to hold office until the next annual meeting of shareholders and until their respective successors are duly elected and qualified. The nominees are: 01) Shlomo Nehama 02) Ran Fridrich 03) Hemi Raphael 04) Oded Akselrod 05) Anita Leviant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To withhold authority to vote for any individual nominee, mark “For All Except” and write the nominee’s number on the line below.				
		FOR	AGAINST	ABSTAIN
2.	To reappoint Somekh Chaikin, a member of KPMG International, as the independent auditors of the Company for the fiscal year ending December 31, 2013, and until the next annual meeting of shareholders, and that the Board of Directors, following the approval of the Audit Committee, be, and it hereby is, authorized to approve the payment of fees of said independent auditors, considering the volume and nature of their services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		FOR	AGAINST	ABSTAIN
3A.	To approve the Compensation Policy for the Company’s directors and officers attached as Exhibit A to the Proxy Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	
3B.	In connection with Proposal 3A above, please indicate whether you are a controlling shareholder or have a personal interest in the approval of the Compensation Policy and, if you indicate YES, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>	
		FOR	AGAINST	ABSTAIN
4.	To approve an amendment to the Company’s 1998 Share Option Plan for Non-Employee Directors as described in the Proxy Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		FOR	AGAINST	ABSTAIN
5A.	To approve an amendment to the vesting terms of non-employee directors’ option grants as described in the Proxy Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	
5B.	In connection with Proposal 5A above, please indicate whether you are a controlling shareholder or have a personal interest in the approval of the Proposal and, if you indicate YES, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>	
		FOR	AGAINST	ABSTAIN
6A.	To approve the amendments to the Management Services Agreement among the Company, Meisaf and Kanir and its extension by a three-year term, all as described in the Proxy Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	
6B.	In connection with Proposal 6A above, please indicate whether you have a personal interest in the approval of the Proposal and, if you indicate YES, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>	

▼ FOLD AND INSERT IN ENVELOPE PROVIDED ▼

NOTE: Your signature should appear the same as your name appears hereon. In signing as attorney, administrator, executor, trustee or guardian, please indicate the capacity in which signing. If two or more persons are joint owners of a share, this instrument must be executed by the person who is registered first in the Company’s Register of Members. When a proxy is given by a corporation, it should be signed by an authorized officer using the corporation’s full name and the corporate seal, if any, affixed. When a proxy is given by a partnership, it should be signed by an authorized person using the partnership’s full name. PLEASE MARK, DATE, SIGN AND RETURN THE PROXY CARD PROMPTLY USING THE SELF-ADDRESSED ENVELOPE ENCLOSED.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature _____ Signature _____ Date _____, 2013.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of June 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF THE EXHIBIT TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On June 18, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Announces Results of 2013 Annual Meeting of Shareholders." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich

Ran Fridrich
Chief Executive Officer and Director

Dated: June 18, 2013



Ellomay Capital Announces Results of 2013 Annual Meeting of Shareholders

Tel-Aviv, Israel, June 18, 2013 – **Ellomay Capital Ltd. (NYSE MKT: ELLO)** (“**Ellomay**” or the “**Company**”), announced today that all proposed resolutions were adopted and approved by the required majority at the annual general meeting of the Company’s shareholders held on June 18, 2013. For more information, please see the Company’s Notice and Proxy Statement relating to the 2013 annual meeting of shareholders at: http://www.sec.gov/Archives/edgar/data/946394/000117891313001469/exhibit_2.htm.

About Ellomay Capital

Ellomay Capital is an Israeli public company whose shares are listed on the NYSE MKT, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay Capital’s assets include ten photovoltaic plants in Italy with an aggregate capacity of approximately 10.8 MWp, 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel’s largest private power plant, which is currently under construction and is expected to have an aggregate capacity of approximately 800 MW (representing approximately 8% of Israel’s current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company’s plans and objectives of management are forward-looking statements. The use of certain words, including the words “estimate,” “project,” “intend,” “expect,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company’s forward-looking statements and you should not place undue reliance on the Company’s forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company’s forward-looking statements. These risks and uncertainties associated with the Company’s business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company’s Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Kalia Weintraub

CFO

Tel: +972 (3) 797-1111

Email: anab@ellomay.com

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF THE EXHIBIT TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On July 3, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Announces the Successful Closing of Its Largest Transaction in the Italian Photovoltaic Market." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich
Ran Fridrich
Chief Executive Officer and Director

Dated: July 3, 2013



**Ellomay Capital Announces the Successful Closing of Its Largest Transaction
in the Italian Photovoltaic Market**

*Completes the Purchase of PV Sites with Aggregate Capacity of 12MWp
Increases its PV capacity to 25 MWp*

Tel-Aviv, Israel, July 3, 2013 – **Ellomay Capital Ltd.** (NYSE MKT: **ELLO**) (“**Ellomay**” or the “**Company**”) announced the successful closing of the purchase of two photovoltaic (solar) sites (the “**PV Sites**”) in Veneto Region, north Italy. The final purchase price of the PV Sites was adjusted to 23.5 million Euros to reflect payments made to the seller from the companies that own the PV Sites (the “**SPVs**”) since the transaction cut-off date (September 30, 2012). The PV Sites were purchased on a full equity basis, with no external loans at the SPVs level.

Immediately prior to the transaction, Ellomay received bank financing of 13.5 million Euros.

The two PV Sites are connected to the grid since August 2011 and are entitled to a Feed in Tariff of 23.8 Euro cents per KWh, in addition to the selling price of the electricity, until August 2031. The PV Sites are expected to generate annual revenues, on average, of approximately 4.7 million Euros, and annual unlevered free cash flow, on average, in excess of 3 million Euros.

The acquisition of the PV Sites has nearly doubled the production capacity of Ellomay's existing photovoltaic sites in Europe to approximately 25MWp.

Use of Non-IFRS Financial Measures

Unlevered Free Cash Flow is a non-IFRS financial measure that the Company defines as net revenues less operating expenses (excluding depreciation) and taxes. The Company believes that Unlevered Free Cash Flow provides management and investors with a more complete understanding of expected cash flow before financing generated from the PV Sites. While the Company considers Unlevered Free Cash Flow to be an important measure of its cash generation, Unlevered Free Cash Flow should not be considered in isolation or as a substitute for operating profit or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of profitability or liquidity. Unlevered Free Cash Flow is not necessarily indicative of amounts that may be available for discretionary uses. Not all companies calculate Unlevered Free Cash Flow in the same manner, and the measure as presented may not be comparable to similarly-titled measures presented by other companies.

