UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20–F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report_____
For the transition period from_____to_____.
Commission file number: 001-36487

Abengoa Yield plc

(Exact name of Registrant as specified in its charter)

(doing business as Atlantica Yield)

Not applicable
(Translation of Registrant's name into English)

England and Wales
(Jurisdiction of incorporation or organization)

Great West House, GW1, 17th floor
Great West Road
Brentford, United Kingdom TW8 9DF
Tel: + 44 203 547 8055
(Address of principal executive offices)

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Great West Road
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Ordinary Shares, nominal value $0.10 per share	NASDAQ Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 100,217,000 ordinary shares, nominal value $0.10 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☒No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes ☒No

ABENGOA YIELD PLC
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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this annual report, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we operate or are seeking to operate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “is likely to,” “may,” “plan,” “potential,” “predict,” “projected,” “should” or “will” or the negative of such terms or other similar expressions or terminology.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements speak only as of the date of this annual report and are not guarantees of future performance and are based on numerous assumptions. Our actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements. Investors should read the section entitled “Item 3.D—Risk Factors” and the description of our segments and business sectors in the section entitled “Item 4.B—Business Overview” for a more complete discussion of the factors that could affect us. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- Changes in general economic, political, governmental and business conditions globally and in the countries in which we do business;
- Difficult conditions in the global economy and in the global market and uncertainties in emerging markets and exposure to commodity prices in the markets where we have international operations;
- Decreases in government expenditure budgets, reductions in government subsidies or adverse changes in laws affecting our businesses and growth plan;
- Challenges in achieving growth and making acquisitions due to our dividend policy;
- Decline in public acceptance or support of energy from renewable sources;
- Inability to identify and/or consummate future acquisitions, whether the Abengoa ROFO Assets or otherwise, on favorable terms or at all;
- Our ability to identify and reach an agreement with a new sponsor similar to the ROFO Agreement with Abengoa;
- Legal challenges to regulations, subsidies and incentives that support renewable energy sources;
- Extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation;
- Counterparty credit risk and failure of counterparties to our offtake agreements to fulfill their obligations;
- Inability to replace expiring or terminated offtake agreements with similar agreements;
- New technology or changes in industry standards;
- Inability to manage exposure to credit, interest rates, foreign currency exchange rates, supply and commodity price risks;
- Reliance on third-party contractors and suppliers;
- Risks associated with acquisitions and investments;

- Deviations from our investment criteria for future acquisitions and investments;
- Failure to maintain safe work environments;
- Effects of catastrophes, natural disasters, adverse weather conditions, climate change, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants;
- Insufficient insurance coverage and increases in insurance cost;
- Litigation and other legal proceedings;
- Reputational risk, including damage to the reputation of Abengoa;
- Revocation or termination of our concession agreements;
- Inability to adjust regulated tariffs or fixed-rate arrangements as a result of fluctuations in prices of raw materials, exchange rates, labor and subcontractor costs;
- Our receipt of dividends from our exchangeable preferred equity investment in ACBH in the context of the ongoing proceedings in ACBH in Brazil;
- Lack of electric transmission capacity and potential upgrade costs to the electric transmission grid;
- Disruptions in our operations as a result of our not owning the land on which our assets are located;
- Failure of our newly-constructed assets to perform as expected;
- Failure to receive dividends from all project and investments;
- Variations in meteorological conditions;
- Disruption of the fuel supplies necessary to generate power at our conventional generation facilities;
- Deterioration in Abengoa's financial condition and the outcome of Abengoa's ongoing proceedings under article 5 bis of the Spanish insolvency law and the outcome of the ongoing proceedings in ACBH in Brazil;
- Abengoa's ability to meet its obligations under our agreements with Abengoa and potential clawback of transactions with Abengoa if Abengoa enters bankruptcy proceedings;
- Failure to meet certain covenants under our financing arrangements;
- Our ability to consummate future acquisitions with Abengoa;
- Changes in our tax position and greater than expected tax liability; and
- Various other factors, including those factors discussed under "Item 3.D—Risk Factors" and "Item 5.A—Operating Results" herein.

We caution that the important factors referenced above may not be all of the factors that are important to investors. Unless required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

CURRENCY PRESENTATION AND DEFINITIONS

In this annual report, all references to "U.S. dollar" and "$" are to the lawful currency of the United States and all references to "euro" or "€" are to the single currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

Definitions

Unless otherwise specified or the context requires otherwise in this annual report:

- references to "2019 Notes" refer to the 7.000% Senior Notes due 2019 in an aggregate principal amount of $255 million issued on November 17, 2014, as further described in "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—2019 Notes;"
- references to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, unless the context otherwise requires;
- references to "Abengoa ROFO Assets" refer to all of the future contracted assets in renewable energy, conventional power, electric transmission and water of Abengoa that are in operation, and any other renewable energy, conventional power, electric transmission and water asset that is expected to generate contracted revenue and that Abengoa has transferred to an investment vehicle that are located in the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, and four additional assets in other selected regions, including a pipeline of specified assets that we expect to evaluate for future acquisition, for which Abengoa will provide us a right of first offer to purchase if offered for sale by Abengoa or an investment vehicle to which Abengoa has transferred them;
- references to "ACBH" refer to Abengoa Concessoes Brasil Holding S.A., a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, comprised mostly of transmission lines;
- references to "Annual Consolidated Financial Statements" refer to the audited annual consolidated financial statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013, including the related notes thereto, prepared in accordance with IFRS as issued by the IASB (as such terms are defined herein), included in this annual report;
- references to "Atlantica Yield" refer to Abengoa Yield plc and, where the context requires, its consolidated subsidiaries;
- references to "cash available for distribution" refer to the cash distributions received by the Company from its subsidiaries minus all cash expenses of the Company, including debt service and general and administrative expenses;
- references to "COD" refer to the commercial operation date of the applicable facility;
- references to "Credit Facility" refer to the amended and restated credit and guaranty agreement, dated June 26, 2015 entered into by us, as the borrower, the guarantors from time to time party thereto, HSBC Bank plc, as administrative agent, HSBC Corporate Trust Company (UK) Limited, as collateral agent, Bank of America, N.A., as global coordinator and documentation agent for the Tranche B facility, Banco Santander, S.A., Bank of America, N.A., Citigroup Global Markets Limited, HSBC Bank plc and RBC Capital Markets, as joint lead arrangers and joint bookrunners for a Tranche A facility, and together with Barclays Bank plc as joint lead arranger and joint bookrunner and UBS AG, London Branch as joint bookrunner for the Tranche B facility. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—Credit Facility;"
- references to "DOE" refer to the U.S. Department of Energy;
- references to "EMEA" refer to Europe, Middle East and Africa;
- references to "EPC" refer to engineering, procurement and construction;

- references to "Exchange Act" refer to the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder;
- "references to "Financial Support Agreement" refer to the we entered into with Abengoa on June 13, 2014, pursuant to which Abengoa agreed to provide a revolving credit line and to maintain certain guarantees or letters of credit for a period of five years following our IPO;
- references to the "First Dropdown Assets" refer to (i) a solar power complex in Spain, Solacor 1/2, with a capacity of 100 MW; (ii) a solar power complex in Spain, PS10/20, with a capacity of 31 MW; and (iii) one on-shore wind farm in Uruguay, Cadonal, with a capacity of 50 MW, each as further described in "Item 4.B—Business Overview—Our Operations—Renewable Energy;"
- references to "FPA" refer to the U.S. Federal Power Act;
- references to the "Fourth Dropdown Asset" refer to (i) 74.99% of the shares and a 30-year usufruct of the economic and political rights of the remaining 25.01% of the shares of Solaben 1/6, a 100 MW solar power plant in Spain, (ii) ATN2, an 81-mile transmission line in Peru, and (iii) an additional 13% stake in Solacor 1/2, each as further described in "Item 4.B—Business Overview—Our Operations—Renewable Energy" and "—Our Operations—Electric Transmission;"
- references to "Further Adjusted EBITDA" have the meaning set forth in "Presentation of Financial Information—Non-GAAP Financial Measures;"
- references to "gross capacity" refers to the maximum, or rated, power generation capacity, in MW, of a facility or group of facilities, without adjusting by our percentage of ownership interest in such facility as of the date of this annual report;
- references to "GW" refer to gigawatts;
- references to "IFRIC 12" refer to International Financial Reporting Interpretations Committee's Interpretation 12—Service Concessions Arrangements;
- references to "IFRS as issued by the IASB" refer to International Financial Reporting Standards as issued by the International Accounting Standards Board;
- reference to "IPO" refer to our initial public offering of ordinary shares in June 2014;
- references to "IPP" refer to independent power producers;
- references to "ITC" refer to investment tax credits;
- references to "M ft^3" refer to million cubic feet;
- references to "MW" refer to megawatts;
- references to "MWh" refer to megawatt hours;
- references to "O&M" refer to operations and maintenance services provided at our various facilities;
- references to "operation" refer to the status of projects that have reached COD (as defined above);
- references to "PPA" refer to the power purchase agreements through which our power generating assets have contracted to sell energy to various off-takers;
- references to "ROFO Agreement" refer to the agreement we entered into with Abengoa on June 13, 2014, as amended and restated on December 9, 2014, that provides us a right of first offer to purchase any of the Abengoa ROFO Assets offered for sale by Abengoa or an investment vehicle to which Abengoa has transferred them, as further amended and restated from time to time;

- references to "RPS" refer to renewable portfolio standards adopted by 29 U.S. states and the District of Columbia that require a regulated retail electric utility to procure a specific percentage of its total electricity delivered to retail customers in the respective state from eligible renewable generation resources, such as solar or wind generation facilities, by a specific date;

- references to the "Second Dropdown Assets" refer to (i) a 25.5% and a 34.2% stake, respectively, in the legal entities holding two water desalination plants in Algeria, Honaine and Skikda, with an aggregate capacity of 10.5 M ft3 per day and (ii) a 29.6% stake in the legal entity holding a solar power asset in Spain, Helioenergy 1/2, with a capacity of 100 MW, each as further described in "Item 4.B—Business Overview—Our Operations—Water" and "Item 4.B—Business Overview—Our Operations—Renewable Energy;"

- references to "Support Services Agreement" refer to the agreement we entered into with Abengoa on June 13, 2014, pursuant to which Abengoa and certain of its affiliates provide certain administrative and support services to us and some of our subsidiaries;

- references to "Third Dropdown Assets" refer to (i) Helios 1/2, a 100 MW solar power complex in Spain; (ii) Solnova 1/3/4, a 150 MW solar power complex in Spain; (iii) the remaining 70.4% stake in Helioenergy 1/2, a 100 MW solar power complex in Spain; and (iv) a 51% stake in Kaxu, a 100 MW solar power plant in South Africa, each as further described in "Item 4.B—Business Overview—Our Operations—Renewable Energy;"

- references to "TWh" refer to terawatt hours;

- references to "UTE" refer to *Administracion Nacional de Usinas y Transmisiones Electricas*, the Republic of Uruguay's state-owned electricity company; and

- references to "we," "us," "our" and the "Company" refer to Abengoa Yield plc and its subsidiaries, unless the context otherwise requires.

PRESENTATION OF FINANCIAL INFORMATION

The selected financial information as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 is derived from, and qualified in its entirety by reference to, our Annual Consolidated Financial Statements, which are included elsewhere in this annual report and prepared in accordance with IFRS as issued by the IASB. The selected financial information as of December 31, 2013 and 2012 and for the year ended December 31, 2012 is derived from, and qualified in its entirety by reference to the annual combined financial statements as of and for the years ended December 31, 2013 and 2012, which are included in the prospectus filed with the SEC on January 16, 2015 and prepared in accordance with IFRS as issued by the IASB.

On June 18, 2014, we closed our IPO. Prior to the consummation of our IPO, Abengoa contributed, through a series of transactions, which we refer to collectively as the "Asset Transfer," certain concessional assets and liabilities described in this annual report, certain holding companies and a preferred equity investment in ACBH. For all periods prior to our IPO, the financial information herein represents the combination of the assets that we acquired and was prepared using Abengoa's historical basis in the assets and liabilities and the term "Abengoa Yield" represents the accounting predecessor, or the combination of the acquired businesses. For all periods subsequent to our IPO, the financial information herein represents our and our subsidiaries' consolidated financial results.

Certain numerical figures set out in this annual report, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments, and, as a result, the totals of the data in this annual report may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "Item 5—Operating and Financial Review and Prospects" are calculated using the numerical data in our Annual Consolidated Financial Statements or the tabular presentation of other data (subject to rounding) contained in this annual report, as applicable, and not using the numerical data in the narrative description thereof.

Non-GAAP Financial Measures

This annual report contains non-GAAP financial measures including Further Adjusted EBITDA.

Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH.

We present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS as issued by the IASB. Non-GAAP financial measures and ratios are not measurements of our performance or liquidity under IFRS as issued by the IASB and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS as issued by the IASB or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Some of the limitations of these non-GAAP measures are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they may not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Further Adjusted EBITDA does not reflect any cash requirements that would be required for such replacements;
- some of the exceptional items that we eliminate in calculating Further Adjusted EBITDA reflect cash payments that were made, or will be made in the future; and
- the fact that other companies in our industry may calculate Further Adjusted EBITDA differently than we do, which limits their usefulness as comparative measures.

In our discussion of operating results, we have included foreign exchange impacts in our revenue by providing constant currency revenue growth. The constant currency presentation is a non-GAAP financial measure, which excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations. We calculate constant currency amounts by converting our current period local currency revenue using the prior period foreign currency average exchange rates and comparing these adjusted amounts to our prior period reported results. This calculation may differ from similarly titled measures used by others and, accordingly, the constant currency presentation is not meant to substitute for recorded amounts presented in conformity with IFRS as issued by the IASB nor should such amounts be considered in isolation.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this annual report, we rely on, and refer to, information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this annual report were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them, and there can be no assurance as to the accuracy or completeness of the included information.

Certain market information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in the industries in which we operate.

Elsewhere in this annual report, statements regarding our contracted concessions activities, our position in the industries and geographies in which we operate are based solely on our experience, our internal studies and estimates and our own investigation of market conditions.

All of the information set forth in this annual report relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from our experience, internal studies, estimates and investigation of market conditions. We have not funded, nor are we affiliated with, any of the sources cited in this annual report. We have not independently verified the information and cannot guarantee its accuracy.

All third-party information, as outlined above, has to our knowledge been accurately reproduced and, as far as we are aware and are able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading, but there can be no assurance as to the accuracy or completeness of the included information.

PART I.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The tables below present selected consolidated financial and business level information for Atlantica Yield as of and for each of the years ended December 31, 2015, 2014, 2013 and 2012.

The selected financial information as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 is derived from, and qualified in its entirety by reference to, our Annual Consolidated Financial Statements, which are included in this annual report and prepared in accordance with IFRS as issued by the IASB. The selected financial information as of and for the years ended December 31, 2013 and 2012 is derived from, and qualified in its entirety by reference to the annual combined financial statements as of and for the years ended December 31, 2013 and 2012, which are included in the prospectus filed with the SEC on January 16, 2015 and prepared in accordance with IFRS as issued by the IASB.

On June 18, 2014, we closed our IPO. Prior to the consummation of our IPO, Abengoa contributed, through a series of transactions, which we refer to collectively as the "Asset Transfer," certain concessional assets and liabilities described in this annual report, certain holding companies and a preferred equity investment in ACBH. For all periods prior to our IPO, the financial information herein represents the combination of the assets that we acquired and was prepared using Abengoa's historical basis in the assets and liabilities and the term "Atlantica Yield" represents the accounting predecessor, or the combination of the acquired businesses. For all periods subsequent to our IPO, the financial information herein represents our and our subsidiaries' consolidated financial results.

The selected financial information as of December 31, 2015, 2014, 2013 and 2012 and for the years ended December 31, 2015, 2014, 2013 and 2012 is not intended to be an indicator of our financial condition or results of operations in the future. You should review such selected financial information together with our Annual Consolidated Financial Statements and notes thereto, included elsewhere in this annual report.

The following tables should be read in conjunction with "Item 5—Operating and Financial Review and Prospects" and our Annual Consolidated Financial Statements and related notes included elsewhere in this annual report.

Consolidated income statements for the years ended December 31, 2015, 2014, 2013 and 2012

	Year ended December 31,			
	2015	2014	2013	2012
	($ in millions)			
Revenue	790.9	362.7	210.9	107.2
Other operating income	68.8	79.9	379.6	560.4
Raw materials and consumables used	(23.2)	(9.4)	(6.2)	(4.3)
Employee benefit expense	(5.8)	(1.7)	(2.4)	(1.8)
Depreciation, amortization and impairment charges	(261.3)	(125.5)	(46.9)	(20.2)
Other operating expenses	(224.9)	(132.7)	(423.4)	(573.6)
Operating profit/(loss)	**344.5**	**173.3**	**111.6**	**67.7**
Financial income	3.5	4.9	1.2	0.7
Financial expense	(333.9)	(210.3)	(123.8)	(64.1)
Net exchange differences	3.9	2.1	(0.9)	0.4
Other financial income/(expense), net	(200.2)	5.9	(1.7)	(0.2)
Financial expense, net	**(526.7)**	**(197.4)**	**(125.2)**	**(63.2)**
Share of profit/(loss) of associates carried under the equity method	7.8	(0.8)	—	(0.4)
Profit/(loss) before income tax	**(174.4)**	**(24.9)**	**(13.6)**	**4.1**
Income tax	(23.8)	(4.4)	11.8	(4.0)
Profit/(loss) for the year	**(198.2)**	**(29.3)**	**(1.8)**	**0.1**
Profit/(loss) attributable to non-controlling interest	(10.8)	(2.3)	(1.6)	1.2
Profit/(loss) for the year attributable to the parent company	**(209.0)**	**(31.6)**	**(3.4)**	**1.3**
Less Predecessor Loss prior to Initial Public Offering on June 12, 2014	—	(28.2)		
Net profit/(loss) attributable to the parent company subsequent to Initial Public Offering	—	(3.4)		
Weighted average number of ordinary shares outstanding (millions)	92.8	80.0		
Basic earnings per share attributable to the parent company (U.S. dollar per share)(1)	(2.25)	(0.04)		
Dividend paid per share(2)	1.4292	0.2962		

Notes:—

(1) Earnings per share has been calculated for the period subsequent to our IPO, considering net profit/(loss) attributable to equity holders of Abengoa Yield generated after our IPO divided by the number of shares outstanding. Basic earnings per share equals diluted earnings per share for the periods presented.

(2) We intend to distribute to holders of our shares in the form of a quarterly distribution a very high portion of the cash available for distribution that is generated each quarter, less interest expense and reserves for the prudent conduct of our business. “Item 8.A—Consolidated Statements and Other Financial Information—Dividend Policy.” On March 16, 2015 we paid a dividend of 0.2592 per share to shareholders of record February 28, 2015. On June 15, 2015 we paid a dividend of 0.34 per share to shareholders of record May 29, 2015. On September 15, 2015 we paid a dividend of 0.40 per share to shareholders of record May 29, 2015. On December 16, 2015, we paid a dividend of $0.43 per share to shareholders of record as of November 30, 2015, corresponding to the third quarter of 2015, and from that amount we retained $9 million of the dividend attributable to Abengoa in accordance with the provisions of the parent support agreement. See “Business Overview—Electric Transmission—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding.”

Consolidated statements of financial position as of December 31, 2015, 2014, 2013 and 2012

	As of December 31,			
	2015	2014	2013	2012
	($ in millions)			
Non-Current assets:				
Contracted concessional assets	9,300.9	6,725.2	4,418.1	2,058.9
Investments carried under the equity method	56.2	5.7	387.3	734.1
Financial investments	93.8	373.6	28.9	13.7
Deferred tax assets	191.3	124.2	52.8	60.2
Total non-current assets	**9,642.2**	**7,228.7**	**4,887.1**	**2,866.9**
Current assets:				
Inventories	14.9	22.0	5.2	—
Clients and other receivables	197.3	129.7	97.6	106.1
Financial investments	221.4	229.4	266.4	127.6
Cash and cash equivalents	514.7	354.2	357.7	97.5
Total current assets	**948.3**	**735.3**	**726.9**	**331.2**
Total assets	**10,590.5**	**7,964.0**	**5,614.0**	**3,198.1**
Total equity	**2,023.5**	**1,839.6**	**1,287.2**	**1,139.8**
Non-current liabilities:				
Long-term corporate debt	661.3	376.2	—	—
Long-term project debt	3,574.5	3,491.9	2,842.3	1,320.0
Other liabilities	2,238.4	1,675.3	1,209.5	502.2
Total non-current liabilities	**6.474.2**	**5,543.4**	**4,051.8**	**1,822.2**
Current liabilities:				
Short-term corporate debt	3.2	2.3	—	—
Short-term project debt	1,896.1	331.2	52.4	48.9
Other liabilities	193.5	247.5	222.6	187.2
Total current liabilities	**2,092.8**	**581.0**	**275.0**	**236.1**
Equity and total liabilities	**10,590.5**	**7,964.0**	**5,614.0**	**3,198.1**

Consolidated cash flow statements for the years ended December 31, 2015, 2014, 2013 and 2012

	Year ended December 31,			
	2015	2014	2013	2012
	($ in millions)			
Gross cash flows from operating activities				
Profit/(loss) for the year	(198.2)	(29.3)	(1.8)	(0.1)
Adjustments to reconcile after-tax profit to net cash generated by operating activities	734.9	290.6	92.4	22.8
Profit for the year adjusted by non-monetary items	**536.7**	**261.3**	**90.6**	**22.9**
Net interest / taxes paid	(310.2)	(149.7)	(62.4)	(41.6)
Variations in working capital	73.1	(68.0)	9.2	66.6
Total net cash flow provided by operating activities	**299.6**	**43.6**	**37.4**	**47.9**
Net cash flows from investing activities				
Investments	(95.9)	(122.8)	(694.6)	(1,098.7)
Acquisitions	(834.0)	(222.4)	—	—
Total net cash flows used in investing activities	**(929.9)**	**(345.2)**	**(694.6)**	**(1,098.7)**
Net cash flows provided by financing activities	**810.9**	**304.4**	**914.9**	**1,107.3**
Net increase/(decrease) in cash and cash equivalents	**180.6**	**2.9**	**257.7**	**56.5**
Cash, cash equivalents and bank overdrafts at beginning of the year	354.2	357.7	97.5	40.2
Translation differences cash or cash equivalents	(20.1)	(6.4)	2.5	0.8
Cash and cash equivalents at the end of the year	**514.7**	**354.2**	**357.7**	**97.5**

Geography and business sector data

Revenue by geography

	Year ended December 31,			
Revenue by Geography	2015	2014	2013	2012
	($ in millions)			
North America	328.1	195.5	114.0	62.3
South America	112.5	83.6	25.4	17.0
EMEA	350.3	83.6	71.5	27.9
Total revenue	**790.9**	**362.7**	**210.9**	**107.2**

Revenue by business sector

	Year ended December 31,			
Revenue by business sector	2015	2014	2013	2012
	($ in millions)			
Renewable energy	543.0	170.7	82.7	27.9
Conventional power	138.7	118.8	102.8	62.3
Electric transmission	86.4	73.2	25.4	17.0
Water	22.8	—	—	—
Total revenue	**790.9**	**362.7**	**210.9**	**107.2**

Non-GAAP Financial Data

Further Adjusted EBITDA by geography

Further Adjusted EBITDA by geography	Year ended December 31, 2015	2014	2013	2012
	($ in millions)			
North America	279.6	175.4	96.7	61.1
South America	110.9	77.2	19.0	10.2
EMEA	233.7	55.4	42.8	16.6
Further Adjusted EBITDA(1)	**624.2**	**308.0**	**158.5**	**87.9**

Further Adjusted EBITDA by business sector

Further Adjusted EBITDA by business sector	Year ended December 31, 2015	2014	2013	2012
	($ in millions)			
Renewable energy	414.0	137.8	55.8	16.1
Conventional power	107.7	101.9	83.3	61.1
Electric transmission	89.0	68.3	19.4	10.7
Water	13.5	—	—	—
Further Adjusted EBITDA(1)	**624.2**	**308.0**	**158.5**	**87.9**

Notes:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA for the year ended December 31, 2014 includes preferred dividends by ACBH for the first time during the third and fourth quarters of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

The following table sets forth a reconciliation of Further Adjusted EBITDA to our profit/(loss) for the year from continuing operations:

Reconciliation of profit/(loss) for the year to Further Adjusted EBITDA	Year ended December 31,			
	2015	2014	2013	2012
	($ in millions)			
Profit/(loss) for the year attributable to the parent company	**(209.0)**	**(31.6)**	**(3.4)**	**1.3**
Profit/(loss) attributable to non-controlling interest from continued operations	10.8	2.3	1.6	(1.2)
Income tax	23.8	4.4	(11.8)	4.0
Share of loss/(profit) of associates carried under the equity method	(7.8)	0.8	—	0.4
Financial expenses, net	526.7	197.4	125.2	63.2
Operating profit/(loss)	344.5	**173.3**	**111.6**	**67.7**
Depreciation, amortization and impairment charges	261.3	125.5	46.9	20.2
Dividend from preferred equity investment	18.4	9.2	—	—
Further Adjusted EBITDA	**624.2**	**308.0**	**158.5**	**87.9**

The following table sets forth a reconciliation of Further Adjusted EBITDA to our net cash generated by or used in operating activities:

Reconciliation of Further Adjusted EBITDA to net cash generated by operating activities	Year ended December 31,			
	2015	2014	2013	2012
	($ in millions)			
Further Adjusted EBITDA	**624.2**	**308.0**	**158.5**	**87.9**
Non-monetary adjustments, other cash finance costs and other	(88.0)	(46.7)	(67.9)	(65.0)
Variations in working capital	73.1	(68.0)	9.2	66.6
Income tax (paid)/received	0.5	(0.4)	(0.1)	(0.2)
Interests (paid)/received	(310.2)	(149.3)	(62.3)	(41.4)
Net cash generated by operating activities	**299.6**	**43.6**	**37.4**	**47.9**

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with the other information contained in this annual report, including our Annual Consolidated Financial Statements and related notes, included elsewhere in this annual report, before making any investment decision. The risks described below may not be the only risks we face. We have described only those risks that we currently consider to be material and there may be additional risks that we do not currently consider to be material or of which we are not currently aware. Any of the following risks and uncertainties could have a material adverse effect on our business, prospects, results of operations and financial condition. The market price of our securities could decline due to any of these risks and uncertainties, and you could lose all or part of your investment.

Risks Related to Our Business and the Markets in Which We Operate

Difficult conditions in the global economy and in the global capital markets have caused, and may continue to cause, a sharp reduction in worldwide demand for our products and services and negatively affect our access to the levels of financing necessary for the successful refinancing of our project level indebtedness

Our results of operations have been, and continue to be, materially affected by conditions in the global economy and in the global capital markets. Concerns over inflation, volatile oil and gas prices, geopolitical issues, the availability and cost of credit, sovereign debt and the instability of the euro have contributed to increased volatility and diminished expectations for the economy and global capital markets going forward. These factors, combined with declining global business and consumer confidence and rising unemployment, have precipitated an economic slowdown and have led to a recession and weak economic growth. Adverse events and continuing disruptions in the global economy and in the global capital markets may have a material adverse effect on our business, financial condition, results of operations and cash flows. Moreover, even in the absence of a market downturn, we are exposed to substantial risk of loss due to market volatility with certain factors, including volatile oil prices, consumer spending, business investment, government spending, inflation affecting the business and economic environment that could affect the economic and financial situation of our concession contracts counterparties and, ultimately, the profitability and growth of our business.

Generalized or localized downturns or inflationary or deflationary pressures in our key geographical areas could also have a material adverse effect on the performance of our business. A significant portion of our business activity is concentrated in the United States, Mexico, Peru and Spain, and we have significant investments in Brazil. Consequently, we are significantly affected by the general economic conditions in these countries. Spain, for instance, has recently experienced negative economic conditions, including high unemployment and significant government debt which we believe could adversely affect our operations in the future. The effects on the European and global economy of any exit of one or more member states from the Eurozone, such as Greece or the United Kingdom, the dissolution of the euro and the possible redenomination of our financial instruments or other contractual obligations from euro into a different currency, or the perception that any of these events are imminent, are inherently difficult to predict and could give rise to operational disruptions or other risks of contagion to our business and have a material, adverse effect on our business, financial condition and results of operation. In addition, to the extent uncertainty regarding the European economic recovery continues to negatively affect government or regional budgets, our business, results of operations and cash flows could be materially adversely affected. Various European political parties who question the recent austerity policies implemented in certain European countries have added political instability to the region. Additionally, political changes in key geographies, including the U.S., could affect our business.

The global capital and credit markets continue to experience periods of extreme volatility and disruption. Continued disruptions, uncertainty or volatility in the global capital and credit markets may limit our access to additional capital required to operate or grow our business, including our access to new equity capital to make further acquisitions or access to project debt which we may use to fund or refinance many of our projects, even in cases where such capital has already been committed. Such market conditions may limit our ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow our business, or replace financing previously committed for a project that ceases to be available to it. As a result, we may be forced to delay raising capital, issue shorter-term securities than we prefer, or bear a higher cost of capital which could decrease our profitability and significantly reduce our financial flexibility or even require us to modify our dividend policy. In the event that we are required to replace previously committed financing to certain projects that subsequently becomes unavailable, we may have to postpone or cancel planned capital expenditures.

We have international operations and investments, including in emerging markets that could be subject to economic, social and political uncertainties

We operate our activities in a range of international locations, including North America (the United States and Mexico), South America (Peru, Chile, Brazil and Uruguay), and EMEA (Spain, Algeria and South Africa), and we expect to expand our operations to certain countries within these core regions. Accordingly, we face a number of risks associated with operating and investing in different countries that may have a material adverse effect on our business, financial condition, results of operations and cash flows. These risks include, but are not limited to, adapting to the regulatory requirements of such countries, compliance with changes in laws and regulations applicable to foreign corporations, the uncertainty of judicial processes, and the absence, loss or non-renewal of favorable treaties, or similar agreements, with local authorities or political, social and economic instability, all of which can place disproportionate demands on our management, as well as significant demands on our operational and financial personnel and business. As a result, we can provide no assurance that our future international operations and investments will remain successful.

A significant portion of our current and our potential future operations and investments are conducted in various emerging countries worldwide. Our activities and investments in these countries involve a number of risks that are more prevalent than in developed markets, such as economic and governmental instability, the possibility of significant amendments to, or changes in, the application of governmental regulations, the nationalization and expropriation of private property, payment collection difficulties, social problems, substantial fluctuations in interest and exchange rates, changes in the tax framework or the unpredictability of enforcement of contractual provisions, currency control measures, limits on the repatriation of funds and other unfavorable interventions or restrictions imposed by public authorities. Our U.S. dollar-denominated contracts in Algeria, Mexico and Peru are payable in local currency at the exchange rate of the payment date and our contract for Kaxu in South Africa is denominated and payable in South African rand. In the event of a rapid devaluation or implementation of exchange or currency controls, we may not be able to exchange the local currency for the agreed dollar amount, which could affect our cash available for distribution. Governments in Latin America and Africa frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions in certain Latin American and African countries to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital or exchange controls and limits on imports.

Decreases in government budgets, reductions in government subsidies and adverse changes in law may adversely affect our business and growth plan

Poor economic conditions have affected, and continue to affect, government budgets and threaten the continuation of government subsidies such as regulated revenues, cash grants, U.S. federal income tax benefits and other similar subsidies that benefit our business, particularly with respect to renewable energy. Such conditions may also lead to adverse changes in laws. Policies supporting the development of renewable energy have had a significant effect on the growth of investments in renewable energy and they could change at any time. Government subsidies and incentives make the development of renewable projects more competitive by providing tax credits and accelerated depreciation for a portion of the development costs, decreasing the costs associated with developing such projects or creating demand for renewable energy assets through RPS programs. A loss or reduction in such incentives could decrease the attractiveness of renewable energy projects to project developers and the attractiveness of renewable energy to utilities, which could reduce our acquisition opportunities. Such a loss or reduction could also reduce our willingness to pursue renewable energy projects due to higher operating costs or lower revenues. The reduction or elimination of subsidies or incentives or adverse changes in law could have a material adverse effect on the profitability of our existing projects, and the lack of availability of new projects undertaken in reliance on the continuation of such subsidies could adversely affect our growth plan.

Pursuant to our cash dividend policy, we distribute all or substantially all of our cash available for distribution after cash interest payments through regular quarterly distributions and dividends, and our ability to grow and make acquisitions through cash on hand could be limited

Our dividend policy is to distribute all or substantially all of our cash available for distribution, after cash interest payments and less reserves for the prudent conduct of our business, each quarter and to rely primarily upon external financing sources, including the issuance of debt and equity securities, borrowings under credit facilities to fund our acquisitions and potential growth capital expenditures. See "Item 8.A—Consolidated Statements and Other Financial Information—Dividend Policy." We may be precluded from pursuing otherwise attractive acquisitions if the projected short-term cash flow from the acquisition or investment is not adequate to service the capital raised to fund the acquisition or investment, after giving effect to our available cash reserves. See "Item 8.A—Consolidated Statements and Other Financial Information—Dividend Policy—Our Ability to Grow Our Business and Dividend."