The expected average annual Unlevered Free Cash Flow is calculated based on expected average annual revenues of 4.7 million Euros, less expected average annual operating expenses (excluding depreciation) of approximately 0.7 million Euros and expected average annual tax expenses of 1 million Euros.

About Ellomay Capital

Ellomay is an Israeli public company whose shares are listed on the NYSE MKT stock exchange, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay's main assets include twelve photovoltaic plants in Italy with an aggregate capacity of approximately 22.8 MWp (six in the Puglia Region, four in the Marche Region and two in the Veneto Region), 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp, and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel's largest private power plant, which is currently under construction and is expected to have an aggregate capacity of approximately 800MW (representing approximately 8% of Israel's current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company's plans and objectives of management are forward-looking statements. The use of certain words, including the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company's forward-looking statements and you should not place undue reliance on the Company's forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company's forward-looking statements, including changes in the applicable Feed in Tariff, changes in regulation and taxation and climate changes. These and other risks and uncertainties associated with the Company's business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company's Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Kalia Weintraub

CFO

Tel: +972 (3) 797-1111

Email: anab@ellomay.com

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On July 23, 2013, Ellomay Capital Ltd. (the "Company"), in an effort to increase the "public float"¹ of its outstanding shares in connection with the possible listing of the Company's shares on the Tel Aviv Stock Exchange, entered into a transaction with a shareholder that holds approximately 8% of the Company's outstanding shares (the "Shareholder"). Pursuant to the transaction, the Shareholder agreed to hold no more than 4.99% of the Company's outstanding shares for a period of one year and, subject to and following the sale by the Shareholder of approximately 3% of the Company's outstanding shares to unrelated third parties, the Company undertook to issue the Shareholder a two-year warrant to acquire the same number of shares (the "Warrant" and the "Warrant Shares"). The exercise price for the Warrant Shares will be the price per share received by the Shareholder for the shares the Shareholder sells prior to the issuance of the Warrant minus related expenses and subject to certain adjustments, and the Warrant may only be exercised via cashless exercise methods described in the Warrant. In addition, during the first 12 months following the issuance of the Warrant, the Warrant cannot be exercised by the Shareholder if the exercise will result in the Shareholder beneficially holding in excess of 4.99% of the Company's outstanding shares. The Shareholder was also provided with certain registration rights in the event Rule 144 is not available for the resale of the Warrant Shares following a certain holding period of the Warrant and/or the Warrant Shares. *The Company cannot at this point predict when and if the Shareholder will succeed in reducing his holdings in the Company's shares to 4.99% and, if so, at what price, and whether the Company will list its shares on the Tel Aviv Stock Exchange.*

Information Relating to Forward-Looking Statements

This report may contain forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company's plans and objectives of management are forward-looking statements. The use of certain words, including the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company's forward-looking statements and you should not place undue reliance on the Company's forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company's forward-looking statements, including volatility in the market. These and other risks and uncertainties associated with the Company's business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company's Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

¹ "public float" generally refers to shares held by shareholders who are not officers, directors or principal shareholders.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich

Ran Fridrich

Chief Executive Officer and Director

Dated: July 24, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF THE EXHIBIT TO THIS FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On August 1, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Announces the Successful Connection of the Dorad Power Plant to the Israeli National Grid." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Kalia Weintraub
Kalia Weintraub
Chief Financial Officer

Dated: August 1, 2013



Ellomay Capital Announces the Successful Connection of the Dorad Power Plant to the Israeli National Grid

Tel-Aviv, Israel, August 1, 2013 – **Ellomay Capital Ltd. (NYSE MKT: ELLO)** (“**Ellomay**” or the “**Company**”) announced today that it received a notice from Dorad Energy Ltd. (“**Dorad**”), in which it indirectly holds 7.5% (with an option to increase such holdings to 9.375%), that the 400KV GIS substation serving the power plant constructed by Dorad has been energized and connected to the Israeli national grid. Based on the notice received from Dorad, the first six gas turbines (each with a 48 MW capacity) are expected to be commissioned in simple cycle during the next few weeks, with all twelve gas turbines planned to be fired by the end of August 2013 and commissioning of the heat recovery boilers and the steam turbines will take place from September 2013 through November 2013, with acceptance tests for the entire combined-cycle Dorad power plant currently scheduled to take place in December 2013. Pursuant to the notice received from Dorad, the Dorad power plant is currently expected to start commercial operation and production of power at its full capacity of approximately 800 MW in January 2014.

About Ellomay Capital

Ellomay is an Israeli public company whose shares are listed on the NYSE MKT stock exchange, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay’s main assets include twelve photovoltaic plants in Italy with an aggregate capacity of approximately 22.8 MWp (six in the Puglia Region, four in the Marche Region and two in the Veneto Region), 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp, and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel’s largest private power plant, which is in the final stages of construction and is expected to have an aggregate capacity of approximately 800MW (representing approximately 8% of Israel’s current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the Company’s plans and objectives of management are forward-looking statements. The use of certain words, including the words “estimate,” “project,” “intend,” “expect,” “scheduled,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the Company’s forward-looking statements and you should not place undue reliance on the Company’s forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company’s forward-looking statements, including delays in construction, technical difficulties and general security conditions in Israel. These and other risks and uncertainties associated with the Company’s business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including the Company’s Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:
Kalia Weintraub
CFO
Tel: +972 (3) 797-1111
Email: anatb@ellomay.com

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)*

Ellomay Capital Ltd.

(Name of Issuer)

Ordinary Shares, par value NIS 10.00 per share

(Title of Class of Securities)

M39927104

(CUSIP Number)

July 31, 2013

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☒ Rule 13d-1(c)

☐ Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the *Securities Exchange Act* of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. M39927104		13G	Page 2 of 10 Pages
1	NAME OF REPORTING PERSONS Ron Senator		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 622,300 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 622,300 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 622,300 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 5.82% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

CUSIP No. M39927104		13G	Page 3 of 10 Pages
1	NAME OF REPORTING PERSONS Sphera Funds Management Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 622,300 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 622,300 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 622,300 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 5.82% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

CUSIP No. M39927104		13G	Page 4 of 10 Pages
1	NAME OF REPORTING PERSONS Sphera Capital Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 622,300 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 622,300 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 622,300 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 5.82% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

Item 1. (a) Name of Issuer:

Ellomay Capital Ltd.

(b) Address of Issuer's Principal Executive Offices:

9 Rothschild Boulevard, 2nd floor, Tel Aviv 66881, Israel

Item 2. (a) Name of Person Filing:

Ron Senator

Sphera Funds Management Ltd.

Sphera Capital Ltd.