We intend to, whenever possible, make regular quarterly cash distributions to our shareholders in an amount equal to the cash available for distribution generated during a given quarter, less reserves for the prudent conduct of our business, and subject to the stated payout ratio during that given period. As such, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional equity securities in connection with any acquisitions or growth capital expenditures, the payment of dividends on these additional equity securities may increase the risk that we will be unable to maintain or increase our per share dividend. There are no limitations in our articles of association on our ability to issue equity securities, including securities ranking senior to our shares. The issuance of additional debt securities and/or the incurrence of additional bank borrowings or other debt by us or by intermediate subsidiaries or by our project-level subsidiaries to finance our growth strategy could result in increased interest expense and the imposition of additional or more restrictive covenants, which, in turn, may impact the cash distributions we receive.

Our board of directors may change our dividend policy at any point in time or modify the dividend for specific quarters following prevailing conditions.

We may not be able to identify and reach an agreement with a new sponsor similar to the ROFO Agreement with Abengoa

We intend to enter into an agreement or agreements with a new sponsor or sponsors that own or develop renewable energy, electric transmission or water assets in the geographies in which we operate. Any such new sponsor or sponsors would be a source of assets in addition to Abengoa. We cannot be certain that we will be successful in identifying or reaching an agreement with a new sponsor or sponsors. We also cannot be certain that any agreement with a new sponsor will have terms similar to the ROFO Agreement with Abengoa and such terms may be less favorable to us. Even if we do reach an agreement with a new sponsor, we cannot be certain that we will be able to acquire assets from any such sponsor in the future.

If we are unable to identify and reach an agreement on favorable terms with new sponsors with suitable assets, and unable to consummate future acquisitions from any such sponsor, it may limit our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to holders of our shares.

We may not be able to arrange the required or desired financing for accretive acquisitions

Our ability to effectively consummate future acquisitions will also depend on our ability to arrange the required or desired financing for acquisitions or to refinance existing corporate debt. We may not have access to the capital markets to issue new equity or debt securities or sufficient availability under our credit facilities or have access to project-level financing on commercially reasonable terms when acquisition opportunities arise. We have fully drawn all amounts available for borrowing under our Credit Facility. In the second half of 2015, our access to financing was curtailed by market conditions and other factors. This market trend may continue through 2016 and we may not be able to access the capital markets in a manner that would permit us to make an accretive acquisition.

An inability to obtain the required or desired financing could significantly limit our ability to consummate future acquisitions and effectuate our growth strategy. If financing is available, utilization of our credit facilities, debt securities or project-level financing for all or a portion of the purchase price of an acquisition, as applicable, could significantly increase our interest expense, impose additional or more restrictive covenants, and reduce cash available for distribution. Similarly, the issuance of additional equity securities as consideration for acquisitions could cause significant shareholder dilution and reduce our per share cash available for distribution if the acquisitions are not sufficiently accretive. If we are unable to obtain financing necessary for accretive acquisitions, it will impede our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to holders of our shares.

We may not be able to identify or consummate any future acquisitions on favorable terms, or at all

Our business strategy includes growth through the acquisitions of additional revenue-generating operational assets. This strategy depends on our ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. However, the number of acquisition opportunities may be limited.

Our ability to acquire future renewable energy projects depends on the viability of renewable energy projects generally. These projects currently are largely contingent on public policy mechanisms including, among others, ITCs, cash grants, loan guarantees, accelerated depreciation, carbon trading plans, environmental tax credits and R&D incentives, as discussed in “Item 4.B—Regulation—Regulation in the United States—U.S. Federal Income Tax Incentives and other Federal Considerations for Renewable Energy Generation Facilities.” These mechanisms have been implemented at the U.S. federal and state levels and in certain other jurisdictions where our assets are located to support the development of renewable generation and other clean infrastructure technologies. The availability and continuation of public policy support mechanisms will drive a significant part of the economics and viability of our growth strategy and expansion into clean energy investments.

Our ability to consummate future acquisitions may also depend on our ability to obtain any required government or regulatory approvals for such acquisitions, including, but not limited to, the Federal Energy Regulatory Commission, or FERC, approval under Section 203 of the FPA in respect of acquisitions in the United States; the National Electric Energy Agency, *Agencia Nacional de Energia Eletrica*, or ANEEL, approval for the acquisition of transmission lines in Brazil; or any other approvals in the countries in which we may purchase assets in the future. We may also be required to seek authorizations, waivers or notifications from debt and/or equity financing providers at the project or holding company level; local or regional agencies or bodies; and/or development agencies or institutions that may have a contractual right to authorize a proposed acquisition.

Additionally, acquisitions of companies and assets are subject to substantial risks, including the failure to identify material problems during due diligence (for which we may not be indemnified post-closing), the risk of over-paying for assets (or not making acquisitions on an accretive basis) and the ability to retain customers. Further, the integration and consolidation of acquisitions requires substantial human, financial and other resources and, ultimately, our acquisitions may divert management’s attention from our existing business concerns, disrupt our ongoing business or not be successfully integrated. There can be no assurances that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them. As a result, the consummation of acquisitions may have a material adverse effect on our business, financial condition, results of operations and cash flows and ability to pay dividends to holders of our shares.

Furthermore, we will compete with other companies for acquisition opportunities from third parties, which may increase our cost of making acquisitions or cause us to refrain from making acquisitions from third parties. Some of our competitors for acquisitions are much larger than us with substantially greater resources. These companies may be able to pay more for acquisitions due to cost of capital advantages, synergy potential or other drivers, and may be able to identify, evaluate, bid for and purchase a greater number of assets than our financial or human resources permit. If we are unable to identify and consummate future acquisitions, it will impede our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to holders of our shares.

Finally, demand for renewable energy may be affected by the cost of other energy sources, including nuclear, coal, natural gas and oil. For example, low natural gas prices have led, in some instances, to increased natural gas consumption in lieu of other energy sources. To the extent renewable energy becomes less cost-competitive cheaper alternatives or otherwise, demand for renewable energy could decrease. Slow growth or a long-term reduction in the energy demand could cause a reduction in the development of renewable energy programs projects. Decreases in the prices of electricity could affect our ability to acquire accretive assets, as renewable energy developers may not be able to compete with providers of other energy sources at such lower prices. Our inability to acquire accretive assets could have a material adverse effect on our ability to execute our growth strategy.

We rely on certain regulations, subsidies and tax incentives that may be changed or legally challenged

We rely in a significant part on environmental and other regulations of industrial and local government activities, including regulations mandating, among other things, reductions in carbon or other greenhouse gas emissions or use of energy from renewable sources. If the businesses to which such regulations relate were deregulated or if such regulations were materially changed or weakened, the profitability of our current and future projects could suffer, which could in turn have a material adverse effect on our business, financial condition and results of operations. In addition, uncertainty regarding possible changes to any such regulations has adversely affected in the past, and may adversely affect in the future, our ability to refinance a project or to satisfy other financing needs.

Subsidy regimes for renewable energy generation have been challenged in the past on constitutional and other grounds (including that such regimes constitute impermissible European Union state aid) in certain jurisdictions. In addition, certain loan guarantee programs in the United States, including those which have enabled the DOE to provide loan guarantees to support our Solana and Mojave projects, have been challenged on grounds of failure by the appropriate authorities to comply with applicable U.S. federal administrative and energy law. If all or part of the subsidy and incentive regimes for renewable energy generation in any jurisdiction in which we operate were found to be unlawful and, therefore, reduced or discontinued, we may be unable to compete effectively with conventional and other renewable forms of energy.

The production from our renewable energy facilities is the subject of various tax relief measures or tax incentives in the jurisdictions in which they operate. These tax relief and tax incentive measures play an important role in the profitability of our projects. In the future, it is possible that some or all of these tax incentives will be suspended, curtailed, not renewed or revoked. The occurrence of any of the above could adversely affect the profitability of our current plants and our ability to refinance projects, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to extensive governmental regulation in a number of different jurisdictions, and our inability to comply with existing regulations or requirements or changes in applicable regulations or requirements may have a negative impact on our business, results of operations or financial condition

We are subject to extensive regulation of our business in the United States, Mexico, Spain, Peru, South Africa and Brazil and in each of the other countries in which we operate. Such laws and regulations require licenses, permits and other approvals to be obtained in connection with the operations of our activities. See "Item 4.B—Regulation." This regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on us. In particular, the power plants and transmission lines that we own are subject to strict international, national, state and local regulations relating to their operation and expansion (including, among other things, leasing and use of land, and corresponding building permits, landscape conservation, noise regulation, environmental protection and environmental permits and electric transmission and distribution network congestion regulations). Non-compliance with such regulations could result in the revocation of permits, sanctions, fines or even criminal penalties. Compliance with regulatory requirements, which may in the future include increased exposure to capital markets regulations, may result in substantial costs to our operations that may not be recovered. In addition, we cannot predict the timing or form of any future regulatory or law enforcement initiatives. Changes in existing energy, environmental and administrative laws and regulations may materially and adversely affect our business, margins and investments. Our business may also be affected by additional taxes imposed on our activities, reduction of regulated tariffs and other cuts or measures.

Further, similar changes in laws and regulations could increase the size and number of claims and damages asserted against us or subject us to enforcement actions, fines and even criminal penalties. In addition, changes in laws and regulations may, in certain cases, have retroactive effect and may cause the result of operations to be lower than expected. In particular, our activities in the energy sector are subject to regulations applicable to the economic regime of generation of electricity from renewable sources and to subsidies or public support in the benefit of the production of biofuels from renewable energy sources, which vary by jurisdiction, and are subject to modifications that may be more restrictive or unfavorable to us.

Our business is subject to stringent environmental regulation

We are subject to significant environmental regulation, which, among other things, requires us to obtain and maintain regulatory licenses, permits and other approvals and comply with the requirements of such licenses, permits and other approvals and perform environmental impact studies on changes to projects. There can be no assurance that:

- public opposition will not result in delays, modifications to or cancellation of any project or license;
- laws or regulations will not change or be interpreted in a manner that increases our costs of compliance or materially or adversely affects our operations or plants; or
- governmental authorities will approve our environmental impact studies where required to implement proposed changes to operational projects.

We believe that we are currently in material compliance with all applicable regulations, including those governing the environment. While we employ robust policies with regard to environmental regulation compliance, there are occasions where regulations are breached. On occasion, we have been found not to be in compliance with certain environmental regulations, and have incurred fines and penalties associated with such violations which, to date, have not been material in amount. We can give no assurance, however, that we will continue to be in compliance or avoid material fines, penalties, sanctions and expenses associated with compliance issues in the future. Violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, and site closures. Generally, relevant governmental authorities are empowered to clean up and remediate releases of environmental damage and to charge the costs of such remediation and clean-up to the owners or occupiers of the property, the persons responsible for the release and environmental damage, the producer of the contaminant and other parties, or to direct the responsible parties to take such action. These governmental authorities may also impose a tax or other liens on the responsible parties to secure the parties' reimbursement obligations.

Environmental regulation has changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future. For example, our activities are likely to be covered by increasingly strict national and international standards relating to climate change and related costs, and may be subject to potential risks associated with climate change, which may have a material adverse effect on our business, financial condition or results of operations. We cannot predict the amounts of any increased capital expenditures or any increases in operating costs or other expenses that we may incur to comply with applicable environmental, or other regulatory, requirements, or whether these costs can be passed on to our concession contract counterparties through price increases.

Increases in the cost of energy and gas could increase our operating costs in some of our assets

Some of our activities require some consumption of energy and gas, and we are vulnerable to material fluctuations in their prices. For example, our Spanish solar assets produced approximately 2% of their electricity using natural gas in 2015. Although our energy and gas purchase contracts generally include indexing mechanisms, we cannot guarantee that these mechanisms will cover all of the additional costs generated by an increase in energy and gas prices, particularly for long-term contracts, and some of the contracts entered into by us do not include any indexing provisions. Significant increases in the cost of energy or gas, or shortages of the supply of energy and/or gas, could have an adverse effect on our business, financial condition, results of operations and cash flows.

Counterparties to our offtake agreements may not fulfill their obligations and, as our contracts expire, we may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which we operate

A significant portion of the electric power we generate, the transmission capacity we have and our desalination capacity is sold under long-term offtake agreements with public utilities, industrial or commercial end-users or governmental entities, with a weighted average remaining duration of approximately 22 years as of December 31, 2015.

If, for any reason, any of the purchasers of power or transmission capacity under these agreements are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, our assets, liabilities, business, financial condition, results of operations and cash flow could be materially and adversely affected. Furthermore, to the extent any of our power or transmission capacity purchasers are, or are controlled by, governmental entities, our facilities may be subject to sovereign risk or legislative or other political action that may impair their contractual performance.

The power generation industry is characterized by intense competition and our electric generation assets encounter competition from utilities, industrial companies and other independent power producers, in particular with respect to uncontracted output. In recent years, there has been increasing competition among generators for offtake agreements and this has contributed to a reduction in electricity prices in certain markets characterized by excess supply above designated reserve margins. In light of these market conditions, we may not be able to replace an expiring or terminated agreement with an agreement on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis. In addition, we believe many of our competitors have well-established relationships with our current and potential suppliers, lenders and customers and have extensive knowledge of our target markets. As a result, these competitors may be able to respond more quickly to evolving industry standards and changing customer requirements than we will be able to. Adoption of technology more advanced than ours could reduce our competitors' power production costs, resulting in their having a lower cost structure than is achievable with the technologies we currently employ and adversely affect our ability to compete for offtake agreement renewals. If we are unable to replace an expiring or terminated offtake agreement, the affected facility may temporarily or permanently cease operations. External events, such as a severe economic downturn, could also impair the ability of some counterparties to our offtake agreements and other customer agreements to pay for energy and/or other products and services received.

Our inability to enter into new or replacement offtake agreements or to compete successfully against current and future competitors in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Transactions with counterparties expose us to credit risk which we must effectively manage to mitigate the effect of counterparty default

We are exposed to the credit risk profile of the counterparties to our long-term concession contracts, our suppliers and our financing providers, which could impact our business, financial condition and results of operations. Although we actively manage this credit risk through diversification, credit insurance and other measures, our risk management strategy may not be successful in limiting our exposure to credit risk. This could adversely affect our business, financial condition, results of operations and cash flow.

We may be subject to increased finance expenses if we do not effectively manage our exposure to interest rate and foreign currency exchange rate risks

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes and foreign currency exchange rate fluctuations. Some of our indebtedness (including project-level indebtedness) bears interest at variable rates, generally linked to market benchmarks such as EURIBOR and LIBOR. Any increase in interest rates would increase our finance expenses relating to our variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt. See “Item 5.A—Operating Results—Factors Affecting Our Results of Operations—Interest Rates”. Although most of our long-term contracts are denominated in, indexed or hedged to U.S. dollars, we conduct our business and incur certain costs in the local currency of the countries in which we operate. In addition, the revenues, costs and debt of our solar assets in Spain are denominated in euros. As of date of this annual report, we have a Currency Swap Agreement with Abengoa, which provides for a fixed exchange rate for the distributions from Spanish assets. The revenues, costs and debt of Kaxu in South Africa are denominated in South African rand. As we continue expanding our business into existing markets such as South America and Europe, and into other new markets, such as Africa and the Middle East, we expect that an increasing percentage of our revenue and cost of sales will be denominated in currencies other than our reporting currency, the U.S. dollar. As a result, we will become subject to increasing currency translation risk, whereby changes in exchange rates between the U.S. dollar and the other currencies in which we do business could result in foreign exchange losses.

We seek to actively manage these risks by entering into interest rate options and swaps, which according to our policies, generally cover at least 75% of the outstanding project debt, to hedge against interest rate risk.

In addition, we plan to use future currency sale and purchase contracts and foreign exchange rate swaps or caps to hedge against foreign exchange rate risk when our exposure to non-U.S. dollar denominated cash flows is significantly below our 90% target.

If our risk management strategies are not successful in limiting our exposure to changes in interest rates and foreign currency exchange rates or if Abengoa fails to comply with its obligations under the Currency Swap Agreement, our business, financial condition and results of operations could be materially and adversely affected.

Our competitive position could be adversely affected by changes in technology, prices, industry standards and other factors

The markets in which our assets or projects operate change rapidly because of technological innovations and changes in prices, industry standards, product instructions, customer requirements and the economic environment. New technology or changes in industry and customer requirements may put pressure on the profitability of our existing projects by increasing the incentives of counterparties to our long-term contracts to seek new alternative projects or request higher service standards.

Our performance under our concession contracts may be adversely affected by problems related to our reliance on third-party contractors and suppliers

Our projects rely on the supply of services, equipment or software which we subcontract to Abengoa or other third-party suppliers in order to meet our contractual obligations under our contracted concessions. The delivery of products or services which are not in compliance with the requirements of the subcontract, or the late supply of products and services, can cause us to be in default under our contracts with our concession counterparties. To the extent we are not able to transfer all of the risk or be fully indemnified by Abengoa or other third-party contractors and suppliers, we may be subject to a claim by our customers as a result of a problem caused by a third party that could have a material adverse effect on our reputation, business, results of operations, financial condition and cash flows.

Supplier concentration may expose us to significant financial credit or performance risk

We often rely on a single contracted supplier or a small number of suppliers, which in some cases may be subsidiaries of Abengoa, for the provision of fuel, transportation of fuel, equipment, technology and/or other services required for the operation of certain of our facilities. In addition, certain of our suppliers, including Abengoa and its subsidiaries, provide long-term warranties with respect to the performance of their products or services. If any of these suppliers cannot perform under their agreements with us, or satisfy their related warranty obligations, we will need to utilize the marketplace to provide or repair these products and services. There can be no assurance that the marketplace can provide these products and services as, when and where required. We may not be able to enter into replacement agreements on favorable terms or at all. If we are unable to enter into replacement agreements to provide for fuel, equipment, technology and other required services, we would seek to purchase the related goods or services at market prices, exposing us to market price volatility and the risk that fuel and transportation may not be available during certain periods at any price. We may also be required to make significant capital contributions to remove, replace or redesign equipment that cannot be supported or maintained by replacement suppliers, which could have a material adverse effect on our business, financial condition, results of operations, credit support terms and cash flows.

The failure of any supplier or customer to fulfill its contractual obligations to us could have a material adverse effect on our financial results. Consequently, the financial performance of our facilities is dependent on the credit quality of, and continued performance by, our suppliers and vendors.

We may be adversely affected by risks associated with acquisitions or investments

As a part of our growth strategy, we intend to make certain acquisitions and/or financial investments, and we may take on additional equity and debt to pay for such acquisitions. Moreover, we cannot guarantee that we will be able to complete all, or any, such transactions that we might contemplate in the future. To the extent we do, such transactions expose us to risks inherent in integrating acquired businesses and personnel, such as the inability to achieve projected cash flows; recognition of unexpected liabilities or costs; and regulatory complications arising from such transactions. Furthermore, the terms and conditions of financing for such acquisitions or financial investments could restrict the manner in which we conduct our business, particularly if we were to use debt financing. These risks could have a material adverse effect on our business, financial condition and results of operations.

In addition, we have made and may continue to make equity investments in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In certain cases, we may only have partial or joint control over a particular asset. For example, we currently hold only economic rights in respect of our Brazilian investment through ACBH, which economic rights provide us with the right to receive a preferred dividend of $18.4 million annually, but we do not have control over ACBH. On January 29, 2016, Abengoa informed us that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("*reorganizaçao judiciaria*") as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH. Given that this process will likely negatively affect the value of our preferred equity investment and considering the high degree of uncertainty on its final outcome, we have recorded an impairment of this preferred equity investment. In addition, we hold a minority stake in Honaine and do not have control over the operation of that asset. Investments in assets over which we have no, partial or joint control are subject to the risk that the other shareholders of the assets, who may have different business or investment strategies than us or with whom we may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or appoint members of management, which may be crucial to the success of the project or our investment in the project, or otherwise implement initiatives which may be contrary to our interests. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey our interest in such assets, or for us to acquire Abengoa's interests in such assets as an initial matter. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of our interests in such assets or in the event of our acquisition of an interest in new assets pursuant to the ROFO Agreement or with third parties. These restrictions may limit the price or interest level for our interests in such assets, in the event we want to sell such interests.

Finally, our partners in existing or future projects may be unable, or unwilling, to fulfill their obligations under the relevant shareholder agreements or may experience financial or other difficulties that may adversely affect our investment in a particular joint venture. In certain of our joint ventures, we may also be reliant on the particular expertise of our partners and, as a result, any failure to perform our obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

There are risks relating to future acquisitions and investments

Our board of directors may approve acquisitions and investments at any time. This could result in our making acquisitions or investments in assets that are located in different jurisdictions and are different from, and possibly riskier than, those jurisdictions that are described in this annual report. These changes could adversely affect the market price of our shares or our ability to make distributions to shareholders.

The facilities we operate are, in some cases, dangerous workplaces at which hazardous materials are handled. If we fail to maintain safe work environments, we can be exposed to significant financial losses, as well as civil and criminal liabilities

The facilities we operate often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes, heat or liquids stored under pressure and highly regulated materials. On most projects and at most facilities, we are responsible for safety and, accordingly, must implement safe practices and safety procedures, which are also applicable to on-site subcontractors such as our O&M services providers. If we fail to design and implement such practices and procedures or if the practices and procedures we implement are ineffective or if our O&M service providers or other suppliers do not follow them, our employees and others may become injured and our and others' property may become damaged. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our customers or the operation of a facility, and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, our projects and the operation of our facilities can involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implement effective health, safety and environmental work procedures throughout our organization, including construction sites and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, we may incur liability based on allegations of illness or disease resulting from exposure of employees or other persons to hazardous materials that we handle or are present in our workplaces.

Our business may be adversely affected by catastrophes, natural disasters, adverse weather conditions, climate change, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants, facilities and electric transmission lines

If one or more of our plants, facilities or electric transmission lines were to be subject in the future to fire, flood, extreme weather conditions (including wind), earthquakes or other natural disaster, adverse weather conditions, drought, terrorism, power loss or other catastrophe, or if unexpected geological or other adverse physical conditions were to develop at any of our plants, facilities or electric transmission lines, we may not be able to carry out our business activities at that location or such operations could be significantly reduced. For example, drought may affect the cooling capacity of our concentrating solar power projects. Any of these circumstances could result in lost revenue at these sites during the period of disruption and costly remediation, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, despite security measures taken by us, it is possible that our sites and assets could be affected by criminal or terrorist acts. Any such acts could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our insurance may be insufficient to cover relevant risks and the cost of our insurance may increase

Our business is exposed to the inherent risks in the markets in which we operate. Although we seek to obtain appropriate insurance coverage in relation to the principal risks associated with our business, we cannot guarantee that such insurance coverage is, or will be, sufficient to cover all of the possible losses we may face in the future. If we were to incur a serious uninsured loss or a loss that significantly exceeded the coverage limits established in our insurance policies, the resulting costs could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, our insurance policies are subject to review by our insurers. If premiums were to increase in the future or certain types of insurance coverage were to become unavailable, we might not be able to maintain insurance coverage comparable to those that are currently in effect at comparable cost, or at all. If we were unable to pass any increase in insurance premiums on to our customers, such additional costs could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be subject to litigation and other legal proceedings

We are subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of our business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. We cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm our business, financial condition, results of operations or operations, nor can we guarantee that we will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions we may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on our business, financial condition, results of operations and cash flows. See “Item 4.B—Business Overview—Legal Proceedings.”

We are subject to reputational risk, and our reputation is closely related to that of Abengoa

We rely on our reputation to do business, obtain financing, hire and retain employees and attract investors, one or more of which could be adversely affected if our reputation were damaged. Harm to our reputation could arise from real or perceived faulty or obsolete technology, failure to comply with legal and regulatory requirements, difficulties in meeting contractual obligations or standards of quality and service, ethical issues, money laundering and insolvency, among others.

Our reputation is closely related to Abengoa's reputation. The public image and reputation of Abengoa have suffered as a result of its financial condition and its filing under article 5 bis of the Spanish Insolvency Law discussed below. We have been adversely affected due to our relationship with Abengoa. Any further developments of Abengoa with respect to its financial condition, operating performance or any failure by Abengoa to satisfactorily resolve the proceedings discussed below, could further harm our reputation, which could have an adverse effect on our business, financial condition and results of operations.

On November 27, 2015, Abengoa reported that it filed a communication pursuant to article 5 bis of the Spanish Insolvency Law 22/2003 with the Mercantile Court of Seville nº 2. The filing by Abengoa was intended to initiate a process to try to reach an agreement with its main financial creditors, aimed to ensure the right framework to carry out such negotiations and provide Abengoa with financial stability in the short and medium term. The Mercantile Court published a decree to admit the filing of the communication on December 15, 2015 and set a deadline of March 28, 2016 for Abengoa to reach an agreement with its main financial creditors. The filing under article 5 bis was intended to allow Abengoa to protect and preserve its value while it works on the design and development of an appropriate viability plan for its future. We may suffer further reputational harm if Abengoa is unable to successfully reach an agreement with its main financial creditors and design and implement a viability plan for its future.

The loss of one or more of our executive officers or key employees may adversely affect our ability to effectively manage our projects

We depend on our experienced management team and the loss of one or more key executives may negatively affect our business. We also depend on our ability to retain and motivate key employees and attract qualified new employees. We may not be able to replace departing members of our management team or key employees. Integrating new executives into our management team and training new employees with no prior experience in our industry could prove disruptive to our projects, require a disproportionate amount of resources and management attention and ultimately prove unsuccessful. An inability to attract and retain sufficient technical and managerial personnel could limit our ability to effectively manage our projects, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Assets

The concession agreements under which we conduct some of our operations are subject to revocation or termination

Certain of our operations are conducted pursuant to contracted concessions granted by various governmental bodies. Generally, these contracted concessions give us rights to provide services for a limited period of time, subject to various governmental regulations. The governmental bodies or private clients responsible for regulating and monitoring these services often have broad powers to monitor our compliance with the applicable concession contracts and can require us to supply them with technical, administrative and financial information. Among other obligations, we may be required to comply with investment commitments and efficiency and safety standards established in the concession. Such commitments and standards may be amended in certain cases by the governmental bodies. Our failure to comply with the concession agreements or other regulatory requirements may result in contracted concessions being revoked, not being granted, upheld or renewed in our favor, or, if granted, upheld or renewed, may not be done on as favorable terms as currently applicable. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In some of the markets in which we are present, or in which we may own assets in the future, political instability, economic crisis or social unrest may give rise to a change in policies regarding long-term contracted assets with private companies, like us, in strategic sectors such as power generation or electric transmission. Any such changes could lead to modifications of the economic terms of our concession contracts or, in extreme scenarios, the nationalization of our assets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Revenue from our contracted assets and concessions is significantly dependent on regulated tariffs or other long-term fixed rate arrangements that restrict our ability to increase revenue from these operations

The revenue that we generate from our contracted concessions is significantly dependent on regulated tariffs or other long-term fixed rate arrangements. Under most of our concession agreements, a tariff structure is established in such agreements, and we have limited or no possibility to independently raise tariffs beyond the established rates and indexation or adjustment mechanisms. Similarly, under a long-term PPA, we are required to deliver power at a fixed rate for the contract period, with limited escalation rights. In addition, we may be unable to adjust our tariffs or rates as a result of fluctuations in prices of raw materials, exchange rates, labor and subcontractor costs during the operating phase of these projects, or any other variations in the conditions of specific jurisdictions in which our concession-type infrastructure projects are located, which may reduce our revenue. Moreover, in some cases, if we fail to comply with certain pre-established conditions, the government or customer (as applicable) may reduce the tariffs or rates payable to us. In addition, during the life of a concession, the relevant government authority may unilaterally impose additional restrictions on our tariff rates, subject to the regulatory frameworks applicable in each jurisdiction. Governments may also postpone annual tariff increases until a new tariff structure is approved without compensating us for lost revenue. Furthermore, changes in laws and regulations may, in certain cases, have retroactive effect and expose us to additional compliance costs or interfere with our existing financial and business planning. In Spain, the definitions and values of all payment criteria may be changed at the end of each regulatory period. The Spanish government modified regulations applicable to renewable energy assets, including solar power, in 2013 and 2012 which as a result, lowered yearly revenues of such assets. The first regulatory period commenced on July 14, 2013, the date on which Royal Decree-law 9/2013 came into effect, and will end on December 31, 2019. In the case that any one or more of these events occur, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Revenue from our renewable energy and conventional power facilities is partially exposed to market electricity prices

In addition to regulated incentives, revenue and operating costs from certain of our projects depend to a limited extent on market prices for sales of electricity. Market prices may be volatile and are affected by various factors, including the cost of raw materials, user demand, and if applicable, the price of greenhouse gas emission rights. In several of the jurisdictions in which we operate, we are exposed to remuneration schemes which contain both regulated incentive and market price components. In such jurisdictions, the regulated incentive component may not compensate for fluctuations in the market price component, and, consequently, total remuneration may be volatile. There can be no assurance that market prices will remain at levels which enable us to maintain profit margins and desired rates of return on investment. A decline in market prices below anticipated levels could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our solar and wind projects will be negatively affected if there are adverse changes to national and international laws and policies that support renewable energy sources

Recently, certain countries, such as the United States, a market that is one of our principal markets, have enacted policies of active support for renewable energy. These policies have included feed-in tariffs and renewable energy purchase obligations, mandatory quotas and/or portfolio standards imposed on utilities and certain tax incentives (such as the Investment Tax Credit in the United States). See "Item 4.B—Regulation—Regulation in the United States—U.S. Federal Income Tax Incentives and other Federal Considerations for Renewable Energy Generation Facilities—Section 1603 U.S. Treasury Grant Program."

Although support for renewable energy sources by governments and regulatory authorities in the jurisdictions in which we operate has historically been strong, and European authorities, along with the United States government, have reaffirmed their intention to continue such support, certain policies currently in place may expire, be suspended or be phased out over time, cease upon exhaustion of the allocated funding or be subject to cancellation or non-renewal, particularly if the cost of renewable energy exceeds the cost of generation of energy from other means. Accordingly, we cannot guarantee that such government support will be maintained in full, in part or at all.

If the governments and regulatory authorities in the jurisdictions in which we operate or plan to operate were to further decrease or abandon their support for development of solar and wind energy due to, for example, competing funding priorities, political considerations or a desire to favor other energy sources, renewable or otherwise, the assets we plan to acquire in the future could become less profitable or cease to be economically viable. Such an outcome could have a material adverse effect on our ability to execute our growth strategy.

Our exchangeable preferred equity investment in ACBH is subject to inherent risks

We own an exchangeable preferred equity investment in ACBH which gives us the right to receive during a five-year period since July 1, 2014 a preferred dividend of $18.4 million per year and thereafter the option for us to remain as preferred equity holder with the right to receive such dividend or exchange the preferred equity for ordinary shares of specific project companies owned by ACBH, yielding at least $18.4 million of recurrent dividends. We and Abengoa Concessions Investments Limited, the Abengoa subsidiary that holds our shares, entered into a deed pursuant to which certain subordination measures are implemented to protect our right to receive such preferred dividend in full. Our exchangeable preferred equity investment in ACBH is subject to certain inherent risks, including those described below.

On January 29, 2016, Abengoa informed us that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("*reorganizaçao judiciaria*") as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH. Given that this process will likely negatively affect the value of our preferred equity investment in ACBH and considering the high degree of uncertainty on its final outcome, we have recorded an impairment of this preferred equity investment. See note 8 to our Consolidated Financial Statements.

Despite our economic rights in respect of our preferred equity investment in ACBH, we do not have control over ACBH, and investments in assets over which we have no control are subject to certain risks. See "Item 3.D—Risk Factors—Risks Related to Our Business and the Markets in Which We Operate—We may be adversely affected by risks associated with acquisitions or investments".

We cannot be certain that the annual payment of the $18.4 million dividend will be paid to us in any year. Payment of dividends following the initial five-year period by either ACBH or any project companies we acquire in exchange for the preferred equity investment, and the amount of such dividends, will depend, among other factors, on the completion of construction of certain of the projects, the performance of the projects, the extent of distributable profits in Brazilian *reais* for each relevant fiscal year and the outcome of the insolvency proceedings in Brazil mentioned above.

We cannot guarantee that we will be able to exchange the preferred equity investment for ordinary shares of project companies owned by ACBH following the initial five-year period if we elect to do so. Any exchange of shares would be subject to relevant approvals, including from regulatory bodies, financing banks or equity partners at the project level, which ACBH may fail to secure. Our right to exchange our preferred equity investment could be affected by the insolvency procedure initiated by Abengoa for its Brazilian subsidiaries, including ACBH. Furthermore, our right to exchange is exercisable in respect of project companies to be selected by ACBH and Abengoa at the time of the proposed exchange meeting in the aggregate specified dividend yield criteria, rather than specifically identified assets as of the date of this annual report. Consequently, we can give no assurance regarding the identity or the specific characteristics of these projects or whether we would elect to remain as preferred equity holder or exchange the preferred equity investment.

Failure to receive the expected dividends from our exchangeable preferred equity investment in ACBH or any project companies we acquire in exchange for the preferred equity investment, as the case may be, may have a material adverse effect on our cash available for distribution, business, financial condition, results of operations and cash flows.

Lack of electric transmission capacity availability, potential upgrade costs to the electric transmission grid, and other systems constraints could significantly impact our ability to generate solar electricity power sales

We depend on electric interconnection and transmission facilities owned and operated by others to deliver the wholesale power we will sell from our electric generation assets to our customers. A failure or delay in the operation or development of these interconnection or transmission facilities or a significant increase in the cost of the development of such facilities could result in the loss of revenues. Such failures or delays could limit the amount of power our operating facilities deliver or delay the completion of our construction projects, as the case may be. Additionally, such failures, delays or increased costs could have a material adverse effect on our business, financial condition, results of operations and cash flows. If a region's electric transmission infrastructure is inadequate, our recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have a sufficient incentive to invest in expansion of transmission infrastructure. Additionally, we cannot predict whether interconnection and transmission facilities will be expanded in specific markets to accommodate competitive access to those markets. In addition, certain of our operating facilities' generation of electricity may be curtailed without compensation due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent electricity generating sources, reducing our revenues and impairing our ability to capitalize fully on a particular facility's generating potential. Such curtailments could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We do not own all of the land on which our renewable energy, conventional power or electric transmission assets are located, which could result in disruption to our operations

We do not own all of the land on which our power generation or electric transmission assets are located and we are, therefore, subject to the possibility of less desirable terms and increased costs to retain necessary land use if we do not have valid leases or rights-of-way or if such rights-of-way lapse or terminate. Although we have obtained rights to construct and operate these assets pursuant to related lease arrangements, our rights to conduct those activities are subject to certain exceptions, including the term of the lease arrangement. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, may adversely affect our ability to operate our power generation and electric transmission assets.

Certain of our facilities are newly constructed and may not perform as expected

Our expectations regarding the operating performance of Solana, which reached COD in the fourth quarter of 2013, ATS and Quadra 2, which reached COD in the first quarter of 2014, Palmatir and Quadra 1, which reached COD in the second quarter of 2014, Mojave and Cadonal, which reached COD in the fourth quarter of 2014, Kaxu, which reached COD in the first quarter of 2015 and ATN2, which reached COD in the second quarter of 2015 and our other newly-constructed assets are based on assumptions, estimates and past experience with similar assets that Abengoa has developed and built, and without the benefit of a substantial operating history. Our projections regarding our ability to pay dividends to holders of our shares assume newly-constructed facilities perform to our expectations. However, the ability of these facilities to meet our performance expectations is subject to the risks inherent in newly-constructed power generation facilities and the construction of such facilities, including, but not limited to, degradation of equipment in excess of our expectations, system failures and outages. The failure of these facilities to perform as we expect could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends to holders of our shares.

The generation of electric energy from renewable energy sources depends heavily on suitable meteorological conditions, and if solar or wind conditions are unfavorable, our electricity generation, and therefore revenue from our renewable energy generation facilities using our systems, may be substantially below our expectations

The electricity produced and revenues generated by a renewable energy generation facility are highly dependent on suitable solar or wind conditions, as applicable, and associated weather conditions, which are beyond our control. Furthermore, components of our system, such as mirrors, absorber tubes or blades, could be damaged by severe weather. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Unfavorable weather and atmospheric conditions could impair the effectiveness of our assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of our renewable assets and our ability to achieve forecasted revenues and cash flows.

We base our investment decisions with respect to each renewable generation facility on the findings of related wind and solar studies conducted on-site prior to construction or based on historical conditions at existing facilities. However, actual climatic conditions at a facility site, particularly wind conditions, may not conform to the findings of these studies and therefore, our solar and wind energy facilities may not meet anticipated production levels or the rated capacity of our generation assets, which could adversely affect our business, financial condition and results of operations and cash flows.

Our costs, results of operations, financial condition and cash flows could be adversely affected by the disruption of the fuel supplies necessary to generate power at our conventional generation facilities

Delivery of fossil fuels to fuel our conventional and some solar power generation facilities is dependent upon the infrastructure, including natural gas pipelines, available to serve each such generation facility, as well as upon the continuing financial viability of contractual counterparties. As a result, we are subject to the risks of disruptions or curtailments in the production of power at these generation facilities if a counterparty fails to perform or if there is a disruption in the relevant fuel delivery infrastructure.

Maintenance, expansion and refurbishment of electric generation facilities involve significant risks that could result in unplanned power outages or reduced output

Although the facilities in our portfolio are relatively new, they may require periodic upgrading and improvement in the future. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce our facilities' generating capacity below expected levels, reducing our revenues and jeopardizing our ability to pay dividends to shareholders at forecasted levels or at all. Degradation of the performance of our solar facilities above levels provided for in the related offtake agreements may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability.

If we make any major modifications to our conventional or renewable power generation facilities or electric transmission lines, we may be required to comply with more stringent environmental regulations, which would likely result in substantial additional capital expenditures. We may also choose to repower, refurbish or upgrade our facilities based on our assessment that such activity will provide adequate financial returns. Such facilities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Relationship with Abengoa

Abengoa filed for protection under article 5 bis of the Spanish Insolvency Laws and is working on a viability plan for its future and we cannot guarantee that they will be successful

On November 27, 2015, Abengoa reported that it filed a communication pursuant to article 5 bis of the Spanish Insolvency Law 22/2003 with the Mercantile Court of Seville nº 2. The filing by Abengoa was intended to initiate a process to try to reach an agreement with its main financial creditors, aimed to ensure the right framework to carry out such negotiations and provide Abengoa with financial stability in the short and medium term. The Mercantile Court published a decree to admit the filing of the communication on December 15, 2015 and set a deadline of March 28, 2016 for Abengoa to reach an agreement with its main financial creditors.

The filing under article 5 bis was intended to allow Abengoa to protect and preserve its value while it works on the design and development of an appropriate viability plan for its future.

Abengoa reported that on January 25, 2016, the board of directors of Abengoa approved a viability plan that defined the structure of the future business activity of Abengoa. In accordance with this plan, Abengoa will negotiate a debt restructuring with its creditors as well as the necessary recourses with the objective of being able to continue its activity and operate in a competitive and sustainable manner in the future. The developments at Abengoa affect our project financing arrangements and our relationships with our creditors.

The financing arrangements of some of our project subsidiaries (Solana, Mojave, Kaxu and Cadonal) contain cross-default provisions related to Abengoa. Defaults by Abengoa, subject to certain threshold amounts, could trigger defaults under such project financing arrangements. These cross-default provisions expire progressively over time, remaining in place until the termination of the obligations of Abengoa under such project financing arrangements. We are currently in discussions with our project finance lenders about developments at Abengoa. Although we do not expect the credit entities to use the cross-default provisions to request an acceleration of debt, the project companies did not have as of December 31, 2015, what International Accounting Standards define as an unconditional right to defer the settlement of the debt for at least twelve months after that date and therefore the debt has been presented as current in the Consolidated Financial Statements. See note 15 to our Consolidated Financial Statements.

In addition, our Credit Facility does not include a cross-default provision related to Abengoa. It includes, however, a cross-default provision related to a default by our project subsidiaries in their financing arrangements, such that a payment default by one or more of our non-recourse subsidiaries representing more than 20% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default under our Credit Facility. Additionally, under the terms of our Credit Facility, we are required to comply with (i) a maintenance leverage ratio of 5.25:1.00 of our indebtedness at the holding level to our cash available for distribution on and after January 1, 2016, and prior to January 1, 2017, and (ii) an interest coverage ratio of 2.00:1.00 of cash available for distribution to debt service payments. A payment default in several of our project companies or restrictions in distributions from several of our project companies may trigger these covenants.

If Abengoa is unsuccessful in its negotiations with creditors and executing a restructuring, it would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Abengoa's financial condition could affect its ability to meet its obligations under the Currency Swap Agreement and to maintain existing guarantees and letters of credit under the Financial Support Agreement

We expect that Abengoa's financial condition could affect its ability to comply with its obligations under the Currency Swap Agreement and Financial Support Agreement. Any failure by Abengoa to meet its obligations under such agreements could adversely affect our business or the operation of our facilities and have a material adverse effect on our business, financial condition, results of operations and cash flows. We depend on Abengoa maintain existing guarantees and letters of credit in our favor under the Financial Support Agreement. If Abengoa were to fail to provide the requisite financial support, we may be unable to substitute those guarantees and letters of credit with a third party on comparable terms, without undue delay or at all. In addition, as disclosed in our Consolidated Financial Statements as of December 31, 2015 and 2014, and for the years 2015, 2014 and 2013, we have accounts receivable with certain subsidiaries of Abengoa. Inability of these subsidiaries to pay their obligations when due would have a negative impact in our cash position.

Abengoa is our largest shareholder and exercises substantial influence over Atlantica Yield

Abengoa currently beneficially owns and is entitled to vote approximately 41.86% of our ordinary shares. As a result of this ownership, Abengoa has a substantial influence on our affairs and its ownership interest and voting power constitute a significant percentage of the shares eligible to vote on any matter requiring the approval of our shareholders. Such matters include the election of directors, the adoption of amendments to our articles of association and approval of mergers or sale of all or substantially all of our assets. This concentration of ownership may also have the effect of discouraging others from making tender offers for our shares. There can be no assurance that the interests of Abengoa will coincide with the interests of the purchasers of our shares or that Abengoa will act in a manner that is in our best interests.

We may be in breach of covenants in certain of our project financing arrangements if Abengoa's ownership falls below 35% of our outstanding shares

A majority of our project financing arrangements contain a covenant that Abengoa must own at least 35% of our outstanding shares. Abengoa currently owns 41.86% of our ordinary shares. As of December 24, 2015, Abengoa has pledged 39,530,843 of our ordinary shares, representing approximately 39.5% of our outstanding shares, to financial institutions as collateral for borrowings under financing arrangements. If Abengoa defaulted on any of these financing arrangements, such lenders may foreclose on the pledged shares and, as a result, Abengoa would own less than 35% of our outstanding shares and we would be in breach of covenants under the applicable project financing arrangements. If such a foreclosure occurred, we would be in breach of covenants and respective lenders would have the right to declare a default under the respective agreements and declare the entire amount to be due and payable immediately. Waivers have been requested from all parties to the project financing arrangements that contain these covenants.

In addition, our Credit Facility includes a cross-default provision related to a default by our project subsidiaries in their financing arrangements, such that a payment default by one or more of our non-recourse subsidiaries representing more than 20% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default under our Credit Facility. Additionally, under the terms of our Credit Facility, we are required to comply with (i) a maintenance leverage ratio of 5.25:1.00 of our indebtedness at the holding level to our cash available for distribution on and after January 1, 2016, and prior to January 1, 2017, and (ii) an interest coverage ratio of 2.00:1.00 of cash available for distribution to debt service payments. A payment default, including a payment default resulting from failure to pay upon acceleration after an event of default, in several of our project companies or potential delays in distributions from several of our project companies may trigger these covenants.

If Abengoa initiates a bankruptcy filing in Spain, transactions we have entered into with Abengoa, including those related to drop-down assets, may be subject to insolvency claw-back actions and the transaction may be set aside.

Under Spanish insolvency law, the transactions a company has entered into during the two years prior to the opening of insolvency proceedings can be set aside, irrespective of whether there was intent to defraud, if those transactions are considered materially damaging to the insolvency estate. Material damage is assessed on the basis of the circumstances at the time the transaction was carried out, without the benefit of hindsight and without considering subsequent events or occurrences, including events in relation to insolvency proceedings or the request to set-aside the transaction. Though we could be considered a "connected person" for purposes of Spanish bankruptcy proceedings (which triggers a presumption of damage), transactions we have entered into with Abengoa in the previous two years before it is declared insolvent (if such action were to take place) would not automatically be set aside. The court would consider if the transactions were detrimental to Abengoa on the terms on which they were made and the suitability of the transactions at the time they were entered into, if the transaction followed market standards and prices, had real economic value and if a transaction was carried out on the same conditions as it would have been by independent parties.

In practice, transactions that are subject to claw-back that usually affect companies in the same group relate to: (a) unjustified payments or advances from the insolvent company to another group company, (b) transfers of assets or rights by the insolvent company to another group company at an undervalue, (c) payment-in-kind arrangements in which the property another group company receives in payment is higher in value than the debt owed to it, and (d) security provided by the insolvent company for another group company's obligations. This determination will be a question of fact before a Spanish court if Abengoa initiates a bankruptcy filing in Spain, however if any of the transactions entered into between ourselves and Abengoa, including those related to drop-downs assets, were declared invalid by a Spanish court, unless it is determined we acted in bad faith, such transaction would be unwound and we would receive back the cash paid, which could have a material adverse effect on our business, prospects, results of operations and financial condition.

The outcome of any bankruptcy proceedings that may be initiated by Abengoa would be difficult to predict given that Abengoa is incorporated in Spain and has assets and operations in several countries around the world. In the event of any bankruptcy or similar proceeding involving Abengoa or any of its subsidiaries, bankruptcy laws other than those of Spain could apply. The rights of Abengoa's creditors may be subject to the laws of a number of jurisdictions and such multi-jurisdictional proceedings are typically complex and often result in substantial uncertainty. In addition, the bankruptcy and other laws of such jurisdictions may be materially different from, or in conflict with, one another. If Abengoa is subject to U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of its assets, wherever located, including property situated in other countries.

A bankruptcy filing by Abengoa may permanently affect Abengoa's operations. We cannot predict how any bankruptcy proceeding would be resolved or how our relationship with Abengoa will be affected following the initiation of any such proceedings or after the resolution of any such proceedings. Any bankruptcy proceedings initiated by Abengoa may have material adverse effects on our business, prospects, results of operations and financial condition.

We may not be able to consummate future acquisitions from Abengoa

Our ability to grow through acquisitions depends, in part, on Abengoa's ability to present us with acquisition opportunities. On November 27, 2015, Abengoa reported that it filed a communication pursuant to article 5 bis of the Spanish Insolvency Law 22/2003 with the Mercantile Court of Seville nº 2. The filing by Abengoa was intended to initiate a process to try to reach an agreement with its main financial creditors, aimed to ensure the right framework to carry out such negotiations and provide Abengoa with financial stability in the short and medium term.

As a result, Abengoa may have financial and resource constraints limiting or eliminating its ability to continue building the concessional assets which are currently under construction and may have financial and resource constraints limiting or eliminating its ability to develop and build new concessional assets. In addition, Abengoa may sell assets under construction before they reach their commercial operation date. For these reasons, we may not be able to consummate future acquisitions from Abengoa.

Our organizational and ownership structure may create significant conflicts of interest that may be resolved in a manner that is not in our best interests or the best interests of our minority shareholders

Our organizational and ownership structure involves a number of relationships that may give rise to certain conflicts of interest between us, Abengoa and the rest of our shareholders. Three of our eight directors are affiliated with Abengoa. Although some of these persons are subject to confidentiality obligations pursuant to confidentiality agreements or implied duties of confidence, the Support Services Agreement does not contain general confidentiality provisions.

Abengoa is a related party under the applicable securities laws governing related party transactions and may have interests which differ from our interests or those of our other minority shareholders, including with respect to the types of acquisitions made, the timing and amount of dividends paid by us, the reinvestment of returns generated by our operations, the use of leverage when making acquisitions and the appointment of outside advisors and service providers. Any material transaction between us and Abengoa (including the acquisition of any Abengoa ROFO Asset) is subject to our related party transaction policy, which requires prior approval of such transaction by a majority of the independent members of our board of directors (as discussed in "7.B—Related Party Transactions—Procedures for Review, Approval and Ratification of Related Party Transactions; Conflicts of Interest"). The existence of our related party transaction approval policy may not insulate us from derivative claims related to related party transactions and the conflicts of interest described in this risk factor. Regardless of the merits of such claims, we may be required to spend significant management time and financial resources in the defense thereof. Additionally, to the extent we fail to appropriately deal with any such conflicts, it could negatively impact our reputation and ability to raise additional funds and the willingness of counterparties to do business with us, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If Abengoa terminates the Support Services Agreement or the operations and maintenance agreements or defaults in the performance of its obligations under the agreements, we may be unable to contract with a substitute service provider on similar terms, or at all

We are currently in the process of finalizing the employment of all the persons who are performing support services for us on a full time basis. Until this process is complete, we continue to rely on Abengoa for certain support services under the Support Services Agreement. Abengoa or its subsidiaries currently provide certain support and administration services, information technology services as well as operating and maintenance services at most of our facilities. Any failure by Abengoa to perform its requirements under the services arrangements or under the operation and maintenance agreements, or any failure by us to identify and contract with replacement service providers, if required, could adversely affect our business or the operation of our facilities and have a material adverse effect on our business, financial condition, results of operations and cash flows.

We rely on Abengoa to provide information technology services to us that we use to operate our business, including control systems for asset management, our current ERP (SAP) used for reporting, controlling, accounting, and other support systems. We have launched a project to separate our IT systems from Abengoa's, which we expect to complete in 9 to 12 months. However, if Abengoa ceases to provide such services prior to this time, we may be unable to replace such services with another provider on a comparable basis without having a temporary disruption to our business.

Risks Related to the Acquisition of Kaxu, ATN2 and Solaben 1/6

The acquisition of any of Kaxu, ATN2 and Solaben 1/6 or other recently acquired assets may not achieve its intended results, and we may be unable to successfully integrate the assets and operations acquired

We have recently acquired a 51% stake in Kaxu, ATN2 and Solaben 1/6. Achieving the anticipated benefits of the acquisition of these assets is subject to a number of uncertainties, including whether the assets acquired can be integrated in an efficient and effective manner.

It is possible that the acquired assets may not perform as expected. The integration process could take longer than anticipated and could result in the disruption of each project's ongoing businesses, processes and systems or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect our ability to achieve the anticipated benefits of the acquisition. The integration process is subject to a number of uncertainties, and no assurance can be given that the anticipated benefits will be realized or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect the combined company's future business, financial condition, operating results and prospects. See "—Risks Related to Our Business and the Markets in Which We Operate—We may be adversely affected by risks associated with acquisitions or investments."

Risks Related to Our Indebtedness

Our indebtedness could adversely affect our ability to raise additional capital to fund our operations or pay dividends. It could also expose us to the risk of increased interest rates and limit our ability to react to changes in the economy or our industry as well as impact our cash available for distribution

As of December 31, 2015, we had approximately (i) $5,470.7 million of total indebtedness under various project-level debt arrangements and (ii) $664.5 million of total indebtedness under our corporate arrangements, which includes the 2019 Notes and our drawdown under the Credit Facility. Our substantial debt could have important negative consequences on our financial condition, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to pay dividends to holders of our shares or to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to enter into long-term power sales, fuel purchases and swaps which require credit support;
- limiting our ability to fund operations or future acquisitions;
- restricting our ability to make certain distributions with respect to our shares and the ability of our subsidiaries to make certain distributions to us, in light of restricted payment and other financial covenants in our credit facilities and other financing agreements;
- exposing us to the risk of increased interest rates because a portion of some of our borrowings (below 10% as of the date hereof) are at variable rates of interest;
- limiting our ability to obtain additional financing for working capital, including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

The operating and financial restrictions and covenants in the indenture governing the 2019 Notes and the credit agreement governing the Credit Facility may adversely affect our ability to finance our future operations or capital needs, to engage in other business activities that may be in our interest and to execute our business strategy as we intend to do so.

The indenture governing the 2019 Notes contains covenants that limit certain of our and the guarantors' activities, including those relating to: incurring additional indebtedness; paying dividends on, redeeming or repurchasing our capital stock; prepaying subordinated indebtedness; making certain investments; imposing certain restrictions on the ability of subsidiaries to pay dividends or other payments; creating certain liens; transferring or selling assets; merging or consolidating with other entities; entering into transactions with affiliates; and engaging in unrelated businesses. Each of the covenants is subject to a number of important exceptions and qualifications. In addition, certain of the covenants listed above will terminate before the 2019 Notes mature if at least two of the specified rating agencies assign the 2019 Notes an investment grade rating in the future and no events of default under the indenture governing the 2019 Notes exist and are continuing. Any covenants that cease to apply to us as a result of achieving investment grade ratings will not be restored, even if the credit ratings assigned to the 2019 Notes later fall below investment grade. The indenture governing the 2019 Notes also contains customary events of default (subject in certain cases to customary grace and cure periods). Generally, if an event of default occurs and is not cured within the time periods specified, the trustee or the holders of at least 25% in principal amount of the 2019 Notes then outstanding may declare all of the 2019 Notes to be due and payable immediately.

The Credit Facility contains covenants that limit certain of our and the guarantors' activities, including those relating to: mergers; consolidations; the ability to incur additional indebtedness; sales, transfers and other dispositions of property and assets; providing new guarantees; investments; granting additional security interests, transactions with affiliates and our ability to pay cash dividends is also subject to certain standard restrictions. Additionally, we are required to comply with (i) a maintenance leverage ratio of our indebtedness at the holding level to our cash available for distribution of 5.25:1.00 on and after January 1, 2016 and prior to January 1, 2017 and 5.00:1.00 on and after January 1, 2017 and (ii) an interest coverage ratio of cash available for distribution to debt service payments of 2.00:1.00. The Credit Facility also contains customary events of default, the ability of the lenders to declare the unpaid principal amount of all outstanding loans, and interest accrued thereon, to be immediately due and payable. In addition, our Credit Facility includes a cross-default provision related to a default by our project subsidiaries in their financing arrangements, such that a payment default by one or more of our non-recourse subsidiaries representing more than 20% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default under our Credit Facility.

If we violate any of these covenants, a default may result, which, if not cured or waived, could result in the acceleration of our debt and could limit our ability to pay dividends.

The agreements governing our project-level financing contain financial and other restrictive covenants that limit our project subsidiaries' ability to make distributions to us or otherwise engage in activities that may be in our long-term best interests. The extent of the restrictions on our subsidiaries' ability to transfer assets to us through loans, advances or cash dividends without the consent of third parties is significant, requiring us to include condensed financial information regarding Abengoa Yield plc as part of our Annual Consolidated Financial Statements. The project-level financing agreements generally prohibit distributions from the project entities to us unless certain specific conditions are met, including the satisfaction of certain financial ratios. In addition, the project-level financing for some of our assets prohibits distributions until the first principal repayment is made. Our inability to satisfy certain financial covenants may prevent cash distributions by the particular project(s) to us and, our failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, failure to comply with such covenants, including covenants under our 2019 Notes and the Credit Facility, may entitle the related noteholders or lenders, as applicable, to demand repayment and accelerate all such indebtedness. If our project-level subsidiaries are unable to make distributions, it would likely have a material adverse effect on our ability to pay dividends to holders of our shares.

Letter of credit facilities or personal guarantees to support project-level contractual obligations generally need to be renewed, at which time we will need to satisfy applicable financial ratios and covenants. If we are unable to renew the letters of credit as expected or replace them with letters of credit under different facilities on favorable terms or at all, we may experience a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, such inability may constitute a default under certain project-level financing arrangements, restrict the ability of the project-level subsidiary to make distributions to us and/or reduce the amount of cash available at such subsidiary to make distributions to us.

In addition, our ability to arrange financing, either at the corporate level or at a non-recourse project-level subsidiary, and the costs of such capital, are dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;

- investor confidence in us, our partners and Abengoa, as our largest shareholder;
- final outcome of Abengoa pre-insolvency proceedings;
- our financial performance and the financial performance of our subsidiaries;
- our level of indebtedness and compliance with covenants in debt agreements;
- maintenance of acceptable project credit ratings or credit quality;
- cash flow; and
- provisions of tax and securities laws that may impact raising capital.

We may not be successful in obtaining additional capital for these or other reasons. Furthermore, we may be unable to refinance or replace project-level financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. Our failure, or the failure of any of our projects, to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Potential future defaults by our subsidiaries, Abengoa or other persons could adversely affect us

All of our subsidiaries finance project assets and significant investments, including capital expenditures typically relating to contracted assets and concessions, primarily under loan agreements and related documents which, except as noted below, require the loans to be repaid solely from the revenue of the project being financed thereby, and provide that the repayment of the loans (and interest thereon) is secured solely by the shares, physical assets, contracts and cash flow of that project company. This type of financing is usually referred to herein as “project debt.” As of December 31, 2015, we had $5,470.7 million of outstanding indebtedness under various project-level debt arrangements.

While the lenders under our project debt do not have direct recourse to us or our subsidiaries (other than the project borrowers under those financings), defaults by the project borrowers under such financings can still have important consequences for us and our subsidiaries, including, without limitation:

- reducing our receipt of dividends, fees, interest payments, loans and other sources of cash, since the project company will typically be prohibited from distributing cash to us and our subsidiaries during the pendency of any default;
- causing us to record a loss in the event the lender forecloses on the assets of the project company; and
- the loss or impairment of investors’ and project finance lenders’ confidence in us.

If we were to fail to satisfy any of our debt service obligations or to breach any related financial or operating covenants, the applicable lender could declare the full amount of the relevant indebtedness to be immediately due and payable and could foreclose on any assets pledged as collateral.

The financing arrangements of some of our project subsidiaries (Solana, Mojave, Kaxu and Cadonal) contain cross-default provisions related to Abengoa. Defaults by Abengoa, subject to certain threshold amounts, could trigger defaults under such project financing arrangements. These cross-default provisions expire progressively over time, remaining in place until the termination of the obligations of Abengoa under such project financing arrangements. We are currently in discussions with our project finance lenders about developments at Abengoa. Although we do not expect the credit entities to use the cross-default provisions to request an acceleration of debt, the project companies did not have as of December 31, 2015, what International Accounting Standards define as an unconditional right to defer the settlement of the debt for at least twelve months after that date and therefore the debt has been presented as current in the Consolidated Financial Statements. See note 15 to our Consolidated Financial Statements.

Our Credit Facility does not include a cross-default provision related to Abengoa. It includes, however, a cross-default provision related to a default by our project subsidiaries in their financing arrangements, such that a payment default by one or more of our non-recourse subsidiaries representing more than 20% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default under our Credit Facility.

Any of these events could have a material adverse effect on our financial condition, results of operations or cash flows.

Risks Related to Ownership of our Shares

We may not be able to pay a specific or increasing level of cash dividends to holders of our shares in the future

The amount of our cash available for distribution principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the level and timing of capital expenditures we make;
- the level of our operating and general and administrative expenses, including reimbursements to Abengoa for services provided to us in accordance with the Support Services Agreement;
- seasonal variations in revenues generated by the business;
- operational performance of our assets;
- our debt service requirements and other liabilities;
- fluctuations in our working capital needs;
- our ability to borrow funds;
- restrictions contained in our debt agreements (including our project-level financing); and
- other business risks affecting our cash levels.

As a result of all these factors, we cannot guarantee that we will have sufficient cash generated from operations to pay a specific or increasing level of cash dividends to holders of our shares. Furthermore, holders of our shares should be aware that the amount of cash available for distribution depends primarily on our cash flow, and is not solely a function of profitability, which is affected by non-cash items. We may incur other expenses or liabilities during a period that could significantly reduce or eliminate our cash available for distribution and, in turn, impair our ability to pay dividends to shareholders during the period. Because we are a holding company, our ability to pay dividends on our shares is limited by restrictions or limitations on the ability of our subsidiaries to pay dividends or make other distributions, such as pursuant to shareholder loans, capital reductions or other means, to us, including restrictions under the terms of the agreements governing project-level financing, the 2019 Notes, the Credit Facility or legal, regulatory or other restrictions or limitations applicable in the various jurisdictions in which we operate, such as exchange controls or similar matters or corporate law limitations, any of which could change from time to time and thereby limit our subsidiaries' ability to pay dividends or make other distributions to us. Our project-level financing agreements generally prohibit distributions to us unless certain specific conditions are met, including the satisfaction of financial ratios.

Our cash available for distribution will likely fluctuate from quarter to quarter, in some cases significantly, due to seasonality. See "Item 4.B—Business Overview—Seasonality." As result, we may reduce the amount of cash we distribute in a particular quarter to establish reserves to fund distributions to shareholders in future periods for which the cash distributions we would otherwise receive from our subsidiary project companies would otherwise be insufficient to fund our quarterly dividend. If we fail to establish sufficient reserves, we may not be able to maintain our quarterly dividend with a respect to a quarter adversely affected by seasonality.

Dividends to holders of our shares will be paid at the discretion of our board of directors. Our board of directors may decrease the level of or entirely discontinue payment of dividends. Our board of directors may change our dividend policy at any point in time or modify the dividend for specific quarters following prevailing conditions. For a description of additional restrictions and factors that may affect our ability to pay cash dividends, please see “Item 8.A—Consolidated Statements and Other Financial Information—Dividend Policy.”

We are a holding company and our only material assets are our interests in our subsidiaries, upon whom we are dependent for distributions to pay dividends, taxes and other expenses

We are a holding company whose sole material assets consist of our interests in our subsidiaries. We do not have any independent means of generating revenue. We intend to cause our operating subsidiaries to make distributions to us in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. To the extent that we need funds for a quarterly cash dividend to holders of our shares or otherwise, and one or more of our operating subsidiaries is restricted from making such distributions under the terms of its financing or other agreements or applicable law and regulations or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition and limit our ability to pay dividends to shareholders.

We have a limited operating history and as a result there is no assurance we can operate on a profitable basis

We have a limited operating history on which to base an evaluation of our business and prospects. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of operation. We cannot assure you that we will be successful in addressing the risks we may encounter, and our failure to do so could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Market interest rates may have an effect on the value of our shares

One of the factors that will influence the price of our shares will be the effective dividend yield of our shares (i.e., the yield as a percentage of the then-market price of our shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our shares to expect a higher dividend yield. Our inability to increase our dividend as a result of an increase in borrowing costs, insufficient cash available for distribution or otherwise could result in selling pressure on, and a decrease in, the market price of our shares as investors seek alternative investments with higher yield.

Market volatility may affect the price of our shares and the value of your investment

The market for securities issued by issuers such as us is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other countries. There can be no assurance that events in the United States, Latin America, Europe, the Middle East and Africa or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the shares or that economic and market conditions will not have any other adverse effect. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the shares. Any trading by arbitrageurs could, in turn, affect the trading price of the shares. In the past there has been correlation between the price of our shares the price of oil and the price of shares of master limited partnerships, or MLPs, and a decline in the price of oil or MLP shares could cause a decline in the price of our shares. Securities markets in general may experience extreme volatility that is unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading of our shares.

In addition, the market price of our shares may fluctuate in the event of negative developments in Abengoa the termination of the ROFO Agreement, the Support Services Agreement or additions or departures of our key personnel, changes in market valuations of similar companies or Abengoa and/or speculation in the press or investment community regarding us or Abengoa.

You may experience dilution of your ownership interest due to the future issuance of additional shares

In order to finance the growth of our business through future acquisitions, we may require additional funds from further equity or debt financings, including tax equity financing transactions or sales of preferred shares or convertible debt, to complete future acquisitions, expansions and capital expenditures and pay the general and administrative costs of our business. In the future, we may issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of our shares offered hereby. The potential issuance of additional shares or preferred stock or convertible debt may create downward pressure on the trading price of our shares. We may also issue additional shares or other securities that are convertible into or exercisable for our shares in future public offerings or private placements for capital-raising purposes or for other business purposes, potentially at an offering price, conversion price or exercise price that is below the offering price for our shares in any of our previous offering.

If securities or industry analysts do not publish or cease to publish research or reports about us, our business or our market, or if they change their recommendations regarding our shares adversely, the price and trading volume of our shares could decline

The trading market for our shares will be influenced by the research and reports that industry or securities analysts may publish about us, Abengoa, our business, our market or our competitors. If any of the analysts who may cover us change their recommendations regarding our shares adversely, or provide more favorable relative recommendations about our competitors, the price of our shares would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our shares to decline.

Future sales of our shares by Abengoa may cause the price of our shares to fall

The market price of our shares could decline as a result of future sales by Abengoa of its shares in the market, or the perception that these sales could occur. Abengoa currently owns 41.86% of our ordinary shares. As of December 24, 2015, Abengoa has pledged 39,530,843 of our ordinary shares, representing approximately 39.5% of our outstanding shares, to financial institutions as collateral for borrowings under financing arrangements. If Abengoa defaults on any of these financing arrangements, such lenders may foreclose on the shares and sell the shares in the market. Future sales of substantial amounts of the shares and/or equity-related securities in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of the shares and could impair our ability to raise capital through future offerings of equity or equity-related securities. The price of the shares could be depressed by investors' anticipation of the potential sale in the market of substantial additional amounts of shares. Disposals of shares could increase the number of shares being offered for sale in the market and depress the trading price of our shares.

As a "foreign private issuer" in the United States, we are exempt from certain rules under the U.S. securities laws and are permitted to file less information with the Commission than U.S. companies

As a "foreign private issuer," we are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our shares. Moreover, we are not required to file periodic reports and financial statements with the Commission as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We will be a “foreign private issuer” so long as we are incorporated outside the United States except if as of the last business day of our most recently completed second quarter more than 50% of our outstanding voting securities are directly or indirectly owned by residents of the United States, and any of the following: (i) a majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is principally administered in the United States. If we were to lose our “foreign private issuer” status, as a result of further sales by Abengoa of our shares or otherwise, we would no longer be exempt from certain provisions of the U.S. securities laws described above, we would be required to commence reporting on forms required of U.S. companies, such as Forms l0-K, 10-Q and 8-K, rather than the forms currently available to us, such as Forms 20-F and 6-K, we would be required to prepare our financial statements in U.S. GAAP, rather than IFRS, and we would likely incur increased compliance and other costs, among other consequences, any of which could material adverse effect on our business, financial condition, results of operations and cash flows.