(b) Address of Principal Business Office:

Ron Senator – c/o Sphera Funds Management Ltd., Platinum House, 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

Sphera Funds Management Ltd. – 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

Sphera Capital Ltd. – 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

(c) Citizenship:

Ron Senator – Israel and U.S.

Sphera Funds Management Ltd. – Israel

Sphera Capital Ltd. – Israel

(d) Title of Class of Securities:

Ordinary Shares, par value NIS 10.00 per share

(e) CUSIP Number:

M39927104

Item 3. N.A.**Item 4.** Ownership:(a) Amount beneficially owned:

See row 9 of cover page of each reporting person.

The securities reported herein are beneficially owned as follows:

- 270,554 shares (representing 2.53% of the total ordinary shares outstanding) beneficially owned by Sphera Funds Management Ltd. ("SFML"), which acts as the investment management company for Sphera Master Fund LP. ("Sphera Master"). Sphera Master has delegated its investment management authority to SFML.

In addition, Ron Senator may be considered the beneficial owner of shares held by the Sphera Master, since he serves as portfolio manager for SFML.

- 328,762 shares (representing 3.07% of the total ordinary shares outstanding) beneficially owned by Sphera Capital Ltd. ("Sphera Capital"), which acts as the investment management company for Sphera Small Cap Fund Ltd. ("Sphera Small Cap Fund"). Sphera Small Cap Fund has delegated its investment management authority to Sphera Capital.

In addition, Ron Senator may be considered the beneficial owner of shares held by the Sphera Small Cap Fund, since he serves as portfolio manager for Sphera Capital.

- 22,984 shares (representing 0.21% of the total ordinary shares outstanding) beneficially owned by Sphera Capital, which has investment discretion under an investment management agreement to manage the investments of EJS Investment Management S.A. (a company incorporated under the laws of Switzerland), acting for and on behalf of Firstag Securities Ltd. and Galatee Holdings Ltd (both companies incorporated under the laws of the British Virgin Islands), all three entities referred to collectively as the "EJS entities".

In addition, Ron Senator may be considered the beneficial owner of shares held by the EJS Entities, since he serves as portfolio manager for Sphera Capital.

This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities. In addition, the Reporting Persons and other entities named in this Schedule 13G may be deemed to constitute a "group" for purposes of Section 13(d) of the Exchange Act. Neither the filing of this Schedule 13G nor any of its contents shall be deemed to constitute an admission that a group exists for purposes of Section 13(d) of the Exchange Act or for any other purpose, and each of the Reporting Persons and other entities names in this Schedule 13D disclaims the existence of any such group.

(b) Percent of class:

See row 11 of cover page of each reporting person

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See row 5 of cover page of each reporting person

(ii) Shared power to vote or to direct the vote:

See row 6 of cover page of each reporting person and note in Item 4(a) above

(iii) Sole power to dispose or to direct the disposition of:

See row 7 of cover page of each reporting person

(iv) Shared power to dispose or to direct the disposition of:

See row 8 of cover page of each reporting person and note in Item 4(a) above

Item 5. Ownership of Five Percent or Less of a Class:

N.A.

Item 6. Ownership of More than Five Percent on Behalf of Another:

N.A.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:

N.A.

Item 8. Identification and Classification of Members of the Group:

N.A.

Item 9. Notice of Dissolution of Group:

N.A.

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

August 4, 2013

Ron Senator

/s/ Ron Senator

By: Ron Senator

Sphera Funds Management Ltd.

/s/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

Sphera Capital Ltd.

/s/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

EXHIBIT NO. DESCRIPTION

Exhibit 1 Agreement of Joint Filing by and among the Reporting Persons.

Joint Filing Agreement

By this Agreement, the undersigned agree that this Statement on Schedule 13G being filed on or about this date, and any subsequent amendments thereto filed by any of us, with respect to the securities of Ellomay Capital Ltd. is being filed on behalf of each of us.

August 4, 2013

Ron Senator

/s/ Ron Senator

By: Ron Senator

Sphera Funds Management Ltd.

/s/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

Sphera Capital Ltd.

/a/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 4)

ELLOMAY CAPITAL LTD.
(Name of Issuer)

Ordinary Shares, par value NIS 10.00 per share
(Title of Class of Securities)

M39927 12 0
(CUSIP Number)

July 29, 2013
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☐ Rule 13d-1(b)
- ☒ Rule 13d-1(c)
- ☐ Rule 13d-1(d)

13G

CUSIP No. **M39927 12 0**

Page 2 of 5 Pages

1.	NAMES OF REPORTING PERSONS Zohar Zisapel		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP Not Applicable (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3.	SEC USE ONLY		
4.	CITIZENSHIP OR PLACE OF ORGANIZATION Israeli		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER 531,899	
	6.	SHARED VOTING POWER	
	7.	SOLE DISPOSITIVE POWER 531,899	
	8.	SHARED DISPOSITIVE POWER	
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY THE REPORTING PERSON 531,899		
10.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>		
11.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 4.98% *		
12.	TYPE OF REPORTING PERSON (see instructions) IN		

* Based upon 10,692,371 ordinary shares (not including 85,655 treasury shares) outstanding as of July 1, 2013 as advised by the Issuer.

13G

CUSIP No. M39927 12 0

Page 3 of 5 Pages

Item 1(a). Name of Issuer:

Ellomay Capital Ltd. (hereinafter referred to as the "Issuer").

Item 1(b). Address of Issuer's Principal Executive Offices:

9 Rothschild Boulevard, 2nd floor
Tel Aviv 66881, Israel

Item 2(a). Name of Person Filing:

Zohar Zisapel

Item 2(b). Address or Principal Business Office, or, if none, Residence:

24 Raoul Wallenberg Street
Tel Aviv 69719, Israel

Item 2(c). Citizenship:

Israeli

Item 2(d). Title of Class of Securities:

This statement relates to Ordinary Shares, par value NIS 10.00 per share (hereinafter referred to as "Ordinary Shares").

Item 2(e). CUSIP Number:

M39927 12 0

Item 3. Identification of Persons filing pursuant to Rules 13d-1(b) or 13d-2(b) or (c):

Not Applicable.

Item 4. Ownership**(a) Amount beneficially owned:**

As of July 29, 2013, Zohar Zisapel beneficially owns 531,899 Ordinary Shares.

13G

CUSIP No. **M39927 12 0**

Page 4 of 5 Pages

(b) Percent of Class:

4.98%

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

531,899¹

(ii) Shared power to vote or to direct the vote:

None

(iii) Sole power to dispose or to direct the disposition of:

531,899¹

(iv) Shared power to dispose or to direct the disposition of:

None

1. This number does not reflect the reporting person's ownership of a warrant to purchase 308,427 ordinary shares, par value NIS 10.00 per share. This warrant contains a contractual provision that prohibits the reporting person from exercising such warrant during a 12 month period following the effective date of such warrant if such exercise would result in the reporting person beneficially owning more than 4.99% of the issuer's ordinary shares. As of today, due to the current ownership of the Issuer's ordinary shares by the reporting person covered by this Schedule 13G/A, he is prohibited from exercising a substantial portion of the warrant (currently up to 306,777 shares) for the period set forth above.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following ☒.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

Not Applicable.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the Issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 12, 2013

/s/ Zohar Zisapel
Zohar Zisapel

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)*

Ellomay Capital Ltd.

(Name of Issuer)

Ordinary Shares, par value NIS 10.00 per share

(Title of Class of Securities)

M39927104

(CUSIP Number)

August 13, 2013

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☒ Rule 13d-1(c)

☐ Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the *Securities Exchange Act* of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. M39927104		13G	Page 2 of 10 Pages
1	NAME OF REPORTING PERSONS Ron Senator		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 496,955 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 496,955 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 496,955 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 4.65% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

CUSIP No. M39927104		13G	Page 3 of 10 Pages
1	NAME OF REPORTING PERSONS Sphera Funds Management Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 496,955 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 496,955 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 496,955 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 4.65% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

CUSIP No. M39927104		13G	Page 4 of 10 Pages
1	NAME OF REPORTING PERSONS Sphera Capital Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Israel		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER ---	
	6	SHARED VOTING POWER 496,955 (*)	
	7	SOLE DISPOSITIVE POWER ---	
	8	SHARED DISPOSITIVE POWER 496,955 (*)	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 496,955 (*)		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See instructions) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 4.65% (*) (**)		
12	TYPE OF REPORTING PERSON (See instructions) CO		

(*) The beneficial ownership of the securities reported herein is described in Item 4(a). This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities.

(**) Based on 10,692,371 ordinary shares outstanding as of May 1, 2013 (as reported in Exhibit 2 to Form 6-K filed by the Issuer on May 13, 2013).

Item 1. (a) Name of Issuer:

Ellomay Capital Ltd.

(b) Address of Issuer's Principal Executive Offices:

9 Rothschild Boulevard, 2nd floor, Tel Aviv 66881, Israel

Item 2. (a) Name of Person Filing:

Ron Senator

Sphera Funds Management Ltd.

Sphera Capital Ltd.

(b) Address of Principal Business Office:

Ron Senator – c/o Sphera Funds Management Ltd., Platinum House, 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

Sphera Funds Management Ltd. – 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

Sphera Capital Ltd. – 21 Ha'arba'ah Street, Tel Aviv 64739, Israel

(c) Citizenship:

Ron Senator – Israel and U.S.

Sphera Funds Management Ltd. – Israel

Sphera Capital Ltd. – Israel

(d) Title of Class of Securities:

Ordinary Shares, par value NIS 10.00 per share

(e) CUSIP Number:

M39927104

Item 3. N.A.**Item 4.** Ownership:(a) Amount beneficially owned:

See row 9 of cover page of each reporting person.

The securities reported herein are beneficially owned as follows:

- 178,709 shares (representing 1.67% of the total ordinary shares outstanding) beneficially owned by Sphera Funds Management Ltd. ("SFML"), which acts as the investment management company for Sphera Master Fund LP. ("Sphera Master"). Sphera Master has delegated its investment management authority to SFML.

In addition, Ron Senator may be considered the beneficial owner of shares held by the Sphera Master, since he serves as portfolio manager for SFML.

- 303,762 shares (representing 2.84% of the total ordinary shares outstanding) beneficially owned by Sphera Capital Ltd. ("Sphera Capital"), which acts as the investment management company for Sphera Small Cap Master Fund Ltd. ("Sphera Small Cap Fund"). Sphera Small Cap Fund has delegated its investment management authority to Sphera Capital.

In addition, Ron Senator may be considered the beneficial owner of shares held by the Sphera Small Cap Fund, since he serves as portfolio manager for Sphera Capital.

- 14,484 shares (representing 0.14% of the total ordinary shares outstanding) beneficially owned by Sphera Capital, which has investment discretion under an investment management agreement to manage the investments of EJS Investment Management S.A. (a company incorporated under the laws of Switzerland), acting for and on behalf of Firstag Securities Ltd. and Galatee Holdings Ltd (both companies incorporated under the laws of the British Virgin Islands), all three entities referred to collectively as the "EJS entities".

In addition, Ron Senator may be considered the beneficial owner of shares held by the EJS Entities, since he serves as portfolio manager for Sphera Capital.

This Statement shall not be construed as an admission by any of the Reporting Persons that it is the beneficial owner of any of the securities covered by this Statement, and each Reporting Person disclaims beneficial ownership of any such securities. In addition, the Reporting Persons and other entities named in this Schedule 13G may be deemed to constitute a "group" for purposes of Section 13(d) of the Exchange Act. Neither the filing of this Schedule 13G nor any of its contents shall be deemed to constitute an admission that a group exists for purposes of Section 13(d) of the Exchange Act or for any other purpose, and each of the Reporting Persons and other entities names in this Schedule 13D disclaims the existence of any such group.

(b) Percent of class:

See row 11 of cover page of each reporting person

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See row 5 of cover page of each reporting person

(ii) Shared power to vote or to direct the vote:

See row 6 of cover page of each reporting person and note in Item 4(a) above

(iii) Sole power to dispose or to direct the disposition of:

See row 7 of cover page of each reporting person

(iv) Shared power to dispose or to direct the disposition of:

See row 8 of cover page of each reporting person and note in Item 4(a) above

Item 5. Ownership of Five Percent or Less of a Class: If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following: ☒.

Item 6. Ownership of More than Five Percent on Behalf of Another:

N.A.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:

N.A.

Item 8. Identification and Classification of Members of the Group:

N.A.

Item 9. Notice of Dissolution of Group:

N.A.

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

August 15, 2013

Ron Senator

/s/ Ron Senator

By: Ron Senator

Sphera Funds Management Ltd.

/s/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

Sphera Capital Ltd.

/s/ Amir Ayalon

By: Amir Ayalon
Title: Chief Executive Officer

EXHIBIT NO. DESCRIPTION

Exhibit 1	Agreement of Joint Filing by and among the Reporting Persons (incorporated by reference from Exhibit 1 to Schedule 13G filed by the Reporting Persons with the Securities and Exchange Commission on August 5, 2013).
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2013
Commission File Number: 001-35284

Ellomay Capital Ltd.