Judgments of U.S. courts may not be enforceable against us

Judgments of U.S. courts, including those predicated on the civil liability provisions of the federal securities laws of the United States, may not be enforceable in courts in the United Kingdom or other countries in which we operate. As a result, our shareholders who obtain a judgment against us in the United States may not be able to require us to pay the amount of the judgment.

There are limitations on enforceability of civil liabilities under U.S. federal securities laws

We are incorporated under the laws of England and Wales. Most of our officers and directors reside outside of the United States. In addition, a portion of our assets and the majority of the assets of our directors and officers are located outside the United States. As a result it may be difficult or impossible to serve legal process on persons located outside the United States and to force them to appear in a U.S. court. It may also be difficult or impossible to enforce a judgment of a U.S. court against persons outside the United States, or to enforce a judgment of a foreign court against such persons in the United States. We believe that there may be doubt as to the enforceability against persons in England and Wales and in Spain, whether in original actions or in actions for the enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the laws of the United States, including its federal securities laws. Because we are a foreign private issuer, our directors and officers will not be subject to rules under the Exchange Act that under certain circumstances would require directors and officers to forfeit to us any “short-swing” profits realized from purchases and sales, as determined under the Exchange Act and the rules thereunder, of our equity securities. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales and in Spain.

Shareholders in certain jurisdictions may not be able to exercise their pre-emptive rights if we increase our share capital

Under our articles of association, holders of our shares generally have the right to subscribe and pay for a sufficient number of our shares to maintain their relative ownership percentages prior to the issuance of any new shares in exchange for cash consideration. Holders of shares in certain jurisdictions may not be able to exercise their pre-emptive rights unless securities laws have been complied with in such jurisdictions with respect to such rights and the related shares, or an exemption from the requirements of the securities laws of these jurisdictions is available. We currently do not intend to register the shares under the laws of any jurisdiction other than the United States, and no assurance can be given that an exemption from the securities laws requirements of other jurisdictions will be available to shareholders in these jurisdictions. To the extent that such shareholders are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders would be reduced.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation organized in Delaware

We are incorporated under English law. The rights of holders of our shares are governed by English law, including the provisions of the UK Companies Act 2006, and by our articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations organized in Delaware. The principal differences are set forth in "Item 10.B—Memorandum and Articles of Association."

Provisions in the UK City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our shareholders

The UK City Code on Takeovers and Mergers, or the Takeover Code, applies, among other things, to an offer for a public company whose registered office is in the United Kingdom and whose securities are not admitted to trading on a regulated market in the United Kingdom if the company is considered by the Panel on Takeovers and Mergers, or the Takeover Panel, to have its place of central management and control in the United Kingdom. This is known as the "residency test." The test for central management and control under the Takeover Code is different from that used by the UK tax authorities. Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the United Kingdom by looking at various factors, including the structure of our board of directors, the functions of the directors and where they are resident.

If at the time of a takeover offer the Takeover Panel determines that we have our place of central management and control in the United Kingdom, we would be subject to a number of rules and restrictions, including but not limited to the following: (1) our ability to enter into deal protection arrangements with a bidder would be extremely limited; (2) we may not, without the approval of our shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (3) we would be obliged to provide equality of information to all bona fide competing bidders.

Risks Related to Taxation

Changes in our tax position can significantly affect our reported earnings and cash flows

Changes in corporate tax rates and/or other relevant tax laws in the United Kingdom, the United States or the other countries in which our assets are located could have a material impact on our future tax rate and/or our required tax payments. Although we consider our tax provision to be adequate, the final determination of our tax liability could be different from the forecasted amount, which could have potential adverse effects on our financial condition and cash flows. In relation to the United Kingdom Controlled Foreign Company regime, or the U.K. CFC rules, we have good arguments to consider that the foreign entities held under Abengoa Yield would not be subject to the U.K. CFC rules. Changes to the U.K. CFC rules or adverse interpretations of them, could have effects on the future tax rate and/or required tax payments in Abengoa Yield. With respect to some of our projects, we must meet defined requirements to apply favorable tax treatment, such as lower tax rates or exemptions. We intend to meet these requirements in order to benefit from the favorable tax treatment; however, there can be no assurance that we will be able to comply with all of the necessary requirements in the future, or the requirements could change or be interpreted in another manner, which could give rise to a greater tax liability and which could have an adverse effect on our results of operations and cash flows.

Our future tax liability may be greater than expected if we do not utilize net operating losses or net operating loss carryforwards sufficient to offset our taxable income

We expect to generate net operating losses and net operating loss carryforwards (collectively, "NOLs") that we can use to offset future taxable income. Based on our current portfolio of assets, which include renewable assets that benefit from an accelerated tax depreciation schedule, and subject to potential tax audits, which may result in income, sales, use or other tax obligations, we do not expect to pay significant taxes for a period of approximately 10 years, with the exception of ACT in Mexico, where we do not expect to pay significant income taxes until the fifth or sixth year after our IPO once we use existing NOLs.

While we expect these NOLs will be available to us as a future benefit, in the event that they are not generated as expected, or are successfully challenged by the local tax authorities, such as the U.S. Internal Revenue Service, or the IRS, or Her Majesty's Revenue and Customs among others, by way of a tax audit or otherwise, or are subject to future limitations as discussed below, our ability to realize these benefits may be limited. A reduction in our expected NOLs, a limitation on our ability to use such NOLs or the occurrence of future tax audits may result in a material increase in our estimated future income tax liability and may negatively impact our results of operations and liquidity.

Our ability to use U.S. NOLs to offset future income may be limited

Our ability to use U.S. NOLs generated in the future could be limited if we were to experience an "ownership change" as defined under Section 382 of the U.S. Internal Revenue Code of 1986, as amended, or the IRC, and similar state rules. In general, an "ownership change" would occur if our "5-percent shareholders," as defined under Section 382 of the IRC, collectively increased their ownership in us by more than 50 percentage points over a rolling three-year period. A corporation that experiences an ownership change will generally be subject to an annual limitation on the use of its pre-ownership change U.S. NOLs equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate for the month in which the ownership change occurs, and increased by a certain portion of any "built-in-gains." The long-term tax-exempt rate for February 2016 is 2.65%. Future sales of our shares by Abengoa, or sales of shares of Abengoa, as well as future issuances by us or Abengoa could contribute to a potential ownership change. In any case, in the event that section 382 would be applicable on our U.S. NOLs as a consequence of a potential ownership change, it is likely the NOLs could still be utilized because of this limitation would not negatively impact on our U.S. assets according to the provisions contained in that section.

Distributions to U.S. Holders of our shares may be fully taxable as dividends

It is difficult to predict whether or to what extent we will generate earnings or profits as computed for U.S. federal income tax purposes in any given tax year. If we make distributions on the shares from current or accumulated earnings and profits as computed for U.S. federal income tax purposes, such distributions generally will be taxable to U.S. Holders of our shares as ordinary dividend income for U.S. federal income tax purposes. Under current law, if certain requirements are met, such dividends would be eligible for the lower tax rates applicable to qualified dividend income of certain non-corporate U.S. Holders. While we expect that a portion of our distributions to U.S. Holders of our shares may exceed our current and accumulated earnings and profits as computed for U.S. federal income tax purposes, and therefore may constitute a non-taxable return of capital to the extent of a U.S. Holder's basis in our shares, no assurance can be given that this will occur. We intend to calculate our earnings and profits annually in accordance with U.S. federal income tax principles. See "Item 10.E—Taxation—Material U.S. Federal Income Tax Considerations."

If we are a passive foreign investment company for U.S. federal income tax purposes for any taxable year, U.S. Holders of our shares could be subject to adverse U.S. federal income tax consequences

If Abengoa Yield were a "passive foreign investment company" within the meaning of Section 1297 of the IRC (a "PFIC") for any taxable year during which a U.S. Holder holds our shares, certain adverse U.S. federal income tax consequences may apply to the U.S. Holder. Abengoa Yield does not believe that it was a PFIC for its 2015 taxable year and does not expect to be a PFIC for U.S. federal income tax purposes for its current taxable year or in the foreseeable future. However, PFIC status depends on the composition of a company's income and assets and the fair market value of its assets (including, among others, less than 25% owned equity investments) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Abengoa Yield will not be considered a PFIC for any taxable year.

If Abengoa Yield were a PFIC, U.S. Holders of our shares may be subject to adverse U.S. federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on capital gains and on certain actual or deemed distributions, interest charges on certain taxes treated as deferred, and additional reporting requirements. See "Item 10.E—Taxation—Material U.S. Federal Income Tax Considerations—Passive foreign investment company rules."

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

We were incorporated in England and Wales as a private limited company on December 17, 2013 by Abengoa under the name "Abengoa Yield Limited." On March 19, 2014, we were re-registered as a public limited company, under the name "Abengoa Yield plc." On January 7, 2016, we changed our corporate brand to Atlantica Yield. Our shares will continue to be listed on the NASDAQ Global Select Market under the symbol "ABY" and we will change our legal name once approved by the shareholders at our next annual general meeting, which we expect to hold in May 2016.

The address of our principal executive offices is Great West House, GW1, 17th floor, Great West Road, Brentford, United Kingdom TW8 9DF, and our phone number is + 44 203 547 8055.

We are a total return company that owns, manages, and acquires renewable energy, conventional power, electric transmission lines and water revenue-generating assets, focused on North America (the United States and Mexico), South America (Peru, Chile, Brazil and Uruguay) and EMEA (Spain, Algeria and South Africa). We also intend to expand to certain countries in the Middle East, maintaining North America, South America and Europe as our core geographies.

On June 12, 2014, we completed our IPO and listed our shares on the NASDAQ Global Select Market under the symbol "ABY." Prior to the consummation of our IPO, Abengoa transferred to us ten assets representing an initial portfolio comprising 710 MW of renewable energy generation, 300 MW of conventional power generation and 1,018 miles of electric transmission lines and an exchangeable preferred equity investment in ACBH. The assets in the initial portfolio consisted of:

- Renewable energy assets include (i) two solar power plants in the United States, Solana and Mojave, each with a gross capacity of 280 MW; (ii) one on-shore wind farm in Uruguay, Palmatir, with a gross capacity of 50 MW; and (iii) a solar power complex in Spain, Solaben 2/3, with a gross capacity of 100 MW.
- Conventional power asset consist of ACT Energy Mexico, or ACT, a 300 MW cogeneration plant in Mexico.
- Electric transmission lines in the initial portfolio consist of (i) two lines in Peru, ATN and ATS, spanning a total of 931 miles; and (ii) three lines in Chile, Quadra 1, Quadra 2, and Palmucho, spanning a total of 87 miles.

Upon our IPO, we signed an exclusive agreement with Abengoa, which we refer to as the ROFO Agreement, which provides us with a right of first offer on any proposed sale, transfer or other disposition of any of Abengoa's contracted renewable energy, conventional power, electric transmission or water assets in operation and located in the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, as well as four assets in selected countries in Africa and the Middle East. We refer to the contracted assets subject to the ROFO Agreement as the "Abengoa ROFO Assets."

On November 18, 2014, we completed the acquisition of a 74% stake in Solacor 1/2, a solar power asset in Spain with a capacity of 100 MW; on December 4, 2014, we completed the acquisition of PS10/20, a solar power asset in Spain with a capacity of 31 MW; and on December 29, 2014, we completed the acquisition of Cadonal, an on-shore wind farm in Uruguay with a capacity of 50 MW. See "Item 4.B—Business Overview—Our Operations—Renewable Energy" for a description of such assets. The total purchase price paid for these assets amounted to $312 million.

On January 22, 2015, Abengoa closed an underwritten public offering and sale of 10,580,000 of our ordinary shares for total proceeds of $327,980,000 (or $31 per share) before underwriting fees and expenses. As of the date of this annual report, Abengoa owns 41.86% of our ordinary shares.

On February 3, 2015, we completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda, two desalination plants in Algeria with an aggregate capacity of 10.5 M ft3 per day. On February 23, 2015, we completed the acquisition of a 29.6% stake in Helioenergy 1/2, a solar power asset in Spain with a capacity of 100 MW. The total purchase price paid for these assets amounted to $94 million.

On May 13, 2015 and May 14, 2015, we completed the acquisition of Helios 1/2, a 100 MW solar complex and Solnova 1/3/4, a 150 MW solar complex, each in located in Spain. On May 25, 2015, we completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2. On July 30, 2015, we completed the acquisition of Kaxu, a 100 MW solar plant in South Africa. The total purchase price paid for these assets amounted to $682 million.

On June 25, 2015, we completed the acquisition of ATN2, an 81-mile transmission line in Peru from Abengoa and Sigma, a third-party financial investor in the project. On September 30, 2015, we completed the acquisition of Solaben 1/6, a 100 MW solar complex in Spain. On January 7, 2016, we completed the acquisition of a 13% stake in Solacor 1/2, a 100 MW solar complex where we already owned a 74% stake. The total purchase price paid for these assets amounted to $378 million.

B. Business Overview

Overview

We are a total return company that owns, manages, and acquires renewable energy, conventional power, electric transmission lines and water revenue-generating assets, focused on North America (the United States and Mexico), South America (Peru, Chile, Brazil and Uruguay) and EMEA (Spain, Algeria and South Africa).

As of the date of this annual report, we own or have interests in 20 assets, comprising 1,441 MW of renewable energy generation, 300 MW of conventional power generation, 10.5 M ft^3 per day of water desalination and 1,099 miles of electric transmission lines, as well as an exchangeable preferred equity investment in ACBH. Each of the assets we own has a project-finance agreement in place. All of our assets have contracted revenues (regulated revenues in the case of our Spanish assets) with low-risk off-takers and collectively have a weighted average remaining contract life of approximately 22 years as of December 31, 2015.

We intend to take advantage of favorable trends in the power generation and electric transmission sectors globally, including energy scarcity and a focus on the reduction of carbon emissions. To that end, we believe that our cash flow profile, coupled with our scale, diversity and low-cost business model, offers us a lower cost of capital than that of a traditional engineering and construction company or independent power producer and provides us with a significant competitive advantage with which to execute our growth strategy.

We are focused on high-quality, newly-constructed and long-life facilities with creditworthy counterparties that we expect will produce stable, long-term cash flows. We will seek to grow our cash available for distribution and our dividend to shareholders through organic growth and by acquiring new contracted assets from our current sponsor, Abengoa, from third parties and from potential new future sponsors.

We signed an exclusive agreement with Abengoa, which we refer to as the ROFO Agreement, which provides us with a right of first offer on any proposed sale, transfer or other disposition of any of Abengoa's contracted renewable energy, conventional power, electric transmission or water assets in operation and located in the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, as well as four assets in selected countries in Africa and the Middle East. We refer to the contracted assets subject to the ROFO Agreement as the "Abengoa ROFO Assets." See "Item 4.B—Business Overview—Our Growth Strategy" and "Item 7.B—Related Party Transactions—Right of First Offer."

Additionally, we plan to sign similar agreements with other developers or asset owners. In addition, we expect to acquire assets from third parties leveraging the local presence and network we have in the geographies and sectors in which we operate.

With this business model, our objective is to pay a consistent and growing cash dividend to shareholders that is sustainable on a long-term basis. We expect to distribute a very high percentage of our cash available for distribution as cash dividends and we will seek to increase such cash dividends over time through organic growth and as we acquire assets with characteristics similar to those in our current portfolio.

Pursuant to our cash dividend policy, we pay a cash dividend each quarter to holders of our shares. In 2015, we have paid total dividends of $1.4292 per share to our shareholders. On March 16, 2015, we paid a dividend of $0.2592 per share to shareholders of record February 28, 2015. On June 15, 2015, we paid a dividend of $ 0.34 per share to shareholders of record May 29, 2015. On September 15, 2015, we paid a dividend of $ 0.40 per share to shareholders of record August 30, 2015. On December 16, 2015, we paid a dividend of $0.43 per share to shareholders of record as of November 30, 2015, and from that amount we retained $9 million of the dividend attributable to Abengoa in accordance with the provisions of the parent support agreement. See "Business Overview—Electric Transmission—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding."

Based on the acquisition opportunities available to us], we believe that we will have the opportunity to grow our cash available for distribution in a manner that would allow us to increase our cash dividends per share over time. Prospective investors should read "Item 5.B—Liquidity—Liquidity and Capital Resources—Cash dividends to investors" and "Item 3.D—Risk Factors," including the risks and uncertainties related to our forecasted results, acquisition opportunities and growth plan, in their entirety.

Purpose of Atlantica Yield

We intend to create value for our shareholders by seeking to (i) achieve recurrent and growing dividends to investors valuing long-term contracted assets and (ii) increase to grow our cash available for distribution and our cash dividends paid to shareholders by acquiring new contracted assets from its current sponsor, Abengoa, from third parties and from potential new future sponsors.

Current Operations

We own a diversified portfolio of contracted assets across the renewable energy, conventional power, electric transmission line and water sectors in North America (the United States and Mexico), South America (Peru, Chile, Uruguay and Brazil) and EMEA (Spain, Algeria and South Africa). We intend to expand to certain countries in the Middle East, maintaining North America, South America and Europe as our core geographies. Our portfolio consists of 12 renewable energy assets, a natural gas-fired cogeneration facility, several electric transmission lines and minority stakes in two water desalination plants, all of which are fully operational. In addition, we own an exchangeable preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, consisting mostly of electric transmission lines. All of our assets have contracted revenues (regulated revenues in the case of our Spanish assets) with low-risk offtakers and collectively have a weighted average remaining contract life of approximately 22 years as of December 31, 2015. We expect that the majority of our cash available for distribution over the next four years will be in U.S. dollars, indexed to the U.S. dollar or in euros. We intend to use currency hedging contracts to maintain a ratio of 90% of our cash available for distribution denominated in U.S. dollars. Approximately 89% of our project-level debt is hedged against changes in interest rates through an underlying fixed rate on the debt instrument or through interest rate swaps, caps or similar hedging instruments.

The following table provides an overview of our current assets (excluding our exchangeable preferred equity investment in ACBH):

Assets	Type	Ownership	Location	Currency(1)	Capacity (Gross)	Offtaker	Counterparty Credit Rating (2)	COD	Contract Years Left
Solana	Renewable (Solar)	100% Class B(3)	Arizona (USA)	U.S. dollar	280 MW	APS	A-/A2/A	4Q 2013	28
Mojave	Renewable (Solar)	100%	California (USA)	U.S. dollar	280 MW	PG&E	BBB/Baa1/ BBB+	4Q 2014	24
Solaben 2/3(4)	Renewable (Solar)	70%(5)	Spain	Euro	2x50 MW	Wholesale market/ Spanish Electric System	BBB/Baa2/ BBB+	2Q 2012 & 4Q 2012	22 / 21
Solacor 1/2(6)	Renewable (Solar)	87%(7)	Spain	Euro	2x50 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	2Q 2012 & 4Q 2012	21 / 21
PS10/20(8)	Renewable (Solar)	100%	Spain	Euro	31 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	1Q 2007 & 2Q 2009	16 / 18
Helioenergy 1/2(9)	Renewable (Solar)	100%	Spain	Euro	2x50 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	3Q 2011 & 4Q 2011	22 / 22
Helios 1/2(10)	Renewable (Solar)	100%	Spain	Euro	2x50 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	2Q 2012 & 3Q2012	21 / 22
Solnova 1/3/4(11)	Renewable (Solar)	100%	Spain	Euro	3x50 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	2Q 2010 & 2Q 2010 & 3Q 2010	19 / 19 / 20
Solaben 1/6(12)	Renewable (Solar)	100%	Spain	Euro	2x50 MW	Wholesale market/ Spanish Electric System	BBB+/Baa2/ BBB+	3Q 2013	23 / 23
Kaxu	Renewable (Solar)	51%(13)	South Africa	Rand	100 MW	Eskom	BBB- /Baa2/BBB(14)	1Q 2015	19
Palmatir	Renewable (Wind)	100%	Uruguay	U.S. dollar	50 MW	Uruguay	BBB-/Baa2/ BBB-(15)	2Q 2014	18
Cadonal	Renewable (Wind)	100%	Uruguay	U.S. dollar	50 MW	Uruguay	BBB-/Baa2/ BBB-(15)	4Q 2014	19
ACT	Conventional Power	100%	Mexico	U.S. dollar	300 MW	Pemex	BBB+/Baa1/ BBB+	2Q 2013	17
ATN	Transmission Line	100%	Peru	U.S. dollar	362 Miles	Peru	BBB+/A3/ BBB+	1Q 2011	25
ATS	Transmission Line	100%	Peru	U.S. dollar	569 Miles	Peru	BBB+/A3/ BBB+	1Q 2014	28
ATN2	Transmission Line	100%	Peru	U.S. dollar	81 miles	Las Bambas	Not rated	2Q 2015	17
Quadra 1	Transmission Line	100%	Chile	U.S. dollar	43 Miles	Sierra Gorda	Not rated	2Q 2014	19
Quadra 2	Transmission Line	100%	Chile	U.S. dollar	38 Miles	Sierra Gorda	Not rated	1Q 2014	19
Palmucho	Transmission Line	100%	Chile	U.S. dollar	6 Miles	Endesa Chile(16)	BBB+/Baa2/ BBB+	4Q 2007	22
Honaine	Water	25.5%(17)	Algeria	U.S. dollar	7 M ft^3/day	Sonatrach	Not rated	3Q 2012	22
Skikda	Water	34.2%(18)	Algeria	U.S. dollar	3.5 M ft^3/day	Sonatrach	Not rated	1Q 2009	18

Notes:—

(1) Certain contracts denominated in U.S. dollars are payable in local currency.

(2) Reflects the counterparty's issuer credit ratings issued by Standard & Poor's Ratings Services, or S&P, Moody's Investors Service Inc., or Moody's, and Fitch Ratings Ltd, or Fitch.

(3) On September 30, 2013, Liberty Interactive Corporation agreed to invest $300 million in Class A shares of Arizona Solar Holding, the holding company of Solana, in exchange for a share of the dividends and the taxable loss generated by Solana. See note 1 to our Annual Consolidated Financial Statements.

(4) Solaben 2 and Solaben 3 are separate special purpose vehicles with separate agreements, but they are treated as a single platform.

(5) Itochu Corporation, a Japanese trading company, holds 30% of the shares in each of Solaben 2 and Solaben 3.

(6) Solacor 1 and Solacor 2 are separate special purpose vehicles with separate agreements but they are treated as a single platform.

(7) JGC Corporation, a Japanese engineering company, holds 13% of the shares in each of Solacor 1 and Solacor 2.

(8) PS10 and PS20 are separate special purpose vehicles with separate agreements but they are treated as a single platform.

(9) Helioenergy 1 and Helioenergy 2 are separate special purpose vehicles with separate agreements but they are treated as a single platform.

(10) Helios 1 and Helios 2 are separate special purpose vehicles with separate agreements but they are treated as a single platform.

(11) Solnova 1, Solnova 3 and Solnova 4 are separate special purpose vehicles with separate agreements but they are treated as a single platform.

(12) Solaben 1 and Solaben 2 are separate special purpose vehicles with separate agreements, but they are treated as a single platform.

(13) Industrial Development Corporation of South Africa owns 29% and Kaxu Community Trust owns 20% of Kaxu.

(14) Refers to the credit rating of the Republic of South Africa.

(15) Refers to the credit rating of Uruguay, as UTE is unrated.

(16) Refers to Empresa Nacional de Electricidad, S.A., or Endesa Chile, which is owned by the Enel Group.

(17) Algerian Energy Company, SPA owns 49% of Honaine and Sadyt owns the remaining 25.5%.

(18) Algerian Energy Company, SPA owns 49% of Skikda and Sadyt owns the remaining 16.8%.

Our assets and operations are organized into the following four business sectors:

Renewable Energy: Our renewable energy assets include two solar power plants in the United States, Solana and Mojave, each with a gross capacity of 280 MW and located in Arizona and California, respectively. Solana is a party to a PPA with Arizona Public Service Company and Mojave is a party to a PPA with Pacific Gas & Electric Company. Solana reached its Commercial Operations Date, or COD, on October 9, 2013 and Mojave reached COD on December 1, 2014.

Additionally, we own the following solar power plants in Spain with a total gross capacity of 681 MW: (i) Solaben 2/3, a 100 MW solar power complex (with an option to purchase such shares for one euro during a four-year term), (ii) Solacor 1/2, a 100 MW solar power complex (with an option to purchase such shares for one euro during a four-year term) and (iii) PS10/20, a 31 MW solar power complex, (iv) Helioenergy 1/2, a 100 MW solar power complex, (v) Helios 1/2, a 100 MW solar power complex, (vi) Solnova 1/3/4, a 150 MW solar power complex and (vii) 74.99% of the shares and a 30-year usufruct of the economic rights of the remaining 25.01% of the shares of Solaben 1/6, a 100 MW solar power complex in Spain. All such projects receive market and regulated revenues under the economic framework for renewable energy projects in Spain.

We also own two onshore wind farms in Uruguay: Palmatir and Cadonal, each with a gross capacity of 50 MW. Each wind farm is subject to a 20-year U.S. dollar-denominated PPA with a state-owned utility company in Uruguay.

Finally, we own 51% of Kaxu, a 100 MW solar power plant in South Africa. Kaxu is a party to a 20-year PPA with Eskom, the state-owned utility company in South Africa. Kaxu reached COD in February 2015.

Conventional Power: Our conventional power asset consists of ACT, a 300 MW cogeneration plant in Mexico. ACT is a party to a 20-year take-or-pay contract with Petroleos Mexicanos S.A. de C.V., or Pemex, for the sale of electric power and steam. Pemex also supplies the natural gas required for the plant at no cost to ACT, which insulates the project from natural gas price variations.

Electric Transmission: Our electric transmission assets consist of (i) three lines in Peru, ATN, ATN2 and ATS, spanning a total of 1,012 miles; (ii) three lines in Chile, Quadra 1, Quadra 2 and Palmucho, spanning a total of 87 miles and (iii) an exchangeable preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, comprised mostly of transmission lines.

ATN and ATS are subject to a U.S. dollar-denominated 30-year contract with the Ministry of Energy of the Government of Peru. ATN2 is subject to a U.S. dollar-denominated 18-year contract with Las Bambas mining company, which is owned by a partnership consisting of subsidiaries of China Minmetals Corporation, Guoxin International Investment Co. Ltd and CITIC Metal Co. Ltd, and reached COD in June 2015. Quadra 1 and Quadra 2 are subject to a concession contract with Sierra Gorda SCM, a mining company owned by Sumitomo Corporation, Sumitomo Metal Mining and KGHM Polska Mietz. Palmucho is a six-mile electric transmission line and substation subject to a private concession agreement with a utility, Endesa Chile. See “Item 4.B—Business Overview—Our Operations—Electric Transmission—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding” for details on the transmission assets held by ACBH.

Water: Our water assets consist of minority stakes in two desalination plants in Algeria, Honaine and Skikda, with an aggregate capacity of 10.5 M ft3 per day, which we acquired in February 2015. Each asset has a 30-year take-or-pay water purchase agreement with Sonatrach/Algérienne des Eaux.

Our Business Strategy

Our primary business strategy is to generate stable cash flows with our portfolio of assets, which will allow us to grow the cash dividends that we intend to pay to holders of our shares over time while ensuring the ongoing stability of our business. Our plan for executing this strategy includes the following key components:

Focus on stable, long-term contracted assets in renewable energy, conventional power generation and electric transmission lines. We intend to focus on owning and operating these types of assets, for which we possess deep know-how, extensive experience and proven systems and management processes, as well as the critical mass to benefit from operating efficiencies and scale. We expect that this will allow us to maximize value and cash flow generation going forward. We intend to maintain a diversified portfolio in the future, as we believe these technologies will undergo significant growth in our targeted geographies.

Maintain geographic diversification across three principal geographic areas. Our focus on three main markets, North America, South America and Europe, helps to ensure exposure to markets in which we believe the renewable energy, conventional power and electric transmission sectors will continue growing significantly. In addition, we have acquired assets in Algeria and South Africa and may also explore additional acquisition opportunities outside of our main geographies. We believe that a strategic exposure to international markets will allow us to pursue greater growth opportunities and achieve higher returns than if we only focus on assets located in the United States.

Increase cash available for distribution by optimizing our existing assets. Some of our assets are newly operational and we believe that we can increase the cash flow generation of these assets through further management and optimization initiatives and in some cases through repowering. See "Item 3.D—Risk Factors—Risks Related to Our Assets—Certain of our facilities are newly constructed and may not perform as expected."

Increase cash available for distribution through the acquisition of new assets in renewable energy, conventional power and electric transmission. We will seek to grow our cash available for distribution and our dividend to shareholders by acquiring new contracted assets from our current sponsor, Abengoa, from third parties and from potential new future sponsors. We have an exclusive agreement with Abengoa, which provides us with a right of first offer on certain Abengoa's assets in operation. The ROFO Agreement with Abengoa has provided and we expect it will continue to provide us with access to a number of acquisition opportunities that will allow us to achieve accretive growth over the next few years. Additionally, we plan to sign similar agreements with other developers or asset owners. Finally, we expect to acquire assets from third parties leveraging the local presence and network we have in the geographies and sectors where we operate. We believe that our know-how and operating expertise in our key markets together with a critical mass of assets in several geographic areas and the access to capital provided by being a listed company will permit us to successfully realize our growth plans.

Foster a low-risk approach. We intend to maintain, over time, a portfolio of contracted assets with a low-risk profile due to creditworthy offtake counterparties, long-term contracted revenues, over 90% of cash available for distribution in, indexed or hedged to the U.S. dollar and proven technologies in which we have deep expertise and significant experience, located in countries where we believe conditions to be stable and safe.

Additionally, our policies and management systems include thorough risk analysis and risk management processes that we apply whenever we acquire an asset, and which we review monthly throughout the life of the asset. Our policy is to insure all of our assets whenever economically feasible.

Maintain financial strength and flexibility. We intend to maintain a solid financial position through a combination of cash on hand and credit facilities. Conservative cash management may help us to mitigate any unexpected downturns that reduce our cash flow generation.

Our Competitive Strengths

We believe that we are well positioned to execute our business strategies because of the following competitive strengths:

Stable and predictable long-term U.S. and international cash flows with attractive tax profiles. We believe that our recently-developed asset portfolio has a highly stable, predictable cash flow profile consisting of predominantly long-life electric power generation and electric transmission assets that generate revenues under long-term fixed priced contracts or pursuant to regulated rates with creditworthy counterparties. Additionally, our facilities have minimal to no fuel risk. The offtake agreements for our assets have a weighted average remaining duration of approximately 22 years as of December 31, 2015, providing long-term cash flow stability and visibility. Additionally, our business strategy and hedging policy is intended to ensure a minimum of 90% of cash available for distribution in, indexed to or hedged to the U.S. dollar. Furthermore, due to the fact that we are a U.K. resident company we should benefit from a more favorable treatment than would apply if we were a corporation in the United States when receiving dividends from our subsidiaries that hold our international assets because they should generally be exempt from U.K. taxation due to the U.K.'s distribution exemption. Based on our current portfolio of assets, which include renewable assets that benefit from an accelerated tax depreciation schedule, and current tax regulations in the jurisdictions in which we operate, we do not expect to pay significant income tax for a period of at least 10 years due to existing net operating losses, or NOLs, except for ACT in Mexico, where we do not expect to pay significant income taxes until the fifth or sixth year after our IPO once we use existing NOLs. See "Item 3.D—Risk Factors—Risks Related to Taxation—Our future tax liability may be greater than expected if we do not utilize Net Operating Losses, or NOLs, sufficient to offset our taxable income," "Item 3.D—Risk Factors—Risks Related to Taxation—Our ability to use U.S. NOLs to offset future income may be limited" and "Item 3.D—Risk Factors—Risks Related to Taxation—Changes in our tax position can significantly affect our reported earnings and cash flows." Furthermore, based on our current portfolio of assets, we believe that there is minimal repatriation risk in the jurisdictions in which we operate. See "Item 3.D—Risk Factors—Risks Related to Our Business and the Markets in Which We Operate—We have international operations and investments, including in emerging markets that could be subject to economic, social and political uncertainties."

Highly diversified portfolio by geography and technology. We believe that our strategic exposure to international markets will allow us to pursue greater growth opportunities and achieve higher returns than we would if we had a narrow geographic or technological focus. Our portfolio of assets uses technologies that we expect to benefit from long-term trends in the electricity sector. Our renewable energy generation assets generate low or no emissions and serve markets where we expect growth in demand in the future. Additionally, our electric transmission lines connect electricity systems to key areas in their respective markets and we expect significant electric transmission investment in our geographies. As a result, we believe that we may be able to benefit from opportunities to repower some of our assets during the lives of our existing PPAs and to extend the terms of those contracts after current PPAs expire. We expect our well-diversified portfolio of assets by technology and geography to maintain cash flow stability.

Strong corporate governance with a majority independent board and an experienced and incentivized management team. Five of the eight members of our board of directors are independent from us and from Abengoa. We require a majority vote by our independent directors in connection with related party transactions, including acquisitions under the ROFO Agreement with Abengoa. Our management team has significant and valuable expertise in developing, financing, operating and managing renewable energy, conventional power and electric transmission assets. We believe their financial and tax management skills will help us achieve our financial targets and continue to grow on a cash accretive basis over the medium- to long-term. Additionally, we intend to encourage our executives to ensure that they focus on stable, long-term cash flow generation.

Our Operations

Renewable energy

The following table presents our renewable energy assets, all of which are operational:

Assets	Type	Location	Capacity (Gross)	Offtaker	Currency	Counterparty Credit Rating(1)	COD	Contract Years Left
Solana	Solar	Arizona	280 MW	APS	U.S. dollars	A-/A2/A	4Q 2013	28
Mojave	Solar	California	280 MW	PG&E	U.S. dollars	BBB/Baa1/BBB+	4Q 2014	24
Solaben 2/3	Solar	Spain	2x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	4Q 2012 & 2Q 2012	22 / 21
Solacor 1/2	Solar	Spain	2x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	2Q 2012 & 4Q 2012	21 / 21
PS10/20	Solar	Spain	31 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	1Q 2007 & 4Q 2009	16 / 18
Helioenergy 1/2	Solar	Spain	2x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	2Q 2012 & 4Q 2012	22 / 22
Helios 1/2	Solar	Spain	2x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	2Q 2012 & 4Q 2012	21 / 22
Solnova 1/3/4	Solar	Spain	3x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB/Baa2/ BBB+	2Q 2012 & 4Q 2012	19 / 19 / 20
Solaben 1/6	Solar	Spain	2x50 MW	Wholesale market/ Spanish Electric System	Euro	BBB+/Baa2/ BBB+	3Q 2013	23 /23
Kaxu	Solar	South Africa	100 MW	Eskom	Rand	BBB-/Baa2/BBB(2)	1Q 2015	19
Palmatir	Wind	Uruguay	50 MW	UTE	U.S. dollars	BBB-/Baa2/ BBB-(3)	2Q 2014	18
Cadonal	Wind	Uruguay	50 MW	UTE	U.S. dollars	BBB-/Baa2/ BBB-(3)	4Q 2014	19

Notes:—

(1) Reflects counterparty's issuer credit ratings issued by S&P, Moody's and Fitch.

(2) Refers to the credit rating of the Republic of South Africa.

(3) Refers to the credit rating of Uruguay, as UTE is unrated.

Solana

Overview. The Solana Solar Project, or Solana, is a 250 MW net (280 MW gross) solar electric generation facility located in Maricopa County, Arizona, approximately 70 miles southwest of Phoenix. Arizona Solar One LLC, or Arizona Solar, owns the Solana project. Solana includes a 22-mile 230kV transmission line and a molten salt thermal energy storage system. The construction of Solana commenced in December 2010 and Solana reached COD on October 9, 2013.

Solana relies on a conventional parabolic trough solar power system to generate electricity. The parabolic trough technology has been utilized for over 25 years at the Solar Electric Generating Systems, SEGS, facilities located in the Mojave Desert in Southern California. Our 13 50-MW parabolic trough facilities in Spain have also used this technology since 2010. Solana produces electricity by means of an integrated process using solar energy to heat a synthetic petroleum-based fluid in a closed-loop system that, in turn, heats water to create steam to drive a conventional steam turbine. Solana employs a two-tank molten salt thermal energy storage system that provides an additional six hours of solar dispatchability to increase its efficiency. This type of storage system has been in operation in several commercial plants in Spain since March 2009 and is also similar to the Abengoa's demonstration plant at its Solucar Platform in Seville that has been in operation since February 2009.

Abengoa Solar US Holdings Inc., the entity through which we indirectly invest in Solana, is not expected to pay U.S. federal income taxes in the next 10 years due to the relevant NOLs and NOL carryforwards generated by the application of tax incentives established in the United States, in particular MACRS accelerated depreciation.

Power Purchase Agreement. Solana has a 30-year, fixed-price PPA with Arizona Public Service Company, or APS, for at least 110% of the output of the project. The PPA provides for the sale of electricity at a fixed base price approved by the Arizona Corporation Commission with annual increases of 1.84% per year. The PPA includes on-going performance obligations and is intended to provide Arizona Solar with consistent and predictable monthly revenues that are sufficient to cover operating costs and debt service and to earn an equity return.

APS is a load serving utility based in Phoenix, Arizona. APS has senior unsecured credit ratings of A- from S&P, A2 from Moody's and A from Fitch.

The PPA was initially executed in February 2008 and received final approval from the Arizona Corporation Commission in December 2008. The PPA was most recently amended and restated in December 2010. The PPA expires on October 9, 2043.

Engineering, Procurement and Construction Agreements. The construction of Solana was carried out by subsidiaries of Abengoa under an arm's-length, fixed-price and date-certain engineering, procurement and construction contract, or an EPC contract, that was executed on December 20, 2010. Abengoa completed construction of Solana on October 9, 2013. The EPC contract provides a three-year performance guarantee for the benefit of financing parties. The EPC contract contains warranties that protect Arizona Solar against defects in design, materials and workmanship for one year after completion and under these warranties Abengoa is required to conduct certain repairs and improvements to ensure the plant reaches its technical capacity. Abengoa constructed Solana using equipment from leading suppliers, including two 140 MW (gross) steam turbines supplied by Siemens.

Transmission and Interconnection. Solana interconnects to the existing 230kV APS panda substation via a newly-constructed 230kV transmission line between the facility switchyard and the APS panda substation. A large generator interconnection agreement, or LGIA, was executed with APS to govern the interconnection. The Federal Energy Regulatory Commission, or FERC, approved the LGIA on August 31, 2010.

Operations & Maintenance. ASI Operations LLC, or ASI Operations, a wholly-owned subsidiary of Abengoa, provides operations and maintenance, or O&M, services for Solana, focused exclusively on personnel. ASI Operations has agreed to operate the facility in accordance with prudent utility practices, to ensure compliance with all applicable government and agency permits, licenses, approvals and PPA terms, and to assist Arizona Solar in connection with the procurement of all necessary support and ancillary services. The Operations and Maintenance Agreement, or an O&M agreement, between ASI Operations and Arizona Solar is a 30-year cost-reimbursable contract with a fixed fee of $480,000 per year, which is indexed to U.S. CPI, and a variable fee that Arizona Solar will pay in periods when the project's annual net operating profits exceed the target annual net operating profit. Payments to third-party suppliers are made directly by Arizona Solar. We expect that the variable fee will provide ASI Operations with a significant long-term interest in the success of the project, which we expect will align its interests with those of Arizona Solar.

Project Level Financing. Arizona Solar executed a loan guarantee agreement with the DOE on December 20, 2010 to provide a loan guarantee in connection with a two-tranche loan of approximately $1.445 billion from the Federal Financing Bank, or FFB. The FFB loan had a short-term tranche of $450 million as of December 31, 2013 that was repaid in April 2014 with the proceeds from the Investment Tax Credit Cash Grant, or ITC Cash Grant, that the project has received from the U.S. Treasury. The FFB loan has a long-term tranche payable over a 29-year term with the cash generated by the project. The principal balance of this tranche was $942 million as of December 31, 2015. The loan is denominated in U.S. dollars. The FFB loan has a fixed average interest rate of 3.56%.

The financing arrangement permits dividend distributions on a semi-annual basis after the first principal repayment of the long-term tranche, as long as the debt service coverage ratio for the previous four fiscal quarters is at least 1.20x and the projected debt service coverage ratio for the next four fiscal quarters is at least 1.20x.

Partnerships. On September 30, 2013, Abengoa entered into an agreement with Liberty Interactive Corporation, or Liberty, pursuant to which Liberty agreed to invest $300 million in Class A membership interests of ASO Holdings Company LLC, the parent of Arizona Solar, in exchange for a share of the dividends and the taxable loss generated by the project. See note 1 to our Annual Consolidated Financial Statements for more information. All figures in this Offering Memorandum take into account Liberty's share of dividends. Atlantica Yield indirectly owns 100% of the Class B membership interests in ASO Holdings Company LLC.

Mojave

Overview. The Mojave Solar Project, or Mojave, is a 250 MW net (280 MW gross) solar electric generation facility located in San Bernardino County, California, approximately 100 miles northeast of Los Angeles. Abengoa commenced construction of Mojave in September 2011. Mojave completed construction and reached COD on December 1, 2014. Mojave Solar LLC, or Mojave Solar, owns the Mojave project.

Mojave relies on a conventional parabolic trough solar power system to generate electricity and is similar to Solana with respect to technology and general design. The main difference between Solana and Mojave is that Mojave does not have a molten salt storage system, as the offtaker did not require one.

Mojave is not expected to pay federal income tax in the next 10 years due to the relevant NOLs and NOL carryforwards generated by the application of tax incentives established in the United States, in particular MACRS accelerated depreciation.

Power Purchase Agreement. Mojave has a 25-year, fixed-price PPA with Pacific Gas & Electric Company, or PG&E, for 100% of the output of Mojave. The PPA began on COD. The PPA provides for the sale of electricity at a fixed base price with seasonal adjustments and adjustments for time of delivery. Mojave Solar can deliver and receive payment for at least 110% of contracted capacity under the PPA. The PPA includes on-going performance obligations of up to 140% of annual contract quantity (approximately 617 GWh) in any 24-month period. The PPA is intended to provide Mojave Solar with consistent and predictable monthly revenues sufficient to cover operating costs and debt service and to earn an equity return.

PG&E, a utility based in San Francisco, is one of the largest integrated natural gas and electric utilities in the United States. PG&E has senior unsecured credit ratings of BBB from S&P, Baa1 from Moody's and BBB+ from Fitch.

Engineering, Procurement and Construction Agreement. The construction of Mojave was carried out by subsidiaries of Abengoa, or the contractor, under an arm's-length, fixed-price EPC contract that was executed on September 12, 2010. Mojave issued a "full notice to proceed" on March 7, 2012 and reached COD on December 1, 2014.

The EPC contract includes a three-year performance guarantee linked to energy production. Mojave's key equipment has been supplied by leading companies, including two twin turbines from General Electric.

Transmission and Interconnection. Mojave interconnects to the existing transmission system through Southern California Edison, or SCE, transmission lines. Mojave reached resource adequacy in September 2015, once all the requirements in the Kramer-Coolwater transmission were fulfilled.

Operations & Maintenance. ASI Operations provides O&M services for Mojave focused exclusively on personnel. Under the terms of the O&M agreement between ASI Operations and Mojave Solar, ASI Operations has agreed to operate the facility in accordance with prudent utility practices, to ensure compliance with all applicable government and agency permits, licenses, approvals and PPA terms, and to assist Mojave Solar in connection with the procurement of all necessary support and ancillary services. The O&M agreement is a cost-reimbursable contract with a combination of fixed and variable fees. Payments to third-party suppliers are made directly by Arizona Solar. The fixed fee is $500,000 per year starting in the second year of full operations and will increase by 2.5% per year. The fixed fee will be $1.0 million during the start-up year and will be $750,000 during the first year of full operations. Mojave Solar will pay the variable fee in periods when the project's annual net operating profits exceed the target annual net operating profit. We expect that the variable fee will provide ASI Operations with a significant long-term interest in the success of the project, which we expect will align its interests with those of Mojave Solar.

Project Level Financing. Mojave Solar executed a Loan Guarantee Agreement with the DOE on September 12, 2011 to provide a loan guarantee in connection with a two-tranche FFB loan of approximately $1,202 million. The FFB loan had a short-term tranche of $336 million as of December 31, 2014 that Mojave Solar repaid in October 2015 with the proceeds from the ITC Cash Grant that the project received from the U.S. Treasury. The FFB loan has a long-term tranche payable over a 25-year term with the cash generated by the project. The principal balance of this tranche was $788 million as of December 31, 2015. The loan is denominated in U.S. dollars. The FFB loan has an average fixed interest rate of 2.75% and each disbursement is linked to the U.S. Treasury bond with the maturity of that disbursement.

The financing arrangement permits dividend distributions on a semi-annual basis after the first principal repayment of the long-term tranche, as long as the debt service coverage ratio for the previous four fiscal quarters is at least 1.20x and the projected debt service coverage ratio for the next four fiscal quarters is at least 1.20x.

Solaben 2/3

Overview. The Solaben 2 and Solaben 3 projects are two 50 MW solar power plants and are part of Abengoa's Extremadura Solar Complex located in the municipality of Logrosan, Spain. Abengoa commenced construction of Solaben 2 and Solaben 3 in August 2010. Solaben 2 reached COD in June 2012 and Solaben 3 reached COD in October 2012. Solaben Electricidad Dos, S.A., or SE2, owns Solaben 2 and Solaben Electricidad Tres, S.A., or SE3, owns Solaben 3.

Solaben 2 and Solaben 3 each rely on a conventional parabolic trough solar power system to generate electricity. The technology is similar to the technology used in other solar power plants that we own in the United States and Spain.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Solaben 2 and Solaben 3 are not expected to pay significant income taxes in the next 10 years.

We hold 70% of the shares of the entity holding Solaben 2 and Solaben 3. We also have a call option to purchase such shares for one euro exercisable during a four-year term.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from the *Comision Nacional de los Mercados y de la Competencia*, or CNMC, the Spanish state-owned regulator.

Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See "Item 4.B—Business Overview—Regulation—Regulation in Spain."

Engineering, Procurement and Construction Agreement. The construction of Solaben 2/3 was carried out by subsidiaries of Abengoa under an arm's-length, fixed-price and date-certain EPC contract executed on December 16, 2010.

Transmission and Interconnection. Solaben 2/3, together with two other Abengoa Solaben projects and three plants owned by other companies, are connected to the electrical grid via common interconnection facilities that were jointly developed and are jointly owned. The interconnection facilities connect Solaben 2 and Solaben 3 from the SET Mesa de la Copa substation, which is located next to the Solaben projects, to the Valdecaballeros substation. The installation consists of a nodal transformer substation 220/400kV with a capacity of 600 MVA at SET Mesa de la Copa and a transmission line at 400kV of about 12 miles, which connect the nodal substation with a post of 400kV in the Valdecaballeros substation.

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Operations & Maintenance. Abengoa Solar Espana, S.A., or ASE, is the contractor for O&M services at Solaben 2/3. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Solaben 2/3 in connection with the procurement of all necessary support and ancillary services. Each O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of the COD.

Project Level Financing. SE2 and SE3 each entered into a 20-year loan agreement with a syndicate of banks formed by the Bank of Tokyo-Mitsubishi, Mizuho, HSBC and Sumitomo Mitsui Banking Corporation on December 16, 2010. Each loan is denominated in euros. The loan for Solaben 2 was for €169.3 million and the loan for Solaben 3 was for €171.5 million. The banks providing these loans obtained commercial and political risk insurance from Nippon Export and Investment Insurance, which allowed for lower financing costs. The interest rate for each loan is a floating rate based on EURIBOR plus a margin of 1.5% Each loan was initially 80% hedged with the same banks providing the financing. The hedge was structured 50% through a swap set at approximately 3.7% and 50% through a cap with a 3.75% strike. In November 2013, SE2 and SE3 hedged through 2017 the remaining 20% exposure through a cap with a 0.75% strike.

The outstanding amount of these loans as of December 31, 2015 was €149 million for Solaben 2 and €151 million for Solaben 3.

The financing arrangements permit cash distribution to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.10x.

Partnerships. Itochu Corporation, a Japanese trading company, holds a 30% stake in the economic rights of each of Solaben 2 and Solaben 3.

Solacor 1/2

Overview. The Solacor 1/2 project is a 100 MW solar power complex and is part of Abengoa's El Carpio Solar Complex, located in the municipality of El Carpio, Spain. Abengoa commenced construction of Solacor 1/2 in September 2010. COD was reached in January 2012 for Solacor 1 and in March 2012 for Solacor 2. JGC Corporation, a Japanese engineering company, currently owns 13% of Solacor 1/2.

Solacor 1/2 relies on a conventional parabolic trough solar power system to generate electricity. The technology is similar to the technology used in other solar power plants that we own in Spain.

We hold 87% of the shares of the entity holding Solacor 1 and Solacor 2.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Solacor 1/2 is not expected to pay significant income taxes in the next 10 years.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from the CNMC.

Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See "Item 4.B—Business Overview—Regulation—Regulation in Spain."

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Transmission and Interconnection. Solacor 1/2 delivers its electricity through an underground line 132 kV from the substation of the plant to the SET Pabellones 132 kV. This SET Pabellones connects directly with the line 132 kV Andujar/Lancha of Sevillana Endesa, where the connection point of the plants is located.

Operations & Maintenance. ASE is the contractor for O&M services at Solacor 1/2. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Solacor 1/2 in connection with the procurement of all necessary support and ancillary services. Each O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of the COD.

Project Level Financing. Solacor 1/2 entered into 20-year loan agreements with a syndicate of banks formed by BNP Paribas, Mizuho, HSBC and SMBC on August 6, 2010. The loans are denominated in euros. The loans for Solacor 1/2 totaled €353 million. The banks providing these loans obtained commercial and political risk insurance from Nippon Export and Investment Insurance, which allowed for lower financing costs. The interest rate for the loans is a floating rate based on EURIBOR plus a margin of 1.5% The loans were initially approximately 82% hedged with the same banks providing the financing. The hedge was structured 66% through a swap set at approximately 3.20% and 34% through a cap with a 3.25% strike. The total outstanding amount of these loans as of December 31, 2015 was €302 million.

These financing arrangements permit cash distribution to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.10x.

Partnerships. On December 31, 2015, JGC Corporation, a Japanese engineering company, held a 26% stake in the economic rights in Solacor 1/2. On January 7, 2016, we closed the acquisition of 13% of the shares of Solacor 1/2 from JGC Corporation, which reduced their ownership in Solacor 1/2 to 13%.

PS10/20

Overview. PS10/20 is a 31 MW solar power complex and is part of Abengoa's Solucar Solar Complex, located in the municipality of Sanlucar la Mayor, Spain. Construction of PS10 commenced in June 2004 and construction of PS20 commenced in November 2006. PS10 reached COD in June 2007 and PS20 reached COD in April 2009.

PS10/20 is not expected to pay significant income taxes in the next 10 years due to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act and applicable to the tax consolidation group where this project is included.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from CNMC.

Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See "Item 4.B—Business Overview—Regulation—Regulation in Spain."

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Transmission and Interconnection. PS10/20 connect to an overhead line of 66 kV from the substation of PS10/20 to the SET Sanlucar la Mayor 66 kV. This SET Sanlucar la Mayor is part of the grid of Sevillana Endesa, where the connection point of the plants is located.

Operations & Maintenance. ASE is the contractor for O&M services at PS10/20. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist PS10/20 in connection with the procurement of all necessary support and ancillary services. Each O&M agreement is a 21-year all-in contract that expires on the 21st anniversary of COD.

Project Level Financing. PS10 entered into a 21.5-year loan agreement with a syndicate of banks formed by Bankia and Natixis on November 17, 2006. On June 14, 2007 the loan agreement was entered into a novation in order to include in the syndicate of banks the European Investment Bank and Caja de Ahorros del Mediterraneo, which was acquired by Banco Sabadell, S.A. The loan was for €43.4 million. The interest rate for the loan is a floating rate based on EURIBOR plus a margin of 1.0% to 1.10% (depending on the level of the debt service coverage ratio). The loan was initially 100% hedged with the same banks providing the financing. The hedge was structured 30% through a swap set at approximately 4.07% and 70% through a cap with a 4.25% strike. The outstanding amount of this loan as of December 31, 2015 was €30 million.

PS20 entered into a 24.5-year loan agreement with a syndicate of banks formed by Bankia and Natixis Banques Populaires, Spanish Branch on November 17, 2006. On June 14, 2007 the loan agreement was entered into a novation in order to include in the syndicate of banks the European Investment Bank and Caja de Ahorros del Mediterraneo, which was acquired by Banco Sabadell, S.A. The loan was for €94.6 million. The interest rate for the loan is a floating rate based on EURIBOR plus a margin of 1.0% to 1.10% (depending on the level of the debt service coverage ratio). The loan was initially 100% hedged with the same banks providing the financing. The hedge was structured 30% through a swap set at approximately 4.07% and 70% through a cap with a 4.25% strike. The outstanding amount of this loan as of December 31, 2015 was €74 million.

These financing arrangements permit cash distribution to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.10x.

Helios 1/2

Overview. The Helios 1/2 project is a 100 MW concentrating solar power facility known as Plataforma Solar Castilla la Mancha, located in the municipality of Arenas de San Juan, Puerto Lapice and Villarta de San Juan, Spain. Helios 1 reached COD in the second quarter of 2012 and Helios 2 reached COD in the third quarter of 2012. We indirectly own 100% of Helios 1/2.

Helios 1/2 relies on a conventional parabolic trough concentrating solar power system to generate electricity. This technology is similar to the technology used in other solar power plants that we own in Spain.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Helios 1/2 is not expected to pay significant income taxes in the next 10 years.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from CNMC.

Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See "Item 4.B—Business Overview—Regulation—Regulation in Spain."

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Engineering, Procurement and Construction Agreement. The construction of Helios 1/2 was carried out by subsidiaries of Abengoa under an arm's-length, fixed-price and date-certain EPC contract executed on June 30, 2011.

Transmission and Interconnection. Helios 1/2 delivers its electricity through an aerial-underground line 15 kV from the substation of the plant to a 220 kV line that ends in SET Arenas de San Juan, where the connection point of the plant is located.

Operation & Maintenance. ASE is the contractor for O&M services at Helios 1/2. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Helios 1/2 in connection with the procurement of all necessary support and ancillary services. The O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of the COD.

Project Level Financing. On June 6, 2011, Helios 1 entered into a 20-year loan agreement for €144.2 million with a syndicate of banks formed by Santander, Caixa Bank, Banif Investment Bank, Bankia, Kfw IPEX-Bank, Helaba and ICO. The interest rate for the loan is a floating rate based on EURIBOR (six months) plus a margin of 3.50% until August 12, 2016, plus a margin of 3.75% from August 10, 2016 to August 10, 2018 and plus a margin of 4.25% from August 10, 2018. The loan was initially approximately 75% hedged with the same banks providing the financing. The hedge was structured 100% through a swap set at approximately 3.85%

On June 6, 2011, Helios 2 entered into a 20-year loan agreement for €145.1 million with a syndicate of banks formed by Santander, Caixa Bank, Banif Investment Bank, Bankia, Kfw IPEX-Bank, Helaba and ICO. The interest rate for the loan is a floating rate based on EURIBOR (six months) plus a margin of 3.50% until August 12, 2016, plus a margin of 3.75% from August 10, 2016 to August 10, 2018 and plus a margin of 4.25% as of August 10, 2018. The loan was initially approximately 75% hedged with the same banks providing the financing. The hedge was structured 100% through a swap set at approximately 3.85%.

The total outstanding amount of these loans as of December 31, 2015 was €267 million.

The financing agreements of both plants permit cash distributions to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.15x.

Helios 1/2 projects have a "cash-sweep" mechanism in the financing agreements by which all the cash generated by the projects from 2019 will be paid directly to the lenders. We expect to refinance Helios 1/2 before 2019.

Helioenergy 1/2

Overview. Helioenergy 1/2 is a 100 MW solar power complex located in Ecija, Spain. Certain Abengoa subsidiaries began construction on the Helioenergy 1/2 project in 2010 and reached COD in 2012. We indirectly own 100% of Helioenergy 1/2.

Helioenergy 1/2 relies on a conventional parabolic trough concentrating solar power system to generate electricity. This technology is similar to the technology used in other solar power plants that we own in Spain.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Helioenergy 1/2 is not expected to pay significant income taxes in the next 10 years.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from CNMC.

Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See “Item 4.B—Business Overview—Regulation—Regulation in Spain.”

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody’s and BBB+ from Fitch.

Engineering, Procurement and Construction Agreement. Certain Abengoa subsidiaries carried out the construction of Helioenergy 1/2 under an arm’s-length, fixed-price and date-certain EPC contract executed on May 6, 2010.

Transmission and Interconnection. Helioenergy 1/2 delivers its electricity through an aerial-underground line 220 kV from the substation of the plant to a 220 kV line that ends in SET Villanueva del Rey (owned by Red Electrica de España), where the connection point of the plant is located.

Operation & Maintenance. ASE is the O&M services contractor for Helioenergy 1/2. ASE agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Helioenergy 1/2 in connection with the procurement of all necessary support and ancillary services. The O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of the COD.

Project Level Financing. On May 6, 2010, Helioenergy 1 entered into an 18-year loan agreement for €158.2 million with a syndicate of banks consisting of Santander, Barclays Bank, Bankia, Credit Agricole CIB, Caixa Bank, Société Générale, SMBC, Banco Popular, Bankinter and Unicaja. The interest rate for the loan is a floating rate based on EURIBOR plus a margin of 3.25% The loan was initially approximately 80% hedged with the same banks providing the financing. The hedge was structured 100% through a swap set at approximately 3.8205% strike.

On May 6, 2010, Helioenergy 2 entered into a 18-year loan agreement for €158.2 million with a syndicate of banks formed by Santander, Barclays Bank, Bankia, Crédit Agricole CIB, Caixa Bank, Société Générale, SMBC, Banco Popular, Bankinter and Unicaja. The loan is denominated in euro. The interest rate for the loan is a floating rate based on EURIBOR plus a margin of 3.25% The loan was initially approximately 80% hedged with the same banks providing the financing. The hedge was structured 80% through a swap set at approximately 3.8205% strike.

As of December 31, 2015, the outstanding amount of these loans was €278 million. The financing arrangements permit cash distributions to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.15x.

Solnova 1/3/4

Overview. The Solnova 1/3/4 project is a 150 MW concentrating solar power facility and a part of the Sanlucar solar platform is located in the municipality of Sanlucar la Mayor, Spain. Solnova 1 and Solnova 3 projects reached COD in the second quarter of 2010 and Solnova 4 reached COD in the third quarter of 2010. We indirectly own 100% of the Solnova 1/3/4 projects.

Solnova 1/3/4 relies on a conventional parabolic trough concentrating solar power system to generate electricity. This technology is similar to the technology used in other solar power plants that we own in Spain.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Solnova 1/3/4 is not expected to pay significant income taxes in the next 10 years.

Regulation. Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from CNMC. Solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments. These payments consist of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments for that year and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns. See “Item 4.B—Business Overview—Regulation—Regulation in Spain.”

Taking into account the minimum thresholds and the historical performance of the plants, we expect that the plants will reach the minimum generation required.

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody’s and BBB+ from Fitch.

Engineering, Procurement and Construction Agreement. Certain Abengoa subsidiaries carried out the construction of Solnova 1/3/4 under an arm’s-length, fixed-price and date-certain EPC contract executed on October 10, 2007 for Solnova 1/3 and on July 28, 2007 for Solnova 4.

Transmission and Interconnection. Solnova 1/3/4 delivers its electricity through an aerial-underground line 66 kV from the substation of the plant to a 220 kV line that ends in SET Casaquemada, where the connection point of the plant is located.

Operation & Maintenance. ASE is the O&M services contractor for Solnova Solar Platform. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Solnova in connection with the procurement of all necessary support and ancillary services. The O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of COD.

Project Level Financing. On July 2, 2009, Solnova 1 entered into a 22-year loan agreement for €233.4 million with a syndicate of banks consisting of Societe Generale, Santander, Credit Agricole CIB, Natixis, Banco Sabadell (Sabadell y Dexia), Credit Industriel et Commercial, Kfw IPEX-Bank, IKB Deutsche Industriebank, SMBC, Caixa Bank, DEPFA Bank, Landesbank Baden – Wurttemberg and BEI. The interest rate for the loan is a floating rate based on EURIBOR (six months) plus a margin of 1.25% The loan was initially 80% hedged with the same banks providing the financing. The hedge was structured 100% through a swap set at approximately 4.76% strike.

On July 2, 2009, Solnova 3 entered into a 22-year loan agreement for €227.5 million with a syndicate of banks formed by Societe Generale, Santander, Credit Agricole CIB, Natixis, Banco Sabadell, Credit Industriel et Commercial, Kfw IPEX-Bank, IKB Deutsche Industriebank, SMBC, Caixa Bank, DEPFA Bank, Landesbank Baden – Wurttemberg and BEI. The interest rate for the loan is a floating rate based on EURIBOR (six months) plus a margin of 1.15% The loan was initially 80% hedged with the same banks providing the financing. The hedge was structured 30% through a swap set at approximately 4.34% cost and 70% through a cap at approximately 4.65%.

Solnova 4 entered into a 22-year loan agreement for €217.1 million with a syndicate of banks formed by Santander, Bankia, Credit Agricole CIB, Banco Sabadell (Sabadell y Dexia), ING Belgium, Kfw IPEX-Bank, Ladesbank Baden-Wurttemberg, Natixis, Societe Generale and UBI Banca on July 2, 2009. The interest rate for the loan is a floating rate based on EURIBOR (six months) plus a margin of 1.60% The loan was initially 80% hedged with the same banks providing the financing. The hedge was structured 100% through a swap set at approximately 4.87% strike.

As of December 31, 2015, the outstanding amount of these loans was €557 million.

The financing arrangements of the three plants permit cash distributions to shareholders once per year if the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.15x. for Solnova 1/3 and a debt service coverage ratio of at least 1.10x for Solnova 4.

Solaben 1/6

Overview. Solaben 1/6 is a 100 MW solar power facility and is part of Abengoa's Extremadura Solar Complex. The Extremadura Solar Complex consists of four concentrating solar power plants, Solaben 1, Solaben 2, Solaben 3 and Solaben 6, and is located in the municipality of Logrosan, Spain. Solaben 1/6 reached COD in late 2013.

Solaben 1/6 relies on a conventional parabolic trough concentrating solar power system to generate electricity. This technology is similar to the technology used in other solar power plants that we own in Spain.

According to the tax accelerated depreciation regime established by the Spanish Corporate Income Tax Act, Solaben 1/6 is not expected to pay significant income taxes in the next years.

Regulation: Renewable energy projects in Spain sell the power they produce into the wholesale electricity market and receive additional payments from CNMC.

Concentrating solar power plants receive, in addition to the revenues from the sale of electricity in the market, two monthly payments in order to achieve the specific rate of return. These payments are comprised of: (i) a fixed monthly payment based on installed capacity and (ii) a variable payment based on net electricity produced. There is a maximum number of production hours per year beyond which no variable payment is received. The regulation also includes a minimum number of yearly hours of generation, under which the plant would receive no regulated payments and another higher threshold below which regulated payments would be reduced for a certain year. Those numbers are 35% and 60% of the maximum yearly hours, respectively. We expect that a plant would fail to achieve these thresholds only in cases of major breakdowns.

Engineering, Procurement and Construction Agreements: The construction of Solaben 1/6 was carried out by subsidiaries of Abengoa under arm's-length, fixed-price and date-certain EPC contracts executed on January 23, 2012.

Transmission and Interconnection: Solaben 1/6 together with Solaben 2/3 and three plants owned by other companies, are connected to the electrical grid via common interconnection facilities that were jointly developed and are jointly owned. The interconnection facilities connect Solaben 1/6 from the SET Mesa de la Copa substation, which is located next to the Solaben projects, to the Valdecaballeros substation. The installation consists of a nodal transformer substation 220/400kV with a capacity of 600 MVA at SET Mesa de la Copa and a transmission line at 400kV of about 12 miles, which connect the nodal substation with a post of 400kV in the Valdecaballeros substation.

Spain has senior unsecured credit ratings of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Operation & Maintenance: ASE is the O&M services contractor for Solaben 1/6. ASE has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses and approvals, and feed-in tariff terms, and to assist Solaben 1/6 in connection with the procurement of all necessary support and ancillary services. Each O&M agreement is a 20-year, all-in contract that expires on the 20th anniversary of the COD.

Project Level Financing. On September 30, 2015, Solaben Luxembourg S.A., a holding company of the two project companies, issued a project bond for €285 million. The bonds mature in December 2034. The bonds have a coupon of 3.758% and interest are payable in semi-annual instalments on June 30 and December 31 of each year. The principal of the bonds is amortized over the life of the bonds. The bonds permit dividend distributions once per year after the first repayment of debt has occurred, if the audited financial statements for the prior fiscal year indicate a debt service coverage ratio greater than 1.30 until December 31, 2018 and greater than 1.40 after January 1, 2019. The outstanding amount of the project bonds as of December 31, 2015 was $275 million.

Palmatir

Overview. Palmatir is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Palmatir has 25 wind turbines and each turbine has a nominal capacity of 2 MW. Palmatir reached COD in May 2014.

The wind farm is located in Tacuarembo, 170 miles north of the city of Montevideo. Gamesa, a global leader in the manufacture and maintenance of wind turbines, supplied the turbines from its U.S. subsidiary.

Palmatir is not expected to pay significant corporate taxes in the next 10 years due to the specific tax exemptions established by the Uruguayan government for renewable assets.

Power Purchase Agreement. Palmatir signed a PPA with UTE on September 14, 2011 for 100% of the electricity produced. UTE pays a fixed tariff under the PPA, which is denominated in U.S. dollars and will be partially adjusted in January of each year based on a formula referring to U.S. CPI and the Uruguay's Indice de Precios al Productor de Productos Nacionales and the applicable UYU/U.S. dollars exchange rate.

UTE is unrated and Uruguay has senior unsecured credit ratings of BBB- from S&P, Baa2 from Moody's and BBB- from Fitch.

Engineering, Procurement and Construction Agreement. The construction of Palmatir was carried out by subsidiaries of Abengoa under a fixed price EPC contract that includes customary guarantees, such as a one-year warranty by the EPC contractor for defects plus a two-year performance guarantee linked to energy production.

Transmission and Interconnection. Palmatir connects to UTE's grid at the Bonete substation via a newly-built 21-mile overhead line.