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

THE TEXT OF THE EXHIBIT TO THIS FORM 6-K, OTHER THAN PARAGRAPH 16 THEREIN, IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

On September 3, 2013, Ellomay Capital Ltd. issued a press release titled "Ellomay Capital Reports Financial Position as at June 30, 2013 and Results for the Six Months then ended." The text of the press release is attached hereto as Exhibit 1.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: /s/ Ran Fridrich

Ran Fridrich

Chief Executive Officer and Director

Dated: September 3, 2013



Ellomay Capital Reports Financial Position as at June 30, 2013 and Results for the Six Months then ended.

Tel-Aviv, Israel, September 3, 2013 – **Ellomay Capital Ltd.** (NYSE MKT: ELLO) (“**Ellomay**” or the “**Company**”), today reported its unaudited financial results for the six month period ended June 30, 2013.

Financial Highlights

- Revenues were approximately \$4.8 million for the six months ended June 30, 2013, compared to approximately \$4.4 million for the six months ended June 30, 2012. The increase in revenues mainly resulted from the acquisition of a photovoltaic plant located in Spain consummated on July 1, 2012. Operating expenses were approximately \$0.9 million for the six months ended June 30, 2013, compared to approximately \$1 million for the six months ended June 30, 2012. Depreciation expenses were approximately \$1.4 million for the six months ended June 30, 2013, compared to approximately \$1.3 million for the six months ended June 30, 2012.
- Gain on bargain purchase was approximately \$10.2 million for the six months ended June 30, 2013. On June 26, 2013, the Company consummated the acquisition of two photovoltaic plants with fixed technology in the Veneto Region, Italy (Northern Italy), with an aggregate capacity of approximately 12MWp (the “Veneto PV Sites”). The Veneto PV Sites are fully constructed and operating and were connected to the Italian national grid in August 2011 under the applicable Feed-in-Tariff (0.238 Euro/kWh). The final consideration paid for the Veneto PV Sites and the related licenses was approximately 23.5 million Euros (approximately \$30.6 million). The Veneto PV Sites were purchased under insolvency proceedings.

Our results presented in the interim statements of comprehensive income (loss) do not include the results of the Veneto PV Sites, as the closing date of the acquisition was in near proximity to the balance sheet date.

We performed a preliminary analysis of the fair value of identifiable assets acquired and liabilities assumed and a preliminary and provisional purchase price allocation and recorded gain on bargain purchase (negative goodwill) in the amount of approximately \$10.2 million based upon management’s best estimate of the value as a result of such preliminary analysis. Negative goodwill represents the excess of the Company’s share in the fair value of acquired identifiable assets, liabilities and contingent liabilities over the cost of an acquisition. **The provisional amounts recognized may be adjusted during the 12 month period following the acquisition in accordance with IFRS 3 as more detailed analyses are completed and additional information on the fair value of assets and liabilities becomes available. Therefore, actual amounts recorded upon the finalization of the valuation may differ materially from the information presented in this release.**

- General and administrative expenses were approximately \$1.3 million for the six months ended June 30, 2013, compared to approximately \$1.4 million for the six months ended June 30, 2012. The decrease in general and administrative expenses was primarily due to cost efficiency.
 - EBITDA was approximately \$2.4 million for the six months ended June 30, 2013, compared to approximately \$1.8 million for the six months ended June 30, 2012. This increase resulted mainly from the consummation of the acquisition of our Spanish photovoltaic plant.
 - Financial income, net was approximately \$2.4 million for the six months ended June 30, 2013, compared to financial expenses, net that were approximately \$1.2 million for the six months ended June 30, 2012. This increase in financial income was primarily attributable to the fair value measurement of swap contracts and the fair value measurement of options to acquire additional shares of U. Dori Energy Infrastructures Ltd. (“Dori Energy”).
 - Share of losses of equity accounted investees was approximately \$0.2 million for the six months ended June 30, 2013, compared to approximately \$0.1 million for the six months ended June 30, 2012. The increase was due to expenses recorded by Dorad Energy Ltd. (“Dorad”) resulting from a contractual commitment to compensate a client due to a delay of the commercial operation in 2013.
-

- Taxes on income were approximately \$0.8 million for the six months ended June 30, 2013, compared to approximately \$0.2 million for the six months ended June 30, 2012. The increase was mainly due to the consummation of the acquisition of the Company's Spanish photovoltaic plants on July 2012 and income recorded in 2012 referring to the reverse of uncertain tax positions due to the closure of tax years.
- Other comprehensive gain from foreign currency translation differences from foreign operations were approximately \$0.5 million for the six months ended June 30, 2013, compared to other comprehensive loss of approximately \$1.4 million for the six months ended June 30, 2012. The gain for the six months ended June 30, 2013 was primarily due to the Company's operations in the Italian and Spanish photovoltaic field and resulted from the revaluation of the Euro against the US dollar.
- Total comprehensive gain was approximately \$13.3 million in the six months ended June 30, 2013, compared to total comprehensive loss of approximately \$2 million in the six months ended June 30, 2012. The increase was mainly due to the gain on bargain purchase of approximately \$10.2 million recorded in 2013.
- As of August 15, 2013, the Company held approximately \$2.9 million in cash and cash equivalents, approximately \$12.6 million in restricted cash and approximately \$5.3 million in short term deposits.
- During the six months ended June 30, 2013, we extended an additional aggregate amount of approximately \$2.1 million to Dori Energy in connection with Dorad's funding requirements from Dori Energy pursuant to the agreement between Dorad and its shareholders.
- On June 20, 2013 the Company entered into a loan agreement with one of the major Israeli banks (the "Loan Agreement"). Pursuant to the Loan Agreement the Company received an amount of Euro 13.5 million (approximately \$17.6 million), for a period of 18 months, bearing an interest at the EURO LIBOR 12 month rate plus 4.5%.

Ran Fridrich, CEO and a board member of Ellomay commented: "the Italian transaction that was consummated last June is expected to significantly increase the Company's revenues and is an example of the Company's ability to consummate transactions in bargain prices. The Company continues to identify and evaluate business opportunities in the energy field in Israel and elsewhere and is preparing for the possibility of dual listing of its ordinary shares on the Tel Aviv Stock Exchange."