Operations & Maintenance. Palmatir signed an agreement with Epartir, a subsidiary of Omega that is in turn a wholly-owned Abengoa subsidiary, for the provision of O&M services for a 20-year term. The O&M agreement covers scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. The O&M agreement contains customary guarantees, such as two-year guarantee and repairs. Epartir subcontracted with the wind turbine manufacturer, Gamesa, for the wind turbine O&M services.

Project Level Financing. Palmatir signed a financing agreement on April 11, 2013 for a 20-year loan in two tranches in connection with the project. Each tranche is denominated in U.S. dollars. The first tranche is a $73 million loan from the U.S. Export Import Bank with a fixed interest rate of 3.11% The second tranche is a $40 million loan from the Inter-American Development Bank with a floating interest rate of LIBOR plus 4.125% The project hedged 80% of the floating rate loan with a swap at a rate of 2.22% with the financing bank. The combined principal balance of both tranches as of December 31, 2015 was $100 million.

Cash distributions are permissible every six months subject to a historical debt service coverage ratio for the previous twelve-month period and a projected debt service coverage ratio for the following twelve-month period of at least 1.25x.

Cadonal

Overview. Cadonal is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Cadonal has 25 wind turbines of 2 MW each. Cadonal reached COD in December 2014.

The wind farm is located in Flores, 105 miles north of the city of Montevideo. Gamesa, a global leader in the manufacture and maintenance of wind turbines, supplied the turbines.

Cadonal is not expected to pay significant corporate taxes in the next 10 years due to the specific tax exemptions established by the Uruguayan government for renewable assets.

Power Purchase Agreement. Cadonal signed a PPA with UTE on December 28, 2012 for 100% of the electricity produced. UTE pays a fixed tariff under the PPA, which is denominated in U.S. dollars and will be adjusted every January considering both U.S. and Uruguay's inflation indexes and the exchange rate between Uruguayan pesos and U.S. dollars.

UTE is unrated and Uruguay has senior unsecured credit ratings of BBB- from S&P, Baa2 from Moody's and BBB- from Fitch.

Engineering, Procurement and Construction Agreement. The construction of Cadonal was carried out by subsidiaries of Abengoa under a fixed price EPC contract that includes customary guarantees, such as a one-year warranty by the EPC contractor for defects plus a two-year performance guarantee linked to energy production.

Transmission and Interconnection. Cadonal connects to UTE's grid at Trinidad Substation through a 12-mile overhead line (OHL) connecting the wind farm substation and UTE's substation.

Operations & Maintenance. Cadonal signed an agreement with Epartir, a subsidiary of Abengoa, for the provision of operations and maintenance services for 20 years. Although this agreement covered turbine scheduled and unscheduled maintenance, supply of spare parts, wind farm monitoring and reporting, Epartir subcontracted the wind turbine O&M to the wind turbine manufacturer Gamesa.

Project Level Financing. On September 15, 2014, Cadonal executed an A/B loan agreement and a subordinated debt tranche. The first drawdown occurred on November 28, 2014. The A/B loan is denominated in U.S. dollars. The A tranche, with a tenor of 19.5 years, is a $40.5 million loan from Corporacion Andina de Fomento, or CAF, with a floating interest rate of LIBOR (six months) plus 390 bps for as long as CAF has access to funding from BankBankengruppe Kreditanstalt fur Wiederaufbau, or KfW, a German public law development institution, through its program for the development of certain climate-relevant projects. An interest rate swap was arranged in order to mitigate interest rate risk for Tranch A loan, covering the 70% of the interests through a swap set at approximately 3.29% strike. The B tranche is a $40.5 million loan from DNB Bank with a floating interest rate of LIBOR (six months) plus 365 bps for as long as CAF has access to funding from KfW, with a tenor of 17.5 years. The B tranche loan was approximately 70% hedged through swap set at approximately 3.16% strike. The subordinated debt tranche was signed with CAF in the amount of $9.1 million, with a tenor of 19.5 years and a floating interest rate of LIBOR (six months) plus 650 bps. This subordinated debt tranche may be prepaid in the future at no significant cost to improve the cash generation profile.

The combined principal balance of these loans as of December 31, 2015 was $87 million.

Cash distributions are permissible every six months subject to a historical senior debt service coverage ratio for the previous twelve-month period of at least 1.20x, a total debt service coverage ratio of at least 1.10x and a projected senior debt service coverage ratio for the following twelve-month period of at least 1.10x, except in the case of the first distribution, in which case the projected senior debt service coverage ratio for the following twelve-month period must be at least 1.20x, the projected total debt service coverage for the following twelve-month period must be at least 1.10x, and both the historical senior debt coverage ratio and the historical total debt coverage ratio must be confirmed by the auditors.

Kaxu

Overview. Kaxu Solar One Solar, or Kaxu, is a 100 MW net solar conventional parabolic trough project located in Paulputs, Northern Cape Province, South Africa. Atlantica Yield, through Abengoa Solar South Africa (Pty) Ltd, owns 51% of the Kaxu project. The project company, Kaxu Solar One (Pty) Ltd., is currently owned by us (51%), Industrial Development Corporation of South Africa (29%) and Kaxu Community Trust (20%). The project reached COD in February 2015.

Kaxu relies on a conventional concentrating parabolic trough solar power system to generate electricity. This technology is similar to the technology used in solar power plants that we own in Spain.

According to the tax accelerated depreciation regime established by the South African Corporate Income Tax Act, Kaxu is not expected to pay significant income taxes in the next years.

Power Purchase Agreement: Kaxu has a 20-year PPA with Eskom Holdings SOC Ltd., or Eskom, under a take or pay contract for the purchase of electricity up to the contracted capacity from the facility. The PPA expires in February 2035. Eskom purchases all the output of the Kaxu plant under a fixed-price formula in local currency subject to indexation to local inflation which we believe protects us from potential devaluation over the long term.

Eskom is a state-owned, limited liability company, wholly owned by the government of the Republic of South Africa. Eskom's payment guarantees are underwritten by the South African Department of Energy, under the terms of an implementation agreement. The South African government has credit ratings of BBB-/Baa2/BBB-.

Engineering, Procurement and Construction Agreement: Certain Abengoa subsidiaries carried out the construction of Kaxu under an arm's-length, fixed-price and date-certain engineering, procurement and construction contract. The EPC contract contains warranties that protect the owner's consortium against defects in design, materials and workmanship for two years after completion and provides a performance guarantee of 12 consecutive and uninterrupted months within the initial 24-month period for the benefit of the project company and the financing parties.

Transmission and Interconnection: Kaxu connects at 132kV at Paulputs substation, where Eskom has established a 132kV feeder bay. A 132kV line between Paulputs substation and the Kaxu plant substation has been built.

Operations & Maintenance: Kaxu entered into a 20 year O&M Agreement with Kaxu CSP O&M Company, a company owned by a subsidiary of Abengoa Solar (92%) and Kaxu Black Employee Trust, (8%) for the operation and maintenance of the Project. The operator operates the facility in accordance with prudent utility practices, to ensure compliance with all applicable government and agency permits, licenses, approvals and PPA terms, and to assist Kaxu with the procurement of necessary support and ancillary services.

Project level Financing: Kaxu has closed long-term financing with a lenders' group comprising local commercial banks Nedbank and RMB, local development finance institutions Industrial Development Corporation of South Africa and Development Bank of Southern Africa, as well as the International Finance Corporation for a total approximate amount of 5,860.0 million South African rand. The loan consists of senior and subordinated long-term loans payable in South African rand over an 18-year term with the cash generated by the project. The loan was initially 100% hedged through a swap with the same banks providing the financing, and the coverage is progressively reduced over the 18 years.

As of December 31, 2015, the outstanding amount of these loans was $373 million.

The financing arrangement permits dividend distributions on a semi-annual basis after the first repayment of debt has occurred, as long as the historical and projected debt service coverage ratios are at least 1.2x.

Conventional Power

The following table provides an overview of our sole conventional power asset:

Assets	Location	Capacity	Currency	Offtaker	Counterparty Credit Rating(1)	COD	Contract Years Left
ACT	Mexico	300 MW	U.S. dollars(2)	Pemex	BBB+/Baa1/ BBB+	2Q 2013	17

Notes:—
(1) Reflects the counterparty's issuer credit ratings issued by S&P, Moody's and Fitch.
(2) Payable in Mexican pesos.

ACT Energy Mexico

Overview. ACT Energy Mexico, or ACT, is a gas-fired cogeneration facility located inside the Nuevo Pemex Gas Processing Facility near the city of Villahermosa in the State of Tabasco, Mexico. It has a rated capacity of approximately 300 MW and between 550 and 800 metric tons per hour of steam. The plant includes a substation and an approximately 52-mile and 115-kilowatt transmission line. Abengoa commenced construction of ACT in October 2009 and it reached COD on April 1, 2013. ACT Energy Mexico, S. de R.L. de C.V., or ACT Energy Mexico, owns ACT.

The ACT Plant utilizes mature and proven gas combustion turbines and heat recovery technology. Specifically, the ACT Plant utilizes two GE Power & Water "F" technology natural gas-fired combustion turbines and two Cerrey, S.A. de C.V., or Cerrey, heat recovery steam generators.

ACT is not expected to pay significant income taxes until the fifth or sixth year after our IPO due to the NOLs generated during the construction phase.

Conversion Services Agreement. On September 18, 2009, ACT entered into the Pemex Conversion Services Agreement, or the Pemex CSA, with Petroleos Mexicanos, or Pemex, under which ACT is required to sell all of the plant's thermal and electrical output to Pemex. The Pemex CSA has an initial term of 20 years from the in-service date and will expire on March 31, 2033. The parties may mutually extend the Pemex CSA for an additional 20-year period. The Pemex CSA requires Pemex to supply the facility, free of charge, with the fuel and water necessary to operate ACT and the latter has to produce electrical energy and steam requested by Pemex based on the expected levels of efficiency. The Pemex CSA is denominated in U.S. dollars. The price is fixed and will be adjusted annually, part of it according to inflation and part according to a mechanism agreed in the contract that on average over the life of the contract reflects expected inflation.

Pemex has a corporate credit rating of BBB+ by S&P, Baa1 by Moody's and BBB+ by Fitch.

Engineering, Procurement and Construction Agreement. The construction of ACT was carried out by subsidiaries of Abengoa, which were responsible for the design, engineering, equipment procurement and construction under a turnkey EPC contract. CFE, Mexico's Federal Electricity Commission and Pemex supervised the engineering, procurement and construction work.

Transmission and Interconnection. The Transferred Transmission Line that connects the ACT Plant to the CFE transmission grid system includes seven outgoing lines connected to the Cactus Switcheo substation. On April 1, 2013, pursuant to the terms of the Pemex CSA and as required by Mexican laws and regulations, ACT Energy Mexico transferred ownership of the Transferred Transmission Line and the Cactus Switcheo substation to the CFE for no consideration.

Operations & Maintenance. GE International provides services for the maintenance, service and repair of the gas turbines as well as certain equipment, parts, materials, supplies, components, engineering support test services and inspection and repair services. In addition, NAES Mexico, S. de R.L. de C.V., or NAES, is responsible for the O&M of the ACT Plant. The O&M agreement with NAES expires upon the expiration of the Pemex CSA, although we may cancel it after five years with no penalty. ACT Energy Mexico pays NAES for its reimbursable costs, operating costs and a $230,000 annual management fee.

Project Level Financing. On December 19, 2013, ACT Energy Mexico signed a $680 million senior loan agreement with a syndicate of banks led by Banco Santander, Banobras and Credit Agricole Corporate & Investment Bank. Each tranche of the loan is denominated in U.S. dollars. The financing consists of a $333 million tranche and a $327 million tranche plus an additional $20 million for the issuance of a letter of credit.

The first tranche has a 10-year maturity, the second tranche has an 18-year maturity and the letter of credit may be convertible into additional principal that will be added to the first tranche. The interest rate on each tranche is a floating rate based on the three-month LIBOR plus a margin of 3.0% until December 2018, 3.5% from January 2019 to December 2023 and 3.75% from January 2024 to December 2031. The senior loan agreement requires ACT Energy Mexico to hedge the interest rate for a minimum amount of 75% of the outstanding debt amount during at least 75% of the debt term. In January 2014, ACT closed a swap for a notional amount of $322.5 million at a rate of 3.53% and the remaining $172 million was closed in early April 2014 at a rate of 2.77%

The senior loan agreement permits cash distributions to shareholders after six months provided that the debt service coverage ratio is at least 1.20x, or at any time provided that the last four quarters had a debt service coverage ratio of at least 1.20x.

The outstanding amount of these loans as of December 31, 2015 was $615 million.

Partnerships. We own all of the shares of ACT except for two ordinary shares, which represent less than 0.01% of the total capital of ACT and which are owned by Abengoa subsidiaries.

Electric Transmission

The following table provides an overview of our electric transmission assets, each of which is operational:

Asset	Location	Length	Currency(1)	Offtaker	Counterparty Credit Rating(2)	COD	Contract Years Left
ATN	Peru	362 miles	U.S. dollars	Peru	BBB+/A3/BBB+	1Q 2011	25
ATS	Peru	569 miles	U.S. dollars	Peru	BBB+/A3/BBB+	1Q 2014	28
ATN2	Peru	81 miles	U.S. dollars	Las Bambas	Not rated	2Q 2015	17
Quadra 1	Chile	43 miles	U.S. dollars	Sierra Gorda	Not rated	2Q 2014	19
Quadra 2	Chile	38 miles	U.S. dollars	Sierra Gorda	Not rated	1Q 2014	19
Palmucho	Chile	6 miles	U.S. dollars	Endesa Chile	BBB+/Baa2/BBB+	4Q 2007	22

Notes:—

(1) Certain contracts denominated in U.S. dollars are payable in local currency.

(2) Reflects counterparty's issuer credit ratings issued by S&P, Moody's and Fitch.

In addition to the assets listed above, we own an exchangeable preferred equity investment in ACBH, which is a subsidiary of Abengoa that holds entities involved in the development and construction of contracted assets, which are substantially all electric transmission lines, in Brazil. This investment is described further below.

ATN

Overview. Abengoa Transmision Norte S.A., or the ATN Project, in Peru is part of the Guaranteed Transmission System, or *Sistema Garantizado de Transmision*, SGT, and is comprised of the following facilities:

(i) the approximately 356-mile, 220kV line from Carhuamayo-Paragsha-Conococha-Kiman Ayllu-Cajamarca Norte;

(ii) the 4.3-mile, 138kV link between the existing Huallanca substation and Kiman Ayllu substations;

(iii) the 1.9-mile, 138kV link between the 138kV Carhuamayo substation and the 220kV Carhuamayo substation;

(iv) the new Conococha and Kiman Ayllu substations; and

(v) the expansion of the Cajamarca Norte, 220kV Carhuamayo, 138kV Carhuamayo and 220kV Paragsha substations.

Abengoa started construction of the ATN Project in May 2008 and reached COD for each line as set forth below:

Line	kV	Beginning	End	COD
1	220	Carhuamayo	Paragsha	January 11, 2011
2	220	Paragsha	Conococha	February 24, 2011
3	220	Conococha	Kiman Ayllu	December 28, 2011
4	220	Kiman Ayllu	Cajamarca Norte	June 26, 2011

Credititulos Sociedad Titulizadora S.A., or Credititulos, acting as trustee for the senior bond holders of the trust and as owner of the ATN Project.

Concession Agreement. Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government, granted ATN a concession to construct, develop, own, operate and maintain the ATN Project. The initial concession agreement became effective on May 22, 2008 and will expire 30 years after the COD of Line 1, which was achieved on January 11, 2011.

Pursuant to the initial concession agreement, ATN owns all assets that it has acquired to construct and operate the ATN Project for the duration of the concession. The ownership of these assets will revert to the Ministry of Energy upon termination of the initial concession agreement.

The ATN Project has a 30-year, fixed-price tariff base denominated in U.S. dollars that is adjusted annually after the COD for each line in accordance with the U.S. Finished Goods Less Food and Energy Index as published by the U.S. Department of Labor. Our receipt of the tariff base is independent from the effective utilization of the transmission lines and substations related to the ATN Project. The tariff base is intended to provide the ATN Project with consistent and predictable monthly revenues sufficient to cover the ATN Project's operating costs and debt service and to earn an equity return.

Peruvian law requires the existence of a definitive concession agreement to perform electricity transmission activities where the transmission facilities cross public land or land owned by third parties. On February 20, 2010, the Ministry of Energy executed a definitive concession agreement with ATN to transmit electricity using the transmission lines of the ATN Project. The Ministry of Energy also approved the execution of the concession agreement between the Ministry of Energy and ATN, which was executed on February 23, 2010 and formalized by Public Deed dated March 9, 2010.

ATN has generated and will generate relevant NOL carryforwards that we expect to use to offset future taxable income. According to our estimates, ATN is not expected to pay income tax for a period of more than 10 years.

Peru has a long-term credit rating of BBB+ from S&P A3 from Moody's and BBB+ from Fitch.

Engineering, Procurement and Construction Agreements. The construction of the ATN Project was carried out by subsidiaries of Abengoa under arm's-length, fixed-price and date-certain EPC contracts. The procurement contract and the construction contract were executed on June 1, 2008 and all lines were completed by December 28, 2011.

Operations & Maintenance. Credititulos, as trustee, has an O&M agreement with Omega Peru, a subsidiary of Abengoa, specialized in O&M services for electric transmission lines across South American countries. The O&M agreement has a five-year term that renews automatically for an additional five-year period until the termination of the Concession agreement, unless either party exercises its right not to renew the O&M agreement. The O&M agreement provides for a fixed price of $3.35 million per year and is adjusted yearly with the variation of the U.S. Finished Goods Less Food and Energy Index.

Project Level Financing. On September 26, 2013, ATN completed the issue of a project bond in three tranches. To implement the bond issuance, ATN created a trust holding all of the assets and economic rights arising out of the definitive concession agreement. Each tranche is denominated in U.S. dollars. The first tranche has a principal amount of $15 million with a five-year term with quarterly amortization and bears interest at a rate of 3.84375% per year. The second tranche has a principal amount of $50 million with a 15-year term with quarterly amortization and bears interest at a rate of 6.15% per year. The second tranche also has a five-year grace period for principal repayment. The third tranche has a principal amount of $45 million with a 26-year term and bears interest at a rate of 7.53% per year. The third tranche has a 15-year grace period for principal repayments. As of December 31, 2015, $114 million in aggregate principal amount was outstanding.

Cash distributions are subject to a historical debt service coverage ratio for the last six months of at least 1.10x.

ATS

Overview. Abengoa Transmision Sur S.A., or ATS Project, in Peru is part of the SGT, and consists of:

(i) one 500kV electric transmission line and two short 220kV electric transmission lines, which are linked to existing substations;

(ii) three new 500kV substations; and

(iii) the expansion of three existing substations (two existing 220kV substations and one existing 550/220kV substation), through the development of new transformers, line reactors, series reactive compensation and shunt reactions in some substations.

The transmission lines span approximately 569 miles and cross over the Lima, Ica, Arequipa and Moquegua districts. The new substations are located in the district of Poroma (Marcona), Ocona and Montalvo. Abengoa Transmision Sur S.A., or ATS, owns the ATS Project.

Construction of the transmission lines and related substations required for operation of the ATS Project is complete. Pursuant to the concession agreements, the Ministry of Energy granted ATS the right to operate the ATS Project for 30 years from achieving COD, which was achieved on January 17, 2014. As part of the initial concession agreement, ATS agreed to construct the Montalvo substation second bus bar, which is a strip or bar of copper, brass or aluminum that conducts electricity within an electrical system. The second bus bar was not required for operation of the ATS Project and its construction was completed in December 2014.

ATS has generated, and will generate, relevant NOL carryforwards that we expect to use to offset future taxable income. According to our estimates, ATS is not expected to pay income tax for a period of more than 10 years.

Concession Agreement. Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government granted ATS a concession to construct, develop, own, operate and maintain the ATS Project. The initial concession agreement became effective on July 22, 2010 and will expire 30 years after achieving COD.

Pursuant to the initial concession agreement, ATS will own all assets it has acquired to construct and operate the ATS Project for the duration of the concession. These assets will revert to the Ministry of Energy upon termination of the initial concession agreement.

The ATS Project has a 30-year, fixed-price tariff base denominated in U.S. dollars and is adjusted annually after the COD in accordance with the U.S. Finished Goods Less Food and Energy Index as published by the U.S. Department of Labor. Our receipt of the tariff base will be independent from the effective utilization of the transmission lines and substations related to the ATS Project. The tariff base is intended to provide the ATS Project with consistent and predictable monthly revenues sufficient to cover the ATS Project's operating costs and debt service and to earn an equity return.

Peruvian law requires market participants to enter into a definitive concession agreement to perform electricity transmission activities where the transmission facilities cross public land or land owned by third parties. On June 6, 2012, the Ministry of Energy granted ATS a definitive concession agreement to transmit electricity using the transmission lines of the ATS Project. The Ministry of Energy approved the execution of the concession agreement between the Ministry of Energy and ATS, which was executed on June 7, 2012 and formalized by Public Deed dated August 1, 2012.

Peru has a long-term credit rating of BBB+ from S&P, A3 from Moody's and BBB+ from Fitch.

Engineering, Procurement and Construction Agreements. The construction of the ATS Project was carried out by subsidiaries of Abengoa under arm's-length, fixed-price and date-certain EPC contracts. The procurement contract and the construction contract were executed on July 22, 2010 and August 24, 2010, respectively, and COD was reached on January 17, 2014, except for the equipment related to the Montalvo substation second bus bar, which was completed in December 2014.

Operations & Maintenance. Omega Peru, a wholly-owned subsidiary of Abengoa, provides O&M services for the ATS Project. Omega Peru has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses, approvals and concession agreement terms. The O&M agreement provides for a fixed fee of $2.0 million per year and is adjusted annually on the anniversary of the execution of the O&M agreement to reflect the variation in the U.S. Finished Goods Less Food and Energy Index. The O&M agreement has a five-year term that renews automatically for an additional five-year period until the termination of the initial concession agreement, unless either party exercises its right not to renew the O&M agreement.

Project Level Financing. On April 8, 2014, ATS issued a project bond in one tranche denominated in U.S. dollars. The project bond has a principal amount of $432 million with a 29-year term with semi-annual amortization and bears a fixed interest rate of 6.875% The bond has a two-year grace period for principal repayment.

Cash distributions may be made every six months subject to a trailing historical debt service coverage ratio for the previous two quarters of at least 1.20x.

ATN2

Overview. ATN2, located in Peru, is part of the Complementary Transmission System, or *Sistema Complementario de Transmisio*n, SCT, and consists of the following facilities: (i) the approximately 130km, 220kV line from SE Cotaruse to Las Bambas; (ii) the connection to the gate of Las Bambas Substation and (iii) the expansion of the Cotaruse 220kV substation (works assigned to Consorcio Transmantaro). Abengoa started the permitting phase of ATN2 Project in May 2011. Construction has concluded and COD was reached in June 2015.

The Build-Own-Operate, or BOO, Contract. Pursuant to the BOO Contract executed on August 11, 2011 with Las Bambas (formerly known as Xstrata Las Bambas), the project owns all assets to construct and operate the ATN2 Project.

Las Bambas is owned by a partnership consisting of a China Minmetals Corporation subsidiary (62.5%), a wholly owned subsidiary of Guoxin International Investment Co. Ltd (22.5%) and CITIC Metal Co. Ltd (15.0%).

The ATN2 Project has an 18-year contract with a fixed-price tariff base denominated in U.S. dollars, partially adjusted annually in accordance with the U.S. Finished Goods Less Food and Energy Index as published by the U.S. Department of Labor. Our receipt of the tariff base is independent from the effective utilization of the transmission lines and substations related to the ATN2 Project.

Peruvian law requires the existence of a definitive concession agreement to perform electricity transmission activities where transmission facilities cross public land or land owned by third parties. On May 31, 2014, the Peruvian Ministry of Energy granted a definitive concession agreement to the transmission lines of the ATN2 project.

ATN2 is not expected to pay significant corporate taxes in the next 10 years.

Engineering, Procurement and Construction Agreements. Certain Abengoa subsidiaries carried out the construction of the ATN2 project under an arm's-length, fixed-price and date-certain EPC contract.

Operations & Maintenance. Omega Peru, a wholly-owned subsidiary of Abengoa, provides O&M services for ATN2. Omega Peru has agreed to operate the facility in accordance with prudent utility practices, ensure compliance with all applicable government and agency permits, licenses, approvals and concession agreement terms.

Project Level Financing. On September 28, 2011, a 15-year loan agreement was executed with Banco de Credito del Peru, or BCP, for a commitment of $50.0 million at a fixed rate of 8.25%. On November 24, 2014, a new 15-year tranche was signed with BCP for $31.0 million at a fixed rate of 8.78% The loan contemplates an amortization grace period during construction. As of December 31, 2015, the outstanding amount of the ATN2 project loan was €75 million.

Cash distributions are subject to a debt service coverage ratio of at least 1.15x.

Quadra 1 & Quadra 2

Overview. Transmisora Mejillones, or Quadra 1, is a transmission line project consisting of a 220kV double circuit transmission line that begins at the Encuentro electrical substation that is owned by Transelec and is located in the commune of Maria Elena. Quadra 1 connects to the Sierra Gorda substation owned by Sierra Gorda SCM, a mining company and is located in the commune of Sierra Gorda. The project covers approximately 49 miles. It is comprised of 232 metallic galvanized structures and 293 miles of installed conductors.

Transmisora Baquedano, or Quadra 2, is a transmission line project that provides electricity to the seawater pump stations owned by the Sierra Gorda SCM. It consists of a simple circuit 220kV electric transmission line that begins at the Angamos electrical substation owned by EE Cochrane, an electrical company, and is located in the commune of Mejillones. Quadra 2 connects to the PS1 transformer substation. This section of Quadra 2 covers approximately seven miles. This section is comprised of 29 metallic galvanized structures and has 21 miles of installed conductors. The existing pumps, which are owned by Sierra Gorda, feed from the PS1 substation and the energy is converted by a transformer from 220/110/13.2kV to 110kV to continue through a simple circuit 110kV transmission line up to the PS2 substation. This section of Quadra 2 covers approximately 25 miles. This section is comprised of 165 metallic galvanized structures and has 75 miles of installed conductors.

Abengoa Chile S.A., or Abengoa Chile, began constructing Quadra 1 and Quadra 2 in September 2012 and started operations in December 2013 and January 2014, respectively. Quadra 1 reached COD in April 2014 and Quadra 2 reached COD in March 2014.

Quadra 1/2 is not expected to pay significant corporate taxes in the next 10 years.

Concession Agreement. Both projects have concession agreements with the Sierra Gorda SCM mining company, which is owned by Sumitomo Corporation, Sumitomo Metal Mining and KGHM Polska Mietz. The concession agreement is denominated in U.S. dollars and has a 21-year term that began on the COD. The contract price is indexed to the U.S. CPI.

Sierra Gorda SCM requested additional work on Quadra 2 not initially foreseen, which required an additional capital expenditure of approximately $22 million. Construction of the additional work is substantially finished and has resulted in an increased tariff under the concession agreement with Sierra Gorda SCM.

The concession agreement grants in favor of Sierra Gorda a call option over the transmission line, exercisable at any time during the life of the contract. According to the call option, Sierra Gorda is entitled to purchase the transmission line at an agreed price and with a six month prior written notice.

Engineering, Procurement and Construction Agreements. The construction of both projects has been carried out by Abengoa Chile S.A. under arm's-length, fixed-price and date-certain EPC contracts.

Operations and Maintenance. Quadra 1 and Abengoa Chile S.A. executed an agreement for O&M services at Quadra 1. Abengoa Chile, in turn, subcontracted the O&M of the two land strips at the Encuentro substation to Transelec. This also includes the use of its communication channels down to the CDEC-SING.

Quadra 2 and Abengoa Chile executed an agreement for the provision of O&M services at Quadra 2, subject to certain exceptions. First, the O&M for the land strip that is within the EE Cochrane property will be undertaken by EE Cochrane under an agreement with Abengoa Chile S.A. Second, Gasatacama will undertake the operational representation against the CDEC-SING under an agreement with Abengoa Chile S.A.

Each O&M agreement with Abengoa Chile has a 252-month maturity and is denominated in U.S. dollars and indexed to Chilean CPI and to the average exchange rate.

Project Level Financing. On July 6, 2012, Quadra 1 signed a financing contract for $40.2 million with Credit Agricole Corporate and Investment Bank, or CA-CIB, Corpbanca, Banco BICE and the Inter-American Investment Corporation. The loan is denominated in U.S. dollars. The term of the loan is 16 years and the loan matures on July 30, 2028. The loan has a semi-annual amortization schedule. The interest rate is a variable rate based on the six-month LIBOR plus 3.80% for the first seven years after COD and 4.0% thereafter. Quadra 1 signed an interest rate cap hedging contract with CA-CIB that covers 75% of the debt and fixed the six-month LIBOR to a maximum rate of 2.5% per year until maturity.

On November 20, 2012, Quadra 2 signed an initial financing contract for $34.4 million with CA-CIB and Corpbanca. The term of the loan is 16 years and the loan matures on August 31, 2028 and has a semi-annual amortization schedule. The interest rate is a variable rate based on the six-month LIBOR plus 3.80% for the first seven years after COD and 4.0% thereafter. Quadra 2 signed an interest rate swap hedging contract with Corpbanca that covers 75% of the debt and fixed the six-month LIBOR to 2.5175% until maturity. Due to the additional work required by Sierra Gorda SCM, an additional debt tranche for a total of $17 million was signed in May 2014. As of December 31, 2015, $81 million in aggregate principal amount was outstanding in respect of Quadra 1 and Quadra 2.

With respect to Quadra 1 and Quadra 2, the financing arrangements restrict cash distribution to shareholders unless a distribution test of 1.20x historical debt service coverage ratio for the previous six months is met in the case of Quadra 1 and 1.10x historical debt service coverage ratio for the previous six months is met in the case of Quadra 2.

Palmucho

Palmucho is a short transmission line in Chile that is approximately 6 miles. It delivers energy generated by the Palmucho Plant, which is owned by Endesa Chile, to the SIC. The Palmucho Plant connects to the number 2 circuit of the 220kV Ralco—Charrua transmission line at the 66/220kV Zona de Caida substation. The Palmucho project has been in operation since October 2007. Palmucho has a 14-year concession contract with Endesa Chile. Both parties are obliged to enter into a four-year valid toll contract at the end of the term of the concession contract and the valid toll contract will be renewed for three periods of four years each until one of the parties decides not to renew. Endesa Chile operates the Palmucho project and Abengoa Chile maintains the project. On October 24, 2008, Palmucho signed a long-term debt facility with Corpbanca for $7 million. The loan is denominated in U.S. dollars. The term of the loan is 13 years and the loan matures on October 25, 2021. The loan has a quarterly amortization schedule and the outstanding balance as of December 31, 2015 was $4 million. Endesa Chile has a senior unsecured credit rating of BBB+ from S&P, Baa2 from Moody's and BBB+ from Fitch.

Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding

In addition to the assets listed above, we hold an exchangeable preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, comprised mostly of transmission lines in various stages of development. The transfer of the preferred equity investment in ACBH was completed immediately prior to our IPO. Abengoa holds 100% of the ordinary shares of ACBH.

ACBH currently has a stake in 15 projects, 14 of them transmission lines, 7 of which are in operation and 7 of which are under construction or pre-construction. Each of the projects owned by ACBH has a 30-year concession agreement, and each concession agreement provides for indemnification and compensation at replacement value of non-depreciated assets at the end of the concession. ANEEL granted the concession agreements to the different project companies through an auction process. The revenues paid by ANEEL are denominated in Brazilian Reais and indexed to the ICPA, which is the Brazilian consumer price index.

Brazilian Insolvency Procedure

On January 29, 2016, Abengoa informed us that several of its indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("reorganizaçao judiciaria"), as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH. Given that this process will likely negatively affect the value of our preferred equity investment and considering the high degree of uncertainty of its final outcome, we have recorded an impairment of this preferred equity investment (see Note 8 to our consolidated financial statements).

Shareholders' Agreement

Pursuant to the amended and restated shareholders' agreement dated June 30, 2015 entered into among us, ACBH and the ordinary shareholders of ACBH, we have the following rights under the exchangeable preferred equity investment:

- During the five-year period commencing on July 1, 2014, we have the right to receive, in four quarterly installments, a preferred dividend of $18.4 million per year.
- Following the initial five-year period, we will have the option to (i) remain as a preferred equity holder with the right to receive the first $18.4 million that ACBH is able to distribute, if any, or (ii) during a specified period of time exchange the preferred equity investment into ordinary shares of one or several project companies owned by ACBH at the time of the exchange that yield, based on the then-prevailing conditions, an aggregated recurrent dividend of at least $18.4 million. ACBH and Abengoa will propose specified projects that fulfill the above-described criteria, and which may include minority and/or majority stakes in various operational projects. Our independent board members will then approve or reject the proposal. Any exchange of shares would be subject to relevant approvals, including from regulatory bodies, financing banks or equity partners at the project level. If ACBH cannot secure such approvals following Abengoa's best efforts, the preferred equity investment will not be exchanged and we will retain the right to receive the first $18.4 million dividend that ACBH approves for distribution, if any. We cannot guarantee, after the initial five-year period, that the $18.4 million distribution will be made, as any distribution will depend, among others, on the actual performance of ACBH or of the project companies into which the preferred equity investment has converted, as the case may be. Furthermore, any such future payments will not be backed by any escrow arrangements.