Use of NON-IFRS Financial Measures

EBITDA is a non-IFRS measure and is defined as earnings before financial expenses, net, gain on bargain purchase, interest, taxes, depreciation and amortization. The Company presents this measure in order to enhance the understanding of the Company's historical financial performance and to enable comparability between periods. While the Company considers EBITDA to be an important measure of comparative operating performance, EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of profitability or liquidity. EBITDA does not take into account the Company's commitments, including capital expenditures, and restricted cash and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Not all companies calculate EBITDA in the same manner, and the measure as presented may not be comparable to similarly-titled measures presented by other companies. The Company's EBITDA may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. See the reconciliation between the net income (loss) and the EBITDA presented at the end of this Press Release.

About Ellomay Capital

Ellomay is an Israeli public company whose shares are listed on the NYSE MKT stock exchange, which focuses its business in the energy and infrastructure sectors worldwide and is chaired by Mr. Shlomo Nehama, former Chairman of Bank Hapoalim, and controlled by Mr. Nehama and Kanir Joint Investments (2005) Limited Partnership, which is controlled by Mr. Ran Fridrich and Mr. Hemi Raphael.

Ellomay's main assets include twelve photovoltaic plants in Italy with an aggregate capacity of approximately 22.8 MWp (six in the Puglia Region, four in the Marche Region and two in the Veneto Region), 85% ownership of a photovoltaic plant in Spain with a capacity of approximately 2.3 MWp, and 7.5% indirect holdings in Dorad (with an option to increase such holdings to 9.375%), Israel's largest private power plant, which is in the final stages of construction and is expected to have an aggregate capacity of approximately 800MW (representing approximately 8% of Israel's current electricity consumption).

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties, including statements that are based on the current expectations and assumptions of the Company's management. All statements, other than statements of historical facts, included in this press release regarding the Company's plans and objectives, expectations and assumptions of management are forward-looking statements. The use of certain words, including the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements and you should not place undue reliance on the Company's forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by our forward-looking statements including changes in regulation, seasonality of the PV business and market conditions. These and other risks and uncertainties associated with the Company's business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including its Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Kalia Weintraub

CFO

Tel: +972 (3) 797-1111

Email: anatb@ellomay.com

Condensed Consolidated Statements of Financial Position as at

	June 30 2013 (Unaudited)	December 31 2012 (Audited)
	US\$ in thousands	
Assets		
Current assets:		
Cash and cash equivalents	1,632	33,292
Short-term deposits	5,306	5,290
Restricted cash	7,836	8,085
Trade receivables	412	95
Other receivables and prepaid expenses	8,147	4,436
	<u>23,333</u>	<u>51,198</u>
Non-current assets		
Investments in equity accounted investees	21,729	19,198
Financial asset	2,940	485
Property, plant and equipment	91,553	53,860
Restricted cash	5,088	3,253
Other assets	992	746
	<u>122,302</u>	<u>77,452</u>
Total assets	<u>145,635</u>	<u>128,740</u>
Liabilities and Equity		
Current liabilities		
Loans and borrowings	830	7,044
Trade payable	1,685	1,926
Accrued expenses and other payables	8,061	14,051
Liabilities attributed to discontinued operations	200	200
	<u>10,776</u>	<u>23,221</u>
Non-current liabilities:		
Finance lease obligations	6,640	6,898
Long-term bank loans	28,944	11,680
Other long-term liabilities	2,826	3,827
	<u>38,410</u>	<u>22,405</u>
Total liabilities	<u>49,186</u>	<u>45,626</u>
Equity		
Share capital	26,180	26,180
Share premium	76,410	76,410
Treasury shares	(522)	(522)
Reserves	(1,384)	(1,884)
Accumulated deficit	(4,288)	(17,079)
Attributed to owners of the Company's equity rights	96,396	83,105
Non-Controlling Interest	53	9
	<u>96,449</u>	<u>83,114</u>
Total equity	<u>96,449</u>	<u>83,114</u>
Total liabilities and equity	<u>145,635</u>	<u>128,740</u>

Condensed Consolidated Interim Statements of Comprehensive Income (loss)

	For the six months ended June 30	
	2013	2012
	(Unaudited)	(Unaudited)
	US\$ thousands	US\$ thousands
Revenues	4,840	4,382
Operating expenses	882	1,045
Depreciation expenses	1,422	1,292
Gross profit	2,536	2,045
General and administrative expenses	1,294	1,377
Gain on bargain purchase	10,237	-
Capital gain	-	160
Operating profit	11,479	828
Financing income	126	780
Financial income (expenses) in connection with derivatives, net	3,827	(1,427)
Financing expenses	(1,587)	(546)
Financing income (expenses), net	2,366	(1,193)
Company's share of losses of investees accounted for at equity	(233)	(145)
Profit (loss) before taxes on income	13,612	(510)
Taxes on income	(777)	(171)
Net income (loss) for the period	12,835	(681)
Income (loss) attributable to:		
Owners of the Company	12,791	(681)
Non-controlling interests	44	-
Net income (loss) for the period	12,835	(681)
Other comprehensive income (loss):		
Foreign currency translation differences from foreign operations	500	(1,369)
Total other comprehensive income (loss)	500	(1,369)
Total comprehensive income (loss) for the period	13,335	(2,050)
Income (Loss) per share		
Basic Income (loss) per share	1.2	(0.06)
Diluted Income (loss) per share	1.2	(0.06)

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to owners of the Company							
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from Foreign Operations	Total	Non- controlling interests	Total Equity
	US\$ in thousands							
For the six months ended June 30, 2013 (unaudited)								
Balance as at January 1, 2013	26,180	76,410	(17,079)	(522)	(1,884)	83,105	9	83,114
Income for the Period	-	-	12,791	-	-	12,791	44	12,835
Other comprehensive income	-	-	-	-	500	500	-	500
Total comprehensive income	-	-	12,791	-	500	13,291	44	13,335
Balance as at June 30, 2013	<u>26,180</u>	<u>76,410</u>	<u>(4,288)</u>	<u>(522)</u>	<u>(1,384)</u>	<u>96,396</u>	<u>53</u>	<u>96,449</u>

	Attributable to owners of the Company							
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from Foreign Operations	Total		
	US\$ in thousands							
For the six months ended June 30, 2012 (unaudited)								
Balance as at January 1, 2012	26,180	76,403	(14,969)	(49)	(3,504)	84,061		
Loss for the period	-	-	(681)	-	-	(681)		
Other comprehensive loss	-	-	-	-	(1,369)	(1,369)		
Total comprehensive loss	-	-	(681)	-	(1,369)	(2,050)		
Transactions with owners of the Company, recognized directly in equity:								
Treasury shares	-	-	-	(473)	-	(473)		
Cost of share-based payments	-	1	-	-	-	1		
Balance as at June 30, 2012	26,180	76,404	(15,650)	(522)	(4,873)	81,539		