Parent Support Agreement

Pursuant to the terms of a parent support agreement entered into on December 9, 2014 among us, ACBH and Abengoa, Abengoa has guaranteed such dividend for the initial five-year period and in the event that, at any point in time, the amount deposited in New York City in U.S. dollars is lower than the preferred dividend payments that we have the right to receive as of such time, we will be entitled to retain all payments due to Abengoa and any of its affiliates, including dividends payable on our shares and payments related to all agreements entered into between us and/or our subsidiaries and Abengoa and/or its affiliates, without affecting their respective obligations to continue performing under the relevant contract.

On December 16, 2015, we retained $9 million of the dividend attributable to Abengoa in the fourth quarter of 2015 in accordance with the provisions of the parent support agreement.

Deed

Pursuant to the terms of an amended deed we entered into with the Abengoa subsidiary holding Abengoa's shares in us in its capacity as our shareholder on June 30, 2015, in the event the annual dividend paid by ACBH to us as holder of ACBH's preferred equity is below $18.4 million in any given year, the Abengoa subsidiary holding Abengoa's shares in us agreed that we can defer the payment of a portion of the dividend from us to that Abengoa shareholder in an amount equal to such shortfall (similar arrangements will apply if that Abengoa shareholder transfers any of our shares to its subsidiaries (other than us or our subsidiaries), any holding company of that Abengoa shareholder or any other subsidiaries of such holding companies, or the ACI Group). However, any such deferral will be made only if and to the extent that the Abengoa subsidiary holding Abengoa's shares in us (or, where relevant, another member of the ACI Group) continues to be a shareholder of ours as of the relevant date. If the ACI Group's ownership of us falls below a level such that the attributable share of our dividends to the ACI Group falls below $18.4 million, we have the option of requiring the relevant member or members of the ACI Group to purchase part or all of our preferred interest in ACBH so that the preferred dividend payable to us from ACBH following such purchase is equivalent to (but does not exceed) the ACI Group's share of our dividend going forward. The price for the stake to be purchased by Abengoa shall be agreed in good faith by Abengoa and us. If we are unable to reach an agreement, the purchase price shall be determined by an independent expert selected by the independent board members of Atlantica Yield from one of the two Big 4 auditing firms previously selected by Abengoa.

The deed will cease to be in force when: (i) we cease to hold any exchangeable preferred equity investment in ACBH; (ii) we elect to exchange all of our preferred equity in ACBH for shares in ACBH's projects; or (iii) the aggregate amount of dividends from projects owned by ACBH and paid to ACBH and which are freely distributable by ACBH to us reaches a minimum of $36 million per financial year for three consecutive financial years (provided that at that time: (a) all assets held by ACBH have entered into commercial operation and (b) ACBH's cash flow projections for the following 12 months indicate that ACBH will be able to pay the preferred dividend of $18.4 million to us for the current fiscal year).

Water

The following table presents our interests in water assets, each of which is operational:

Assets	Type	Location	Capacity	Offtaker	Currency(1)	Counterparty Credit Rating(2)	COD	Contract Years Left
Honaine	Water	Algeria	7 M ft^3/day	Sonatrach	U.S. dollar	Not rated	3Q 2012	22
Skikda	Water	Algeria	3.5 M ft^3/day	Sonatrach	U.S. dollar	Not rated	1Q 2009	18

Note:—
(1) Payable in local currency.

Honaine

Overview. On February 3, 2015, we completed the acquisition of 25.5% of Honaine pursuant to the ROFO Agreement. Simultaneously, we entered into a two-year call and put option agreement with Abengoa under which we have put option rights to require Abengoa to purchase back this asset at the same price paid by us and Abengoa has call option rights to require us to sell back this asset if certain indemnities and guarantees provided by Abengoa related to past circumstances reach a certain threshold.

The Honaine project is a water desalination plant located in Taffsout, Algeria, near three important cities: Oran, to the northeast, and Sidi Bel Abbés and Tlemcen, to the southeast. Myah Bahr Honaine Spa, or MBH, is the vehicle incorporated in Algeria for the purposes of owning the Honaine project. Algerian Energy Company, SPA, or AEC, owns 49% and Sociedad Anonima Depuracion y Tratamientos, or Sadyt, a subsidiary of Sacyr, S.A., owns the remaining 25.5% of the Honaine project.

AEC is the Algerian agency in charge of delivering Algeria's large-scale desalination program. It is a joint venture set up in 2001 between the national oil and gas company, Sonatrach, and the national gas and electricity company, Sonelgaz. Each of Sonatrach and Sonelgaz owns 50% of AEC.

The technology selected for the Honaine plant is currently the most commonly used in this kind of project. It consists of desalination using membranes by reverse osmosis. Honaine has a capacity of seven M ft^3 per day of desalinated water and has been in operation since July 2012. The project represents approximately 9.0% of Algeria's total desalination capacity and serves a population of 1.0 million.

Honaine has a corporate income tax exemption until 2022. After that period, in case the exemption is not extended, a claim may be made under the contract for compensation in the tariff.

Concessions Agreement. The water purchase agreement is a U.S. dollar indexed 30-year take-or-pay contract with Sonatrach/Algerienne des Eaux, or ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

Engineering, Procurement and Construction Agreement. The construction of Honaine was carried out by subsidiaries of Abengoa under an arm's-length, fixed price and date certain EPC contract executed in May 2007.

Operations & Maintenance. In May 2007, MBH signed an operation and maintenance contract and a membrane and chemical products supply contract with UTE Honaine O&M (a joint venture between Abengoa Water, S.L. and Sacyr, S.A., each holding 50%).

The O&M agreement is a 30-year contract from COD with a fixed fee of $6.9 million per year and a variable component. The fixed O&M cost covers mainly structural and staff costs. The variable O&M cost covers the chemical products, filters cost and membranes costs related to the water production.

Project Level Financing. In May 2007, MBH signed a financing agreement (as amended in November 2008 and June 2013) with Crédit Populaire d'Algerie, or CPA. The final amount of the loan was $233 million and it accrues fixed-rate interest of 3.75% The repayment of the Honaine facility agreement consists of sixty quarterly payments, ending in April 2027.

The financing arrangements permit cash distribution to shareholders once per year under certain conditions, including that the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.25x.

Partnerships. 51% of the plant is owned by Geida Tlemcen, which is jointly owned by us (50%) and Sadyt (50%). The other 49% is held by AEC.

Skikda

Overview. On February 3, 2015, we completed the acquisition of 34.2% of Skikda pursuant to the ROFO Agreement. Simultaneously, we entered into a two-year call and put option agreement with Abengoa under which we have put option rights to require Abengoa to purchase back these assets at the same price paid by us and Abengoa has call option rights to require us to sell back these assets if certain indemnities and guarantees provided by Abengoa related to past circumstances reach a certain threshold.

The Skikda project is a water desalination plant located in Skikda, Algeria. Skikda is located 510 km east of Algiers. Aguas de Skikda, or ADS, is the vehicle incorporated in Algeria for the purposes of owning the Skikda project. AEC owns 49% and Sadyt owns the remaining 16.83% of the Skikda project.

AEC is the Algerian agency in charge of delivering Algeria's large-scale desalination program. It is a joint venture set up in 2001 between the national oil and gas company, Sonatrach, and the national gas and electricity company, Sonelgaz. Each of Sonatrach and Sonelgaz owns 50% of AEC.

The technology selected for the Skikda plant is currently the most commonly used in this kind of project. It consists of the use of membranes to obtain desalinated water by reverse osmosis. Skikda has a capacity of 3.5 M ft^3 per day of desalinated water and is in operation since February 2009. The project represents approximately 4.5% of Algeria's total desalination capacity and serves a population of 0.5 million.

Skikda has a corporate income tax exemption until 2019. After that period, in case the exemption is not extended, a claim may be made under the water purchase agreement for compensation in the tariff.

Concessions Agreement. The water purchase agreement is a U.S. dollar indexed 30-year take-or-pay contract with Sonatrach/ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

Engineering, Procurement and Construction Agreement. The construction of Skikda was carried out by subsidiaries of Abengoa under an arm's-length, fixed price and date certain EPC contract executed in July 2005.

Operations & Maintenance. In July 2005, ADS signed an operation and maintenance contract and a membrane and chemical products supply contract with UTE Geida O&M (a joint venture between Abengoa Water, S.L. holding 67%, and Sacyr, S.A., holding 33%).

The O&M agreement is a 30-year contract from COD with a fixed fee of $4.3 million per year and a variable component. The fixed O&M cost covers mainly structural cost and staff costs. The variable O&M cost covers the chemical products, filters cost and membranes costs related to the water production.

Project Level Financing. In July 2005, ADS signed a financing agreement (as amended in May 2009) with Banque Nationale d'Algerie, or BNA. The final amount of the loan was $108.9 million and it accrues fixed-rate interest of 3.75% The repayment of the Skikda facility agreement consists of sixty quarterly payments, ending in May 2024.

As of December 31, 2015, the outstanding amount of the Skikda project loan was $47 million.

The financing arrangements permit cash distribution to shareholders once per year under certain conditions, including that the audited financials for the prior fiscal year indicate a debt service coverage ratio of at least 1.25x.

Partnerships. 51% of the plant is owned by Geida Skikda, which is jointly owned by us (67%) and Sadyt (33%). The other 49% is held by AEC.

Our Growth Strategy

We intend to grow our cash available for distribution by optimizing the operations of our existing assets and acquiring new contracted revenue-generating assets in operation from our current sponsor, Abengoa, from third parties and from potential new future sponsors.

We signed an exclusive agreement with Abengoa, which we refer to as the ROFO Agreement, which provides us with a right of first offer on any proposed sale, transfer or other disposition of any of Abengoa's contracted renewable energy, conventional power, electric transmission or water assets in operation and located in the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, as well as four assets in selected countries in Africa and the Middle East. Under the ROFO Agreement, Abengoa is not obligated to sell any of the Abengoa ROFO Assets to us by any date or at all. Abengoa may offer and sell to third parties assets that are not yet contracted revenue assets in operation. As a result, we do not know when, if ever, Abengoa will offer us any assets for acquisition. In addition, in the event that Abengoa elects to sell Abengoa ROFO Assets, Abengoa will not be required to accept any offer we make for any such Abengoa ROFO Asset.

In general, we expect to acquire only assets that are developed and operational. We intend to use the following investment guidelines in evaluating prospective acquisitions in order to successfully execute our accretive growth strategy:

- high quality offtakers, with long-term contracted revenue, ideally longer than 20 years;
- project financing in place at each project;
- operations and maintenance contract in place at each project;
- management and operational systems and processes at our level;

- focus on regions and countries that provide an optimal balance between growth opportunities and security and risk considerations, including the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, as well as selected countries in Africa and the Middle East; and

- preference for U.S. dollar-denominated revenues, in the absence of which, we will implement a cost-effective, ad-hoc hedging policy that will support stability of cash flows.

Under ROFO Agreement, if Abengoa offers an Abengoa ROFO Asset to us, we will have 60 days to complete due diligence and negotiate the acquisition of the asset. If we do not agree to purchase the applicable asset after such period, Abengoa will be free to pursue the sale with other potential buyers. Under the ROFO Agreement, Abengoa will not be obligated to sell any of the Abengoa ROFO Assets to us by any date or at all. As a result, we do not know when, if ever, Abengoa will offer any assets for acquisition. In addition, in the event that Abengoa elects to sell Abengoa ROFO Assets, Abengoa will not be required to accept any offer we make for any such Abengoa ROFO Asset. Abengoa also may, following the completion of good-faith negotiations with us during the 60-day period mentioned above, choose to sell Abengoa ROFO Assets to a third party or not to sell the assets at all. However, if we do not reach an agreement, any sale to a third party within 30 months following such 60-day period must be on terms and conditions generally no less favorable to Abengoa than those offered to us. After such 30-month period, the asset will cease to be an Abengoa ROFO Asset. We will pay Abengoa a fee of 1% of the equity purchase price of any Abengoa ROFO Asset that we acquire as consideration for Abengoa granting us the right of first offer.

Abengoa may enter into agreements with other companies with the objective of jointly financing the construction of new projects consisting of concessional assets which are included in Abengoa's current or future portfolio. Pursuant to the terms of the ROFO Agreement, we expect that any investing vehicle created by Abengoa and a potential partner with this purpose will sign the ROFO Agreement in the same terms of Abengoa.

Our agreements with Abengoa do not prohibit Abengoa from acquiring or operating contracted assets that fulfill our principles or selling any such assets prior to operation to third parties. See "Item 3.D—Risk Factors—Risks Related to our Relationship with Abengoa" and "Item 7.B—Related Party Transactions—Project-Level Management and Administration Agreements" for further information.

We have made the following acquisitions from Abengoa and third parties since our IPO in June 2014:

First Dropdown Assets

On November 18, 2014, we completed the acquisition of a 74% stake in Solacor 1/2; on December 4, 2014, we completed the acquisition of PS10/20; and on December 29, 2014, we completed the acquisition of Cadonal, although we have the right to unwind the acquisition of Cadonal under the terms a put option agreement entered into with Abengoa if certain conditions are met by the end of March 2015. Solacor 1/2 has a capacity of 100 MW, PS10/20 has a capacity of 31 MW and Cadonal has a capacity of 50 MW. Solacor 1/2 and PS10/20 are solar power plants located in Spain and Cadonal is an on-shore wind farm located in Uruguay. See "Item 4.B—Business Overview—Our Operations—Renewable Energy" for a description of such assets. The total aggregate consideration for the First Dropdown Assets was $312 million (which consideration was determined in part by converting the portion of the purchase price of Solacor 1/2 and PS10/20 denominated in euros into U.S. dollars based on the exchange rate on the date on which the payment was made). The First Dropdown Assets were financed with the proceeds of the 2019 Notes and with a portion of the proceeds of the Credit Facility. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—2019 Notes" and "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—Credit Facility."

Second Dropdown Assets

On February 3, 2015, we completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda from Abengoa under the ROFO Agreement. Honaine and Skikda are two water desalination plants in Algeria with an aggregate capacity of 10.5 M ft3 per day. We entered into a two-year call and put option agreement with Abengoa under which (i) we have a put option to require Abengoa to repurchase these assets at the same price paid by us and (ii) Abengoa has a call option to require us to resell these assets if certain indemnities and guarantees provided by Abengoa related to past circumstances reach a certain threshold. Revenues of these assets are indexed to U.S. dollars and payable in local currency. On February 23, 2015 we completed the acquisition of a 29.6% stake in Helioenergy 1/2, a 100 MW solar complex located in Spain. See "Item 4.B—Business Overview—Our Operations—Renewable Energy" for a description of such assets. The total aggregate consideration for the Second Dropdown Assets was $94 million and was mainly financed with a portion of the proceeds of the Credit Facility. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—Credit Facility."

Third Dropdown Assets

On May 13, 2015, we completed the acquisition of Helios 1/2, a 100 MW solar complex located in Spain. On May 14, 2015, we completed the acquisition of Solnova 1/3/4, a 150 MW solar complex located in Spain. On May 25, 2015, we completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2, a 100 MW solar complex in Spain. On July 30, 2015, we completed the acquisition of Kaxu, a 100 MW solar plant in South Africa. See "Item 4.B—Business Overview—Our Operations—Renewable Energy" for a description of such assets. The total aggregate consideration for the Third Dropdown Assets was $682 million and was mainly financed with the proceeds of a capital increase completed in May 2015. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Sources of Liquidity".

Fourth Dropdown Assets

On June 25, 2015 we completed the acquisition of ATN2, an 81-mile transmission line in Peru from Abengoa and Sigma, a third-party financial investor in ATN2. On September 30, 2015, we completed the acquisition of Solaben 1/6, a 100 MW solar complex in Spain. These assets were acquired from Abengoa under the ROFO Agreement. See "Item 4.B—Business Overview—Our Operations—Renewable Energy" for a description of such assets. In addition, on January 7, 2016, we completed the acquisition from JGC of a 13% in Solacor 1/2, a 100 MW solar complex in Spain where we already owned a 74% stake. The total aggregate consideration for the Fourth Dropdown Assets was $378 million and was mainly financed with Tranche B of our Credit Facility. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—Credit Facility."

Customers and Contracts

We derive our revenue from selling electricity, electric transmission capacity and desalination capacity. Our customers are mainly comprised of governments and electrical utilities, the latter with which we typically have entered into PPAs. We also employ concession contracts, typically ranging from 20 to 30 years. See the description of each asset under "Item 4.B—Business Overview—Our Operations" for more detail on each concession contract.

Our main contracts in our business also include the project finance contracts with banks or financial institutions and the operation and maintenance contracts of each of our assets. See description of financing and operation and maintenance contracts under "Item 4.B—Business Overview—Our Operations."

Additionally, we have entered into a ROFO Agreement, a Support Services Agreement, a Financial Support Agreement and a Trademark License Agreement with Abengoa. See "Item 7.B—Related Party Transactions" for more detail on these contracts.

Competition

Renewable energy, conventional power and electric transmission are all capital-intensive and significantly commodity-driven businesses with numerous industry participants. We compete based on the location of our assets and ownership of portfolios of assets in various countries and regions; however, because our assets typically have 20- to 30-year contracts, competition with other asset operations is limited until the expiration of the PPAs. Power generation and transmission are highly regulated businesses in each country in which we operate and are currently highly fragmented and have a diverse industry structure. Our competitors have a wide variety of capabilities and resources. Our competitors include, among others, regulated utilities and transmission companies, other independent power producers and power marketers or trading companies and state-owned monopolies.

Intellectual Property

On June 13, 2014, we entered into a licensing agreement with Abengoa pursuant to which Abengoa granted us a non-exclusive, royalty-free license to use the name “Abengoa” and the Abengoa logo. Other than under this limited license, we will not have a legal right to use the “Abengoa” name or the Abengoa logo. On September 10, 2014, Abengoa transferred to us the domain names www.abengoayield.com, www.abengoayield.co.uk and www.abengoayield.es against payment of costs incurred by Abengoa in registering such domain names. Abengoa is entitled to terminate the licensing agreement in the circumstances described under “Item 7.B—Related Party Transactions—Trademark License Agreement.”

On December 30, 2015, we filed a trademark application for the brand “Atlantica Yield”. We will change our legal name once approved by the shareholders at our next annual general meeting.

Regulatory and Environmental Matters

See “Item 4.B—Business Overview—Regulation.”

Insurance

We maintain the types and amounts of insurance coverage that we believe are consistent with customary industry practices in the jurisdictions in which we operate. Our insurance policies cover employee-related accidents and injuries, property damage, machinery breakdowns, fixed assets, facilities and liability deriving from our activities, including environmental liability. We maintain business interruption insurance for interruptions resulting from incidents covered by insurance policies. Our insurance policies also cover directors’ and officers’ liability and third-party insurance. We have not had any material claims under our insurance policies that would either invalidate our insurance policies or cause a material increase to our insurance premiums. We cannot assure you, however, that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent any material loss. See “Item 3.D—Risk Factors—Risks Related to Our Business and the Markets in Which We Operate—Our insurance may be insufficient to cover relevant risks and the cost of our insurance may increase.”

Seasonality

Our operating results and cash flows can be significantly affected by weather in some of our most relevant projects, such as the solar power plants. We expect to derive a majority of our annual revenues in the months of May through September, when demand for electricity is generally at its highest in the majority of our markets and when some of our offtake arrangements provide for higher payments to us.

Properties

See “Item 4.B—Business Overview—Our Operations.”

Legal Proceedings

We are not a party to any legal proceeding other than legal proceedings arising in the ordinary course of our business. We are party to various administrative and regulatory proceedings that have arisen in the ordinary course of business. While we do not expect these proceedings, either individually or in the aggregate, to have a material adverse effect on our financial position or results of operations, because of the nature of these proceedings we are not able to predict their ultimate outcomes, some of which may be unfavorable to us.

Regulation

Overview

We operate in a significant number of highly regulated markets. The degree of regulation to which our activities are subject varies by country. In a number of the countries in which we operate, regulation is carried out mainly by national regulatory authorities. In others, such as the United States and, to a certain degree, Spain, there are various additional layers of regulation at the state, regional and/or local level. In countries with these additional layers of regulatory agencies, the scope, nature and extent of regulation may differ among the various states, regions and/or localities.

While we believe the requisite authorizations, permits and approvals for our assets have been obtained and that our activities are operated in substantial compliance with applicable laws and regulations, we remain subject to a varied and complex body of laws and regulations that both public officials and private parties may seek to enforce. The following is a description of the primary industry-related regulations applicable to our assets that are currently in force in the principal markets in which we operate.

Regulation in the United States

In the United States, our electricity generation project companies are subject to extensive federal, state and local laws and regulations that govern the development, ownership, business organization and operation of power generation facilities. The federal government regulates wholesale sales, operation and interstate transmission of electric power through FERC and through other federal agencies, and certain environmental, health and safety matters. State and local governments regulate the siting, permitting, construction and operation of power generation facilities, the retail sale of electricity and certain other environmental, health, safety and permitting matters.

United States Federal Regulation of the Power Generation Facilities and Electric Transmission

The United States federal government regulates the wholesale sale of electric power and the transmission of electricity in interstate commerce through the FERC, which draws its jurisdiction from the FPA, as amended, and from other federal legislation such as the Public Utility Regulatory Policies Act of 1978, or PURPA, the Energy Policy Act of 1992, and the Energy Policy Act of 2005, or EPACT 2005. EPACT 2005 repealed the Public Utility Holding Company Act of 1935 and replaced it with the Public Utility Holding Company Act of 2005, or PUHCA.

Federal Regulation of Electricity Generators

The FPA provides FERC with exclusive ratemaking jurisdiction over all public utilities that engage in wholesale sales of electricity and/or the transmission of electricity in interstate commerce. The owners of renewable energy facilities selling at wholesale are therefore generally subject to FERC's ratemaking jurisdiction. FERC may authorize a public utility to make wholesale sales of electric energy and related products at negotiated or market-based rates if the public utility can demonstrate that it does not have, or that it has adequately mitigated, horizontal and vertical market power and that it cannot otherwise erect barriers to market entry. Entities granted market-based rate approval face ongoing filing and compliance requirements. Failure to comply with such requirements may result in a revocation of market-based rate authority, disgorgement of profits, civil penalties or other remedies that FERC finds appropriate based on the specific underlying facts and circumstances. In granting market-based rate approval to a wholesale generator, FERC also typically grants blanket authorizations under Section 204 of the FPA and FERC's regulations for the issuance of securities and the assumption of debt liabilities.

If the criteria for market-based rate authority are not met, FERC has the authority to impose conditions on the exercise of market rate authority that are designed to mitigate market power or to withhold or rescind market-based rate authority altogether and require sales to be made based on cost-of-service rates, which could in either case result in a reduction in rates. FERC also has the authority to assess substantial civil penalties (up to $1.0 million per day per violation) for failure to comply with tariff provisions or the requirements of the FPA.

FERC approval under the FPA may be required prior to a change in ownership or control of a 10% or greater voting interest, directly or through one or more subsidiaries, in any public utility (including one of our U.S. project companies) or any public utility assets. FERC approval may also be required for individuals to serve as common officers or directors of public utilities or of a public utility and certain other companies that provide financing or equipment to public utilities.

FERC also implements the requirements of PUHCA applicable to “holding companies” having direct or indirect voting interests of 10% or more in companies that (among other activities) own or operate facilities used for the generation of electricity for sale, which includes renewable energy facilities. PUHCA imposes certain record-keeping, reporting and accounting obligations on such holding companies and certain of their affiliates. However, holding companies that own only exempt wholesale generators, or EWGs, foreign utility companies, and certain qualifying facilities under PURPA are exempt from the federal access to books and records provisions of PUHCA. EWGs are owners or operators of electric generation facilities (including producers of renewable energy, such as solar projects) that are engaged exclusively in the business of owning and/or operating generating facilities and selling electricity at wholesale. An EWG cannot make retail sales of electricity, may only own or operate the limited interconnection facilities necessary to connect its generating facility to the grid, and faces restrictions in transacting business with affiliated regulated utilities.

Regulation of Electricity Sales

Electricity transactions in the United States may be bilateral in nature, whereby two parties contract for the sale and purchase of electricity, subject to various governmental approval processes or guidelines that may apply to the contract, or they may take place within a single, centralized clearing market for purchases and sales of energy, electric generating capacity and ancillary services. Given the limited interconnections between power transmission systems in the United States and differences among market rules, regional markets have formed as part of the power transmission systems operated by regional transmission organizations, or RTOs, or independent system operators, or ISOs, in places such as California, the Midwest, New York, Texas, the Mid-Atlantic region and New England.

Federal Reliability Standards

EPACT 2005 amended the FPA to grant FERC jurisdiction over all users, owners and operators of the bulk power system for the purpose of enforcing compliance with certain standards for the reliable operation of the bulk power system. Pursuant to its authority under the FPA, FERC certified the North American Electric Reliability Corporation, or NERC, as the entity responsible for developing reliability standards, submitting them to FERC for approval, and overseeing and enforcing compliance with them, subject in each case to FERC review. NERC, in turn, has delegated certain monitoring and enforcement powers to regional reliability organizations. Users, owners, and operators of the bulk power system meeting certain materiality thresholds are required to register with the NERC compliance registry and comply with FERC-approved reliability standards.

In the western United States, NERC has a delegation agreement with the Western Electricity Coordinating Council, or WECC, whose service territory extends from Canada to Mexico and includes the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 western states in between. WECC is the regional entity responsible for coordinating, promoting and enforcing bulk power system reliability in its service territory. Any entity that owns, operates or uses any portion of the bulk power system must comply with NERC or WECC's mandatory reliability standards. Failure to comply with these mandatory reliability standards may subject a user, owner or operator to sanctions, including substantial monetary penalties, which range from $1,000 to $1 million per day per violation for the most severe cases, where companies show negligence and lack evidence of adequate compliance.

Federal Environmental Regulation, Permitting and Compliance

Construction and operation of power generation facilities, including solar power plants, and the generation and electric transmission of renewable energy from such facilities are subject to environmental regulation at the federal, state and local level. State and local regulatory processes are discussed separately in a subsequent section. At the federal level, environmental laws and regulations typically require a lengthy and complex process for obtaining licenses, permits and approvals prior to construction, operation or modification of a generation project or electric transmission facilities. Prior to development, permitting authorities may require that project developers consider and address, among other things, the impact on water resources and water quality, endangered species and other biological resources, compatibility with existing land uses and zoning, agricultural resources, archaeological, paleontological, recreational and cultural considerations, environmental justice and cumulative and visual impacts. In an effort to identify and minimize the potential impacts to these resources, power generation facilities may be required to comply with a myriad of federal regulatory programs and applicable federal permits under the National Environmental Policy Act, or NEPA, the Endangered Species Act, the Clean Water Act, the National Historic Preservation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Environmental Protection and Community Right-to-Know Act and the National Wilderness Preservation Act, among other federal laws.

In addition, various federal environmental, health and safety regulations applicable during the construction phase are also applicable to the operational phase of power generation facilities. During the operational phase, obtaining certain federal permits or federal approval of certain operating documents (e.g., O&M plans, the spill prevention, control and countermeasure plan, and an emergency and preparedness response plan), as well as maintaining strict compliance with such permits or operating documents, is mandatory. Failure to maintain compliance may result in the revocation of any applicable permit or authorization, civil and criminal charges and fines or potentially the closure of the plant.

U.S. Federal Income Tax Incentives and Other Federal Considerations for Renewable Energy Generation Facilities

The United States provides various federal, state and local tax incentives to stimulate investment in renewable energy generation capacity, including solar power. These tax incentives are subject to change and, possibly, elimination in the future. Certain U.S. federal income tax incentives are described below.

Section 1603 U.S. Treasury Grant Program

In lieu of claiming certain U.S. federal income tax credits, in particular, the ITC, owners of eligible solar energy property may be eligible to receive a cash grant from U.S. Treasury equal to 30% of the tax basis of the eligible property. Among other requirements, to be eligible for a 1603 Cash Grant, the eligible property must have been placed in service in 2009, 2010 or 2011 or, for property not placed in service during that period, the construction of the specified energy property must have begun after December 31, 2008 and before January 1, 2012. In addition, eligible solar energy property must be placed in service by January 1, 2017. Applicants who began construction after December 31, 2008 and before January 1, 2012, but who did not place the eligible solar energy property in service prior to October 1, 2012, were required to file a preliminary 1603 Cash Grant application prior to October 1, 2012. These applicants are further required to file a final or "converted" 1603 Cash Grant application no later than 180 days after the eligible solar energy property is placed in service. The preliminary 1603 Cash Grant application for Solana was filed in September 2012, and the final 1603 Cash Grant application for Solana was filed on November 14, 2013 with additional information provided to the U.S. Treasury in 2014. A final award from the U.S. Treasury was made as of October 2014. The preliminary 1603 Cash Grant application for Mojave was filed on September 14, 2012. Since Mojave reached COD in December 2014, a final 1603 Cash Grant application was recently filed on February 5, 2015.

The risks associated with the 1603 Cash Grant program are as follows:

- Disqualified Persons: Certain persons, “disqualified persons,” are ineligible to receive the 1603 Cash Grant and are prohibited from owning a direct or indirect interest in otherwise 1603 Cash Grant-eligible solar energy property, unless the indirect interest is held through an entity taxable as a C corporation for U.S. federal income tax purposes. 1603 Cash Grants are subject to recapture during the five-year period beginning on the date the eligible solar energy property is placed in service. The amount of the 1603 Cash Grant subject to recapture decreases ratably over the five-year recapture period. Among other events, failure of the eligible property to be used for its intended purpose or the direct or indirect transfer to a disqualified person (as described above) will cause recapture of the 1603 Cash Grant.

- Sequestration of Cash Grant Funds: Certain legislation required a mandatory sequestration of discretionary spending if the U.S. Congress failed to reach an agreement on a deficit-reducing budget by March 1, 2013. Because the U.S. Congress did not approve the requisite budget by that deadline, President Obama signed a sequestration order. Under the current sequestration rules, every final decision by U.S. Treasury in respect of a 1603 Cash Grant, evidenced by an award letter that is delivered to a 1603 Cash Grant applicant on or after October 1, 2013 through September 30, 2014, will reflect a 7.2% reduction in the 1603 Cash Grant award amount. For cash grant award letters issued on or after October 1, 2014 through September 30, 2015, the Office of Management and Budget has estimated that the sequestration reduction will be 7.3% This reduction applies regardless of the date on which the application for a 1603 Cash Grant was received by U.S. Treasury.

Federal Loan Guarantee Program

The DOE, in an effort to promote the rapid deployment of renewable energy and electric power transmission projects, is authorized to grant guarantees with respect to certain loans to renewable energy projects and related manufacturing facilities and electric power transmission projects under Section 1703 of EPACT 2005. Previously, the DOE also granted guarantees with respect to certain loans made under Section 1705 of EPACT 2005. In order to have qualified for the Section 1705 program, physical construction must have commenced at the primary site of the project on or before September 30, 2011. NEPA review must have been completed prior to the issuance of a loan guarantee. In May 2011, the Section 1705 program expired by statute, and the DOE announced that it would no longer accept new applications under that program. On September 30, 2011, the Section 1705 loan guarantee program closed with no further loan guarantees to be issued. Loan guarantees under Section 1703 continue to be available for solar. However, eligibility is limited. The applicant must be located in the United States and may include foreign ownership so long as the project is located in one of the 50 states, the District of Columbia or a United States territory. The project must employ a new or significantly improved technology that is not a commercial technology. A commercial technology is defined as in general use in the commercial marketplace in the United States at the time the term sheet is issued by the DOE. A technology is considered to be in commercial use if it has been installed in and is being used in three or more commercial projects in the United States and has been in operation in each such commercial project for at least five years. The project must also pay prevailing wages under the Davis-Bacon Act.

Accelerated Depreciation under Federal Regulation

Owners of eligible solar energy property also benefit from accelerated depreciation of the property over a five-year period under the MACRS under the IRC. Most of the equipment used in solar power projects, such as Solana and Mojave, qualifies for five-year depreciation under MACRS. In addition, some equipment used in solar power projects may qualify for bonus depreciation for equipment placed in service.

DOE Research Grants, State Energy Funding, Workforce Training, and Other Initiatives under the ARRA

The DOE received funding under the ARRA, which it has disbursed or is in the process of disbursing, to increase solar power production. Some funds were allocated as grants to support research and the development, demonstration, and deployment of projects. Funds were awarded to states on the basis of their electric consumption to fund energy efficiency, renewable energy, and other energy programs. ARRA funds were allocated with the purpose of providing workforce training with respect to renewable energy and energy efficiency. A number of initiatives were funded by the DOE with ARRA monies, including initiatives addressing solar market transformation, the integration of photovoltaic generation into the distribution system, and base load solar power generation.

State and Local Regulation of the Electricity Industry in the United States

State regulatory agencies in the United States have jurisdiction over the rates and terms of electricity service to retail customers. Regulated investor-owned utilities often must obtain state approval for the contracts through which they purchase electricity, including renewable energy, if they seek to pass along the costs of these contracts to their retail ratepayers. Municipal utilities and electric cooperatives are typically governed on these matters by their city councils or elected boards of directors. Different states apply different standards for determining acceptable prices for utility procurement contracts, including PPAs. Our electricity generation project companies operate in Arizona and California. Information about the regulatory frameworks in Arizona and California is provided below.