Condensed Consolidated Interim Statements of Cash Flows

	Six months ended June 30	
	2013	2012
	(Unaudited)	(Unaudited)
	US\$ thousands	US\$ thousands
Cash flows from operating activities		
Income (loss) for the period	12,835	(681)
Adjustments for:		
Financing expenses (income), net	(2,366)	1,193
Gain on bargain purchase (negative goodwill)	(10,237)	-
Capital gain	-	(160)
Depreciation	1,422	1,292
Cost Share-based payment	-	1
Interest on loans from related parties	-	(122)
Company's share of losses of investees accounted for at equity	233	145
Increase in trade receivables	(74)	(63)
Decrease (increase) in other receivables and prepaid expenses	(2,482)	1,885
Decrease (increase) in other assets	7	(34)
Increase (decrease) in derivatives	3,827	(1,143)
Increase (decrease) in accrued severance pay, net	10	(3)
Taxes on income	777	171
Increase (decrease) in trade payables	38	(147)
Increase (decrease) in accrued expenses and other payables	(4,417)	1,106
Interest received	86	86
Interest paid	(905)	(412)
Net cash provided by (used in) operating activities	(1,246)	3,114
Cash flows from investing activities:		
Purchase of property and equipment	(6,910)	(1,049)
Acquisition of subsidiary, net of cash acquired	(30,742)	-
Advance on account of investment	-	(7,268)
Investment in equity accounted investees	(2,129)	(4,329)
Settlement of forward contract	(169)	-
Proceeds (Investment) in restricted cash	(1,589)	1,620
Investment in long-terms deposits	(16)	-
Net cash used in investing activities	(41,555)	(11,026)
Cash flows from financing activities		
Proceeds from sale and finance lease back	-	1,086
Treasury shares	-	(473)
Repayment of loans	(6,659)	-
Loans received	17,692	6,288
Net cash provided by financing activities	11,033	6,901

Condensed Consolidated Interim Statements of Cash Flows (cont'd)

	Six months ended June 30	
	2013	2012
	(Unaudited)	(Unaudited)
	US\$ thousands	US\$ thousands
Effect of exchange rate changes on cash and cash equivalents	108	(464)
Decrease in cash and cash equivalents	(31,660)	(1,475)
Cash and cash equivalents at the beginning of the period	33,292	28,917
Cash and cash equivalents at the end of the period	1,632	27,442

Reconciliation of Net income (loss) to EBITDA (in US\$ thousands)

	For the Six Months ended June 30,	
	2013	2012
	Unaudited	Unaudited
Net income (loss) for the period	12,835	(681)
Financing expenses (income), net	(2,366)	1,193
Gain on bargain purchase	(10,237)	-
Capital gain	-	(160)
Taxes on income	777	171
Depreciation	1,422	1,292
EBITDA	2,431	1,815

SC 13D/A 1 v354230_sc13d-a.htm AMENDMENT NO. 9 TO SCHEDULE 13D

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 9)***

Ellomay Capital Ltd.
(Name of Issuer)

Ordinary Shares, NIS 10.00 par value per share
(Title of Class of Securities)

M39927120
(CUSIP number)

**Kanir Joint Investments (2005) Limited Partnership
c/o Ilan Zohar, Adv.
Zohar & Co.
6 Tiomkin Street
Tel Aviv 65783, Israel
Tel: +972-3-560-2420**

(Name, address and telephone number of person
authorized to receive notices and communications)

November 30, 2011
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Kanir Joint Investments (2005) Limited Partnership
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS WC
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER -
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER -
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,786,397*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 26.1% *
14.	TYPE OF REPORTING PERSON PN

* Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Kanir Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Nechama Reporting Persons. The Kanir Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Nechama Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Kanir Investments Ltd.
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS N/A
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER -
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER -
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,786,397*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 26.1% *
14.	TYPE OF REPORTING PERSON CO, HC

* Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Kanir Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Nechama Reporting Persons. The Kanir Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Nechama Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Menahem Raphael
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS N/A
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER 454,524
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER 454,524
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,240,921*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 30.3% *
14.	TYPE OF REPORTING PERSON IN, HC

* Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Kanir Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Nechama Reporting Persons. The Kanir Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Nechama Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Ran Fridrich
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS N/A
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER 116,787
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER 116,787
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,903,184*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 27.2% *
14.	TYPE OF REPORTING PERSON IN, HC

* Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Kanir Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Nechama Reporting Persons. The Kanir Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Nechama Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons S. Nechama Investments (2008) Ltd.
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS N/A
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER -
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER -
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,551,869*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 33.2% *
14.	TYPE OF REPORTING PERSON CO

*Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Nechama Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Kanir Reporting Persons. The Nechama Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Kanir Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Shlomo Nechama
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS PF
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER 464,973
	8. SHARED VOTING POWER 6,338,266*
	9. SOLE DISPOSITIVE POWER 464,973
	10. SHARED DISPOSITIVE POWER 5,356,878*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,016,842*
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 37.6% *
14.	TYPE OF REPORTING PERSON IN, HC

*Pursuant to Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as a result of the 2008 Shareholders Agreement, the Nechama Reporting Persons may be deemed to be members of a “group” (as such term is defined under the Exchange Act) with the Kanir Reporting Persons. The Nechama Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Kanir Reporting Persons.

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Bonstar Investments Ltd.
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS N/A
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER 233,257
	8. SHARED VOTING POWER -
	9. SOLE DISPOSITIVE POWER 233,257
	10. SHARED DISPOSITIVE POWER -
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 233,257
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/> (see Item 5)
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) *2.2%
14.	TYPE OF REPORTING PERSON CO

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Joseph Mor
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS AF
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER -
	8. SHARED VOTING POWER 408,257
	9. SOLE DISPOSITIVE POWER -
	10. SHARED DISPOSITIVE POWER 408,257
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 408,257
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/> (see Item 5)
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) *3.8%
14.	TYPE OF REPORTING PERSON IN, HC

SCHEDULE 13D/A

CUSIP No. M39927120

1.	Names of Reporting Persons Ishay Mor
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS AF
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER -
	8. SHARED VOTING POWER 408,257
	9. SOLE DISPOSITIVE POWER -
	10. SHARED DISPOSITIVE POWER 408,257
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 408,257
12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/> (see Item 5)
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) *3.8%
14.	TYPE OF REPORTING PERSON IN, HC

This Amendment No. 9 to Schedule 13D (this "**Amendment**") amends the Schedule 13D originally filed by Kanir LP and Kanir Ltd. on November 14, 2005, as amended on February 21, 2008, on March 11, 2008, on March 31, 2008, on May 6, 2008, on January 26, 2009, on May 18, 2009, on November 17, 2010 and on December 22, 2010.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 is hereby amended by adding the following:

The Distribution Shares (as defined in Item 5 below) were distributed by Kanir LP to certain of its limited partners, as more fully described in Item 5 below. Kanir LP transferred 55,043 Ordinary Shares to Mr. Ran Fridrich in consideration for the setoff of a certain debt in the amount of \$390,840 that was owed to Mr. Fridrich.

Item 4. Purposes of Transaction

Item 4 is hereby amended by adding the following:

The purchases described in this Amendment were made for investment purposes.

Item 5. Interest in the Securities of the Issuer

Item 5 is amended and restated as follows:

(a), (b) See the responses to Items 7 through 11 and 13 of the cover pages to this Schedule 13D.

The ownership percentages set forth in this Amendment are based on 10,692,371 Ordinary Shares outstanding as of May 1, 2013 (as reported in the Issuer's Form 6-K as filed with the SEC on May 13, 2013) (which does not include a total of 85,655 Ordinary Shares held as treasury shares under Israeli law, all of which were repurchased by the Issuer). Such ownership numbers include: (A) the distribution of Ordinary Shares by Kanir LP to certain of its limited partners on November 30, 2011 in the following amounts: (i) 140,010 Ordinary Shares distributed to Mr. Menahem Raphael, and an additional 314,514 Ordinary Shares distributed to a BVI private company, which is wholly-owned by Mr. Raphael, (ii) 140,010 Ordinary Shares distributed to Mr. Ran Fridrich, and (iii) 148,567 Ordinary Shares distributed to Bonstar Investments Ltd. (collectively, the "**Distribution Shares**") and (B) 55,043 Ordinary Shares transferred to Mr. Ran Fridrich on May 9, 2013 in consideration for the setoff of a certain debt in the amount of \$390,840 that was owed to Mr. Fridrich.

During June, 2013 Mr. Ran Fridrich sold 86,823 Ordinary Shares in various transactions on the NYSE MKT at an approximate weighted average price per share of \$7.57.

Kanir LP currently holds 2,786,397 Ordinary Shares, which constitutes approximately 26.1% of the outstanding Ordinary Shares. Kanir Ltd. in its capacity as the general partner of Kanir LP has the voting and dispositive power over the Ordinary Shares directly beneficially owned by Kanir LP. As a result, Kanir Ltd. may be deemed to indirectly beneficially own the Ordinary Shares beneficially owned by Kanir LP. Messrs. Raphael and Fridrich are the sole directors of Kanir Ltd. As a result, they may be deemed to indirectly beneficially own the Ordinary Shares beneficially owned by Kanir LP. Messrs. Raphael and Fridrich disclaim beneficial ownership of such Ordinary Shares.

Nechama Investments currently holds 3,551,869 Ordinary Shares, which constitutes approximately 33.2% of the outstanding Ordinary Shares, and Mr. Nechama currently holds 464,973 Ordinary Shares, which constitute approximately 4.35% of the outstanding Ordinary Shares. On December 2, 2010, Mr. Nechama exercised his remaining warrants and received 423,677 Ordinary Shares. Mr. Nechama, as the sole officer, director and shareholder of Nechama Investments, may be deemed to indirectly beneficially own any Ordinary Shares beneficially owned by Nechama Investments, which constitute 37.6% of the outstanding Ordinary Shares in the aggregate.

By virtue of the 2008 Shareholders Agreement, the Kanir Reporting Persons and the Nechama Reporting Persons may be deemed to be members of a group that holds shared voting power with respect to 6,338,266 does Ordinary Shares, which constitutes approximately 59.3% of the outstanding Ordinary Shares, and holds shared dispositive power with respect to 5,356,878 Ordinary Shares (the so-called "Restricted Shares" under the 2008 Shareholders Agreement), which constitute 50.1% of the outstanding Ordinary Shares. Accordingly, Mr. Nechama may be deemed to beneficially own approximately 63.6% of the Outstanding Ordinary Shares, Mr. Raphael may be deemed to beneficially own approximately 63.5% of the Outstanding Ordinary Shares and Mr. Fridrich may be deemed to beneficially own approximately 60.37% of the Outstanding Ordinary Shares. Each of the Kanir Reporting Persons disclaims beneficial ownership of the Ordinary Shares beneficially owned by any of the Nechama Reporting Persons, and each of the Nechama Reporting Persons disclaims beneficial ownership of the Ordinary Shares beneficially owned by any of the Kanir Reporting Persons.

Messrs. Joseph Mor and Ishay Mor currently beneficially own 175,000 Ordinary Shares held by a company jointly owned by them and 233,257 Ordinary Shares held by Bonstar, which together constitute approximately 3.82% of the outstanding Ordinary Shares. Bonstar is also a limited partner of Kanir LP and assisted Kanir LP in the financing of the purchase of some of its Ordinary Shares. Accordingly, Bonstar may be deemed to be a member of a group with Kanir LP, although there are no agreements between them with respect to the Ordinary Shares beneficially owned by each of them. The Bonstar Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by any of the other Reporting Persons, and such Reporting Persons disclaim beneficial ownership of the Ordinary Shares beneficially owned by the Bonstar Reporting Persons.

(c) See Item 5(a) and 5(b) above. Except as described in this Amendment, no transactions in the Ordinary Shares were effected by the Reporting Persons since the most recent amendment of Schedule 13D.

(d) Not applicable.

(e) Not applicable.

SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: August 29, 2013

KANIR JOINT INVESTMENTS (2005) LIMITED PARTNERSHIP

By: KANIR INVESTMENTS LTD., its General Partner

By: /s/ Menahem Raphael

Name: Menahem Raphael

Title: Director

By: /s/ Ran Fridrich

Name: Ran Fridrich

Title: Director

KANIR INVESTMENTS LTD.

By: /s/ Menahem Raphael

Name: Menahem Raphael

Title: Director

By: /s/ Ran Fridrich

Name: Ran Fridrich

Title: Director

/s/ Menahem Raphael

Menahem Raphael

/s/ Ran Fridrich

Ran Fridrich

S. NECHAMA INVESTMENTS (2008) LTD.

By: /s/ Shlomo Nechama

Name: Shlomo Nechama

Title: Director

/s/ Shlomo Nechama

Shlomo Nechama

BONSTAR INVESTMENTS LTD.

By: /s/ Joseph Mor

Name: Joseph Mor

Title: Director

/s/ Joseph Mor

Joseph Mor

/s/ Ishay Mor

Ishay Mor