United States State-Level Incentives

In addition to federal legislation, many states have enacted legislation, principally in the form of renewable portfolio standards, or RPS, which generally require electric utilities to generate or purchase a certain percentage of their electricity supplied to consumers from renewable resources. In certain states, it is not only mandatory to meet these percentages from renewable resources, which in general are on the increase, but also electric utilities may be required to generate or purchase a percentage of their electricity supplied to consumers from specific renewable energy technologies, including solar technology. Depending upon the state, various certifications, permits, contracts and approvals may be required in order for a project to qualify for particular RPS programs. Some states, for example, require that only renewable energy generated in-state counts towards the RPS. According to the Database of State Incentives for Renewable Energy, as of August 2014, 49 states and United States territories have adopted some type of RPS standards. Although there is currently no federal RPS program, there have been proposals to create a federal RPS standard for renewable energy.

Renewable Energy Certificates, or RECs, are typically used in conjunction with RPS programs as tradable certificates demonstrating that a certain number of kWh have been generated from renewable resources. Under many RPS programs, a utility may generally demonstrate, through its ownership of RECs, that it has supported an amount of renewable energy generation equal to its state-mandated RPS percentage. The sale of RECs can represent a significant additional revenue stream for renewable energy generators. In RPS states where a liquid REC market does not exist, renewable energy can be bought or sold through “bundled” PPAs, where the PPA price includes the price for renewable energy attributes. Some states require that RECs and the associated electricity be purchased together in order to count towards the RPS. In states that do not have RPS requirements, certain entities buy RECs voluntarily. These RECs generally have lower prices than RECs that are used to meet RPS obligations. The price of RECs can vary significantly, depending on their availability, which in turn depends upon the amount of renewable generation that has been put in service in a state that has implemented RPS requirements. In some states, the number of successful projects has generated more RECs than required to meet the applicable RPS requirements for a given year or years, leading to steep drops in the market price for RECs. Additionally, demand for RECs can be driven by requirements (such as those imposed under the California Environmental Quality Act) that development projects mitigate potential significant GHG impacts identified in connection with environmental clearances.

Effective December 10, 2011, California enacted legislation that increases its existing RPS to 25% by 2016 and 33% by 2020, and expands the program to cover publicly-owned utilities, in addition to investor-owned utilities, or IOUs. In addition, the California Solar Initiative, or CSI, sets a goal of 1,940 MW of solar capacity by the end of 2016. The CSI provides monetary incentives for solar installation between 1 kW and 5 MW in size as well as grants for research, development, and demonstration. California's feed-in tariff program obligates IOUs to purchase solar generation at a standard price until a purchase threshold is crossed. Colorado set an RPS of 30% by 2020 for IOUs, permits the trading of RECs, and requires that 3% of the RPS be met by distributed generation in 2020 for IOUs. Arizona set an RPS of 15% by 2025, with 30% of the RPS to be met from distributed generation. A Texas law signed in August 2005 requires that 5,880 MW of new renewable generation be built by 2015. The law also set a target of having 10,000 MW of renewable generation capacity by 2025. Additionally, Texas law establishes a minimum of 500 MW of non-wind renewable generation, and doubles the RPS compliance value provided by non-wind generation.

Other incentives that states and localities have adopted to encourage the development of renewable resources include property and state tax exemptions and abatements, state grants, and rebate programs. In addition, a number of states collect electricity surcharges on residential and commercial users and through public benefit funds reinvest some of these funds in renewable energy projects. California offers a property tax incentive for certain solar energy systems installed between January 1, 1999 and December 31, 2016. The Arizona Department of Revenue provides a corporate tax credit based on production for solar, wind, or biomass systems that are 5 MW or larger and are installed on or after December 31, 2010 and before January 1, 2021.

Solar generation may also be incentivized by state GHG emission reduction measures, such as California's cap and trade scheme, which caps and reduces GHG emissions. The California cap and trade program went into effect with respect to the electricity and other sectors starting in 2013.

Arizona

Regulation of Retail Electricity Service in Arizona

The Arizona Corporation Commission, or ACC, has complete and exclusive jurisdiction over the rates and terms under which regulated utilities may provide electricity service to retail customers in Arizona. Under the Arizona Constitution, the ACC has unilateral authority over all utility regulation, including electric and natural gas utilities. The ACC also oversees all rate cases for its jurisdictional utilities, and as such has oversight of renewable energy procurement contracts by regulated electric utilities. Under Arizona's Renewable Energy Standard & Tariff, or REST, regulated electric utilities must supply an increasing percentage of their retail electric energy sales from eligible renewable resources, including solar, wind, biomass, biogas and geothermal technologies. The renewable energy requirement is 4.5% of retail electric sales in 2014 and increases annually until it reaches 15% in 2025.

Unlike many other state regulatory commissions, the ACC does not approve PPAs executed by regulated utilities, nor does it issue rulings of "prudency" regarding PPAs. This practice leaves a utility somewhat at risk of recovering its costs until a successful rate case finding is rendered by the ACC. Rate recovery requests may not be filed until the utility begins to make actual expenditures for power procurement. In the case of Solana, however, the power purchaser, Arizona Public Service Company, or APS, voluntarily sought a hearing before the ACC to request its informal opinion of the prudency of the Solana PPA. After ACC staff conducted an analysis of the costs and benefits of Solana to Arizona ratepayers, it recommended to the ACC commissioners that the PPA should be deemed "a reasonable means" by which APS could meet its requirements under the REST. The ACC affirmed the staff's recommendation on September 30, 2008, thereby providing greater assurance of APS's successful rate recovery request. APS is expected to file its full rate recovery request in 2016.

Performance and Operational Provisions of Solana's PPA

The PPA executed between APS and Solana's project company, Arizona Solar, contains provisions related to guarantees of performance (e.g., provision of minimum annual renewable energy certificates, or REC, eligible energy quantities to APS). The provisions are largely intended to protect APS' ability to meet its mandatory requirements under the REST, and to prevent APS from having to procure REC eligible power elsewhere at an unknown, and presumably higher, cost than the PPA price.

Siting and Construction of New Power Generation Facilities in Arizona

The Arizona Power Plant & Transmission Line Siting Committee, or Siting Committee, oversees utility and private developer applications to build power plants (of 100 MW or more) or transmission projects (of 115,000 volts or more) within Arizona. The Siting Committee holds public meetings and evidentiary hearings to determine whether a proposed generation or transmission project is compatible with preservation of the state's environmental protection interests, and if the finding is affirmative, makes a recommendation to the ACC to grant a Certificate of Environmental Compatibility, or CEC, to the applicant. The ACC then has authority to approve, decline or modify the Siting Committee's recommendation.

The ACC granted CECs to Solana on December 11, 2008, for both the 280 MW solar generation project and its associated 20.8-mile, 230 kilovolt transmission line. Both the generation facility and transmission line CECs contain obligatory conditions and stipulations, none of which could present a risk to Solana during the operational phase.

Other Arizona Permitting and Compliance Frameworks

Various state and county regulations, mostly related to the environment, public health and safety, are applicable during the operational phase of a solar power plant located in Maricopa County, Arizona. Such regulations include the Arizona Aquifer Water Quality Standards and Aquifer Protection Permit Rules, the Maricopa County Special Use Permit Stipulations, the Maricopa County Air Pollution Control Regulations, and the Maricopa County Zoning Ordinances and Regulations. Obtaining a permit or requesting the approval of certain operating plans, as well as strict compliance with such permits and plans, is mandatory. Failure to comply may result in the revocation of the permit or authorization, civil and criminal charges and fines, or potentially the closure of Solana.

In addition, in accordance with the NEPA designation of a Finding of No Significant Impact (FONSI) issued by the DOE, Solana must comply with certain water requirements due to the reduction in tail water runoff being contributed to a wash located near the site. In coordination with Arizona Game & Fish Department and the U.S. Fish and Wildlife Service, Solana must provide 447 acre-feet of water annually as a direct off-set to the reduction in tail water runoff from the site. This requirement is for the duration of Solana, and failure to comply would trigger an administrative procedure that could cause temporary closure of the plant until the non-compliance condition is cured.

Regulations Affecting Operating Generating Facilities in Arizona

Many of the permits obtained for Solana carry specific conditions that must be complied with during the operational phase of the facility and which are continuously monitored, measured, and documented by the Solana plant operators. The primary obligations that commenced during commissioning and/or commercial operation are those related to reliability, emergency response, potential hazards of waste disposal, and human health and safety. These requirements originate with federal laws, and in many cases are enforced via delegated authority from the appropriate federal agency to a state or county agency. These include:

- NERC Reliability Standards and Critical Infrastructure Plans, delegated to WECC as the regional authority;
- Emergency Planning and Community Right-to-Know Act, delegated to the Arizona Division of Emergency Management;
- Resource Conservation and Recovery Act, delegated to EPA Region 9 in San Francisco, California; and
- Occupational Safety and Health Administration federal requirements.

California

Regulation of Retail Electricity Service in California

The California Public Utilities Commission, or CPUC, governs, among other entities, California's three large investor-owned utilities, including Pacific Gas & Electric Company, or PG&E. PG&E is required to file an RPS procurement plan annually with the CPUC. Once the CPUC approves the plan, PG&E issues a request for offers, or RFO, for renewable energy. It then evaluates all of the bids using a "least-cost, best-fit" evaluation process approved by the CPUC and develops a short list of acceptable bids. In August 2008, Mojave was submitted as a renewable solar thermal project in response to PG&E's 2008 RFO solicitation and placed on their short list. After two years of negotiations, PG&E and Mojave Solar executed a final PPA, for which PG&E filed with the CPUC an advice letter requesting approval of the PPA in July 2011. The CPUC reviewed the PPA and approved the contract by issuing a formal decision in November 2011. The terms of the PPA govern Mojave during its development, construction and operating period. The CPUC historically does not retroactively apply new regulations or rulings to previously approved PPAs that would result in any economic impact.

Performance and Operational Provisions of Mojave's PPA

The PPA executed between PG&E and Mojave's project company, Mojave Solar, contains provisions related to guarantees of performance (e.g., provision of minimum annual REC eligible energy quantities to PG&E). The provisions are largely intended to protect PG&E's ability to meet its mandatory requirements established by the CPUC, and to prevent PG&E from having to procure REC eligible power elsewhere at an unknown, and presumably higher, cost than the PPA price.

Siting and Construction of New Power Generation Facilities in California

The California Energy Commission, or CEC, is the lead agency for licensing thermal power plants 50 MW and larger under the California Environmental Quality Act and has a certified regulatory program under such Act. The CEC is comprised of five commissioners, two of whom oversee all hearings, workshops and related proceedings on a specific project. The CEC's siting process evaluates Applications for Certification, or AFCs, to ensure that only power plants which are actually needed will be built, provides review by independent staff with technical expertise in public health and safety, environmental sciences, engineering and reliability, ensures simultaneous review and full participation by all state and local agencies, as well as coordination with federal agencies, resulting in issuance of one regulatory permit within a specific time frame, with full opportunity for participation by public and interest groups.

On August 10, 2009, Mojave's AFC for its nominal 250 MW project was filed with the CEC. The CEC approved Mojave's AFC with the CEC decision issued on September 8, 2010. The CEC monitors the power plant's construction, operational phase and eventual decommissioning through a compliance proceeding.

Regulations Affecting Operating Generating Facilities in California

Mojave must maintain compliance with the CEC decision conditions of certification. These concern, among others, biological resources, health and safety, cultural resources, fire safety, and water. The conditions require Mojave to provide plans, notifications, and other reports on an ongoing basis. As noted above, such compliance is monitored by CEC staff. Per the CEC decision, "[f]ailure to comply with any of the Conditions of Certification or the compliance conditions may result in reopening of the case and revocation of Energy Commission certification; an administrative fine; or other action as appropriate." Additional regulations are administered by the California Independent System Operator and under the terms of the federally administered Large Generator Interconnection Agreement.

Regulation in Mexico

Overview

The following is a description of the regulation of the Mexican power industry applicable to the conventional generation of electricity.

Pursuant to the Mexican Constitution, the electricity industry in Mexico was entirely controlled by the federal government, acting through the Federal Electricity Commission, Comision Federal de Electricidad, or CFE, an entity wholly owned and controlled by the Mexican government, and legally independent from the Ministry of Energy, Secretaria de Energia. CFE was the only entity authorized to provide electricity directly to the public and to supply services to the Mexican wholesale market. CFE was also responsible for the construction and maintenance of infrastructure necessary for the delivery of electricity, such as the national electric grid, the Sistema Electrico Nacional, or SEN.

As a result of Mexico's energy reform bill enacted on December 21, 2013, articles 25, 27 and 28 of the Mexican Constitution were amended in order to end the long-standing state monopoly in the oil, petrochemical and power sectors, and allow private investment in these areas for their development in an open market. Hence, the power generation sector is now open to full private participation and investment, creating a competitive spot market in power generation, although electric transmission and distribution will remain public services to be provided exclusively by CFE. With the enactment of the secondary legislation, the generation, transmission, distribution and commercialization of power in Mexico is governed by a new legal framework which will likely improve the development of the sector.

Notwithstanding the legal changes, we do not expect any negative consequences for ACT Energy Mexico, or ACT, or for the power generated and delivered to Pemex Gas y Petroquimica Basica.

Until the recent energy reform, the whole set of activities regarding generation, transmission, distribution and commercialization of power for public use were considered areas of national strategic importance. As a result, such activities were carried out exclusively by CFE. The national electric grid was also controlled by CFE through the Centro Nacional de Control de Energia, or the CENACE, which operated the national electric grid and controlled delivery of all electricity generated by CFE and private generators connected to the grid. CFE is a vertically-integrated state monopoly that serves the whole country, and CENACE is a semi-independent agency that is part of CFE. As a result of the energy reform, CENACE became a decentralized public agency, which will continue to be responsible for the operation and control of the national electric grid with the aim of having an impartial third party (not CFE) operate the wholesale electricity market, guaranteeing open access to the national electric grid for both transmission and distribution of electricity. CENACE has emerged as an Independent System Operator, or ISO, which is a figure adopted worldwide in other mature energy markets.

The generation, transmission and distribution of electricity were regulated by the Ley del Servicio Publico de Energia Electrica, or Electricity Law; enacted in 1975 and amended in 1992. Since the implementation of the 1992 amendment to the Electricity Law, private entities have been allowed to participate in the following activities not considered public utility services, as defined by such law:

- *Cogeneration*. The electricity produced is used to supply power to the establishments associated with the cogeneration process and/or the shareholders of the cogeneration company;
- *Self-Supply Generation*. The electricity produced is used for the self-supply purposes of the holder of the relevant self-supply power generation permit and/or its shareholders;
- *Independent Power Production*. All the electricity produced is delivered to CFE;
- *Small-Scale Production*. The electricity produced does not exceed 30 MW and is used for export purposes or the supply of all power output is sold to CFE;
- *Exports*. The electricity produced is exported in its entirety; and
- *Imports for Independent Consumption*. The import of power is used for self-supply purposes.

The regulatory framework of the Mexican power industry is undergoing a transitory period, as the energy reform is still in the process of being fully implemented, given that the secondary legislation derived from such amendments to the Mexican Constitution was published in the Official Federal Gazette, or Diario Oficial de la Federacion, on August 11, 2014, and there are still several regulatory instruments pending issuance. See “Item 4.B—Business Overview—Regulation—Regulation in Mexico—Transitory Regime.”

The changes made by the energy reform will be implemented through a profound modification of the legal framework that has governed the development of the energy industry in the country, which involves the entrance into force of new laws and the amendment of current laws.

The new laws are listed below:

- Oil and Gas Law, or *Ley de Hidrocarburos*;
- Electric Industry Law, or *Ley de la Industria Electrica*;
- Geothermal Energy Law, or *Ley de Energia Geotermica*;
- Petroleos Mexicanos Law, or *Ley de Petroleos Mexicanos*;
- Federal Electricity Commission Law, or *Ley de la Comision Federal de Electricidad*;
- Energy Regulatory Bodies Law, or *Ley de los Organos Reguladores Coordinados en Materia Energetica*;
- National Industrial Safety and Environmental Protection Law of the Oil and Gas Sector, or *Ley de la Agencia Nacional de Seguridad Industrial y de Proteccion al Medio Ambiente del Sector Hidrocarburos*;
- Mexican Petroleum Fund for Stabilization and Development, or *Ley del Fondo Mexicano del Petroleo para la Estabilizacion y el Desarrollo*; and
- Oil and Gas Revenue Law, or *Ley de Ingresos sobre Hidrocarburos*.

Additionally, 12 laws were amended in order to unify their content with the new regulatory framework. The following are the amended laws:

- Foreign Investment Law, or *Ley de Inversion Extranjera*;
- Mining Law, or *Ley Minera*;
- Private Public Partnerships Law, or *Ley de Asociaciones Publico Privadas*;

- National Water Law, or *Ley de Aguas Nacionales*;
- Federal Law of Government-Owned Entities, or *Ley Federal de las Entidades Paraestatales*;
- Public Sector Acquisitions, Leases and Services Law, or *Ley de Adquisiciones, Arrendamientos y Servicios del Sector Publico*;
- Public Works and Related Services Law, or *Ley de Obras Publicas y Servicios Relacionados con las mismas*;
- Organizational Law of the Federal Government, or *Ley Organica de la Administracion Publica Federal*;
- Federal Fees Law, or *Ley Federal de Derechos*;
- Fiscal Coordination Law, or *Ley de Coordinacion Fiscal*;
- Federal Budget and Treasury Accountability Law, or *Ley Federal de Presupuesto y Responsabilidad Hacendaria*; and
- General Public Debt Law, or *Ley General de Deuda Publica*.

Furthermore, on October 31, 2014, the following regulations and regulatory instruments, which will contribute to the implementation of the aforementioned secondary legislation, were published in the Official Federal Gazette:

- Regulations of the Oil and Gas Law, or *Reglamento de la Ley de Hidrocarburos*;
- Regulations of the activities referred to in Chapter Three of the Oil and Gas Law, or *Reglamento de las actividades a que se refiere el Titulo Tercero de la Ley de Hidrocarburos*;
- Oil and Gas Revenue Law Regulations, *or Reglamento de la Ley de Ingresos sobre Hidrocarburos*;
- Electric Industry Law, or *Reglamento de la Ley de la Industria Electrica*;
- Geothermal Energy Law Regulations, or *Reglamento de la Ley de Energia Geotermica*;
- Regulations of Petroleos Mexicanos Law, or *Reglamento de la Ley de Petroleos Mexicanos*;
- Regulations of the Federal Commission of Electricity Law, or *Reglamento de la Ley de la Comision Federal de Electricidad*;
- Internal Regulations of the Ministry of Energy, or *Reglamento Interior de la Secretaria de Energia*; and
- Internal Regulations of the National Agency of Industrial Safety and Environmental Protection, or *Reglamento Interior de la Agencia Nacional de Seguridad Industrial y de Proteccion al Medio Ambiente del Sector Hidrocarburos*.

Additionally, the executive branch also published the following decrees, which amended the existing regulations of different laws and which are relevant for the development of the energy sector:

- Decree amending and supplementing various provisions of the Public Partnerships Law Regulation, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley de Asociaciones Publico Privadas*;
- Decree amending and supplementing various provisions of the Federal Budget and Treasury Accountability Law, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley Federal de Presupuesto y Responsabilidad Hacendaria*;

- Decree amending and supplementing various provisions of the Internal Regulation for the Ministry of Finance and Public Credit, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaria de Hacienda y Credito Publico*;

- Decree amending and supplementing various provisions of the Regulations of the Mining Law, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley Minera*;

- Decree amending and supplementing various provisions of the Regulations of the Foreign Investment Law and of the National Registry of Foreign Investment, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley de Inversion Extranjera y del Registro Nacional de Inversiones Extranjeras*;

- Decree amending and supplementing various provisions of the Internal Regulations of the Ministry of Economics, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaria de Economia*;

- Decree amending and supplementing various provisions of the Internal Regulations of the Ministry of Agrarian, Territory and Urban Development, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaria de Desarrollo Agrario, Territorial y Urbano*;

- Decree amending and supplementing various provisions of the Regulations of the General Law for Sustainable Forestry Development, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General de Desarrollo Forestal Sustentable*;

- Decree amending and supplementing various provisions of the Regulations of the General Law of Ecological Balance and Environmental Protection on Environmental Impact Assessment, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente en Materia de Evaluacion del Impacto Ambiental*;

- Decree amending and supplementing various provisions of the Regulations of the General Law of Ecological Balance and Environmental Protection regarding prevention and Control of Air Pollution, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente en Materia de Prevencion y Control de la Contaminacion de la Atmosfera*;

- Decree amending and supplementing various provisions for the Regulations of the General Law for Prevention and Integral Waste Management, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General para la Prevencion y Gestion Integral de Residuos*;

- Decree amending and supplementing various provisions of the Regulations of the General Law of Ecological Balance and Environmental Protection on Environmental Zoning, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente en Materia de Ordenamiento Ecologico*;

- Decree amending and supplementing various provisions of the Regulations of the General Law of Ecological Balance and Environmental Protection regarding Emissions to the Atmosphere and Transfer of Pollutants, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente en Materia de Registro de Emisiones y Transferencia de Contaminantes*;

- Decree amending and supplementing various provisions of the Internal Regulations of the Ministry of Environment and Natural Resources, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaria de Medio Ambiente y Recursos Naturales*; and

- Decree amending and supplementing various provisions of the Regulations of the General Law of Ecological Balance and Environmental Protection on Self-Regulation and Environmental Audits, or *Decreto por el que reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente en Materia de Autorregulacion y Auditorias Ambientales*.

Conventional Electricity Generation in Mexico

The former legal framework for conventional electricity generation in Mexico included the regulation of fossil fuels, such as carbon, diesel, fuel oil and natural gas, as well as nuclear fission regulation, which includes nuclear power plants and all related activities.

Accordingly, power generation under independent power production or self-supply schemes was not considered a public utility service and, therefore, could be performed by private companies and individuals pursuant to permits issued by the Energy Regulatory Commission, *Comision Reguladora de Energia*, or CRE. The CRE is a federal agency created in 1995 in order to enforce the laws and regulations relating to natural gas and electricity, and has the authority to issue permits, set tariffs, supervise, ensure adequate supply and, in the case of gas, promote competition.

As previously indicated, the Mexican federal government, acting through CFE, controlled the entire chain of activities related to electric power, including generation, sale, distribution and transmission. The energy reform allows the private sector to openly participate in two important parts of the production chain: the generation and the sale of electricity.

Pursuant to the reform, the private energy sector is now able to invest in electricity generation with the requisite permits. The sale of electricity by private parties has not yet begun (with the initiation of operations of Wholesale Electricity Market, *Mercado Electrico Mayorista*, or MEM) in Mexico under the new legal framework, privately sold electricity will be transmitted and distributed by CFE.

The reforms are expected to have positive effects on the electricity industry in Mexico, allowing the private sector to play an active role where a government monopoly once existed, generating greater investment and better technology.

As a result of the energy reform, the electricity sector will cease to be a chain of activities vertically integrated in a partially privatized sector, and become an area open to private investment in which, although CFE will maintain control, the possibility of private sector investment will be increased through a more flexible regulatory scheme that permits the execution of contracts to carry out various activities and the creation of new markets in the electricity sector. Among the most significant changes are the following:

- Participation open to the private sector in the generation of electricity through a permit granted by CRE. Private parties may also sell the energy generated and transmitted by CFE through commercial schemes.

- Participation of the private sector, together with CFE, in the activities of transmission and distribution through the execution of the corresponding contracts.

- Participation of the private sector in activities of financing, maintenance, management, operation and expansion of the power infrastructure through service contracts with CFE, with adequate compensation.

- Transformation of the CENACE into a decentralized public body responsible for the operational control of the national electric grid, so that it is an impartial third party (and not the CFE) that operates the wholesale electricity market, guaranteeing open access to the national electric grid, for both transmission and distribution of electric power.

- Creation of the MEM, operated by the CENACE, in which the participants carry out electric power purchase and sale transactions through contracts between the participants in the MEM. The CENACE is now responsible for managing the supply and demand of the MEM participants, carrying out transactions and generating prices continuously. The price that will be paid in the MEM transactions will be a competitive price, reflecting the costs of generation and other operating costs of electricity, as well as the volume of electric power demanded and supplied in the MEM.

- Creation of the trader, under the new Electric Industry Law, as the holder of a MEM participant agreement, which purpose is to carry out trading activities (execution of contracts for purchase and sale of electricity within the MEM, among others). The traders may sign contracts with qualified users (through the provider-trader) or execute such contracts with other traders (non-provider trader).

- The permits granted by the CRE under the currently repealed Electricity Law, will continue in force under its terms. The holders of those permits that choose to remain under the provisions of the Electricity Law may, at any time, transfer to the new rules.

- The Geothermal Energy Law, the purpose of which is to regulate the recognition, exploration and exploitation of geothermal resources for the use of underground thermal energy within the limits of Mexican territory, in order to generate electricity or use it otherwise.

- The activities regulated by the Geothermal Energy Law are considered to be in the public interest and their development will have preference over activities of other sectors when there is a conflict.

- The activities pursued under the Geothermal Energy Law will be carried out through different registries, permits, authorizations and concessions granted by the competent authorities applicable for each case. For exploration activities, a permit will be sufficient, while for exploitation activities, a concession will be required.

- Amendment of several articles of the National Water Law, for the purpose of (i) adapting certain definitions of that law to the new definitions introduced by the Geothermal Energy Law; (ii) including geothermal fields under regulated, prohibited or reserved zones; and (iii) establishing the obligation of requesting the relevant permits, authorizations and concessions from the National Water Commission in order to engage in the activities of geothermal fields exploration.

Electric Industry Law

The Electric Industry Law, as part of the package of secondary legislation that implements the constitutional energy reform, regulates planning activities, the control of the national electric grid, the public services of transmission and distribution of electricity, and all other activities related to the Mexican energy industry, in order to promote the sustainable development of the industry and to ensure its continuous, efficient, and secure operation for the benefit of all users, as well as the fulfillment of the obligations to provide a general and public service of electricity, to develop clean energies, and to reduce contaminating emissions.

Pursuant to the Electric Industry Law, the government holds the operational control of the national electric grid, through the CENACE, and CENACE, as an ISO, will indicate the elements for the national transmission grid and the related operations which may correspond to the wholesale market.

Regulations of the Electric Industry Law

The Regulations of the Electric Industry Law provide details for the application of the Electric Industry Law and complete the implementation of the restructured electric industry in Mexico.

These regulations expand on certain administrative procedures in the electric industry, such as the development of public bidding procedures by CFE, for private sector contracts for activities related to the national electric grid; the specific requirements for the application for power generation and power supply permits with CRE; the process for infrastructure contributions by the private sector to the State; and the registration of participants in the wholesale spot market with CENACE.

Permits and Authorizations

Pursuant to the Electric Industry Law, all power plants with a capacity greater than or equal to 0.5 MW and all power plants of all capacities represented by a generator (i.e., the holder of one or more generation permits or holder of a wholesale market participant agreement that represents the corresponding power plants in the wholesale market or, prior authorization granted by CRE, power plants located abroad) require a generation permit granted by CRE. Authorization granted by CRE is also required for the import of electricity from a power plant located abroad and interconnected exclusively to the national electric grid. Power plants of any capacity exclusively intended for personal use during emergencies or interruptions in electric supply will not require a permit.

The Electric Industry Law provides for several requirements which generators who represent power plants interconnected to the national electric grid have to comply with, including, among others, the execution of the corresponding interconnection agreements, issued by CRE. Regarding the production of their power plants, generators may carry out commercialization activities which include, among others, the following: (i) representing exempt generators (i.e., owner or holder of one or more power plants which do not require or have a generation permit) in the MEM; (ii) carrying out sale and purchase transactions of energy, related services included in the MEM, and power or other products which ensure enough resources to meet the electric demand, and all other products, duties or penalties required for the efficient operation of the national electric grid, among others; and (iii) executing, among others, the corresponding electric coverage agreements (i.e., agreement entered into by participants of the MEM which purpose is the sale and purchase of electric energy or related products) with other MEM participants, including other generators, traders (i.e., holder of a MEM participant agreement which purpose is to carry out commercialization activities), and qualified users (i.e., final user who is registered before CRE to acquire electricity supply as a MEM participant or through a qualified provider).

Pursuant to the former legal framework for the Mexican electric industry, permits for self-supply, cogeneration, independent production, small production, import, and export of electricity were granted by CRE for indefinite periods of time, except for independent power producer permits, which were granted for 30-year renewable terms. In addition to the legal and technical requirements established by law to obtain such permits, CFE's approval was required as part of CRE's permit approval process. Pursuant to the transitory regime, such permits will be in force for the duration of the corresponding interconnection agreements executed under their scope.

CRE may also issue a supply permit for private parties, which will allow companies to participate in the MEM by carrying out transactions with final users, which are called "qualified users." In this sense, private parties may supply power directly to consumers through bilateral long-term agreements, which will be partially regulated by the CRE.

Consequently, the Mexican power industry had been divided into two main areas: (i) the public service of electricity under CFE's control, and (ii) the activities where private parties may be involved (such as where CFE actively promoted private investment in the construction and operation of power plants for supplying CFE and private parties under self-supply and cogeneration schemes).

While power generated in Mexico is still predominantly generated by CFE, there is a large amount of electricity generated by private energy producers, which generally fall under the categories of independent power production and self-supply generation, although cogeneration has come to be a relevant source of power as a result of certain amendments enacted in 2006 which allowed Pemex to develop new cogeneration projects independently and in collaboration with CFE. These amendments allowed Pemex to enter into the Pemex conversion services agreement and to receive the power generated by ACT.

As a consequence of the corresponding reforms the issuance of a new class of permit available to those interested in generating electricity is provided for pursuant to the Electric Industry Law. This permit will expand the ways in which entities are allowed to participate as energy producers under the Electric Industry Law and is within the scope of the CRE's regulatory control.

The permits provided for in the Electric Industry Law are, as aforementioned, granted and issued by CRE, upon prior submission of the corresponding application, payment of the corresponding duties, all relevant legal and technical information, and project description. Such permits will be terminated or revoked pursuant to the different scenarios indicated in the Electric Industry Law and its regulations, and as determined by CRE.

The regulations lists the documentation to be submitted to apply for a permit with CRE, as well as the corresponding timeline for the application procedure and the essential elements that CRE must include in the permit title.

Transmission and Distribution of Electricity in Mexico

Pursuant to the Electric Industry Law, regarding conventional energy generation, dispatchers and distributors are responsible for the national transmission grid and the general distribution grids and will operate their grids pursuant to the instruction provided by CENACE. Whereas in the past there were no regulatory limitations that would interfere with a private generator engaging in transmission activities, and, regarding distribution activities, these could only be performed by CFE, with the new regulatory framework derived from the constitutional reform and the legal provisions therein, the public service of electricity and its transmission are considered as strategic areas and will continue to be government-controlled, notwithstanding the possibility of the Mexican government, acting through CFE, to be able to enter into agreements with the private sector, or, acting through the Ministry of Energy, to form partnerships or enter into agreements with the private sector to carry out the financing, installation, maintenance, administration, operation or expansion of the infrastructure required to provide electricity transmission and distribution services, in terms of the provisions of the Electric Industry Law.

Such agreements will be awarded to private companies through bidding rounds, conducted by CENACE, which will determine the needs of the national electric grid, and carry out the corresponding tender processes. In addition, all dispatchers and distributors will have the obligation to execute the corresponding connection and interconnection agreements, based on the model contracts issued by CRE, regarding the interconnection of power plants or the connection of load centers, and the MEM regulations will indicate the criteria for CENACE to define the specifications for the required infrastructure necessary for the interconnection of power plants and the connection of load centers, as well as the mechanisms to determine preference matters for applications or requests and the procedure for their evaluation.

CFE is required by law to provide its wheeling (the transfer of electrical power through transmission and distribution lines to another utility), dispatch and backup services to all permit holders whenever the requested service is technically feasible on a first-come, first-served basis. CFE's wheeling services are provided pursuant to an interconnection agreement and a transmission services agreement entered into between CFE and the relevant permit holder (in ACT's case, these were executed by Pemex). Those agreements follow model contracts approved by the CRE, which also approves the methodology used to calculate the applicable tariffs. The permit holders must build their own transmission lines for self-use in order to connect to the power grid. In addition, permit holders are required to enter into a back-up services agreement with CFE, which also follow a model agreement approved by the CRE.

The Electric Industry Law incorporates new requirements to carry out the sale and purchase of electricity. Aside from being classified as a generator or qualified user, along with the need to comply with the rules issued by CRE for the execution of the corresponding agreements, there are new requirements for the interconnection to the transmission grid owned by CFE. The Electric Industry Law introduces and provides for the concepts of connection and interconnection, the first referring to the load points of users and the latter referring to generators' power plants. Regarding interconnection, the most significant change is the need to execute new model agreements in order to adapt them to the new modalities and activities under the scope of regulation of the Electric Industry Law.

Furthermore, the transitory provisions contained in the Electric Industry Law provide that those interconnection agreements which were executed under the scope of regulation of the Electricity Law will remain in force, notwithstanding the possibility that executing the new contract models that will be issued by CRE may prove beneficial in order to adapt to the new changing aspects of the industry; as with previous agreements, companies will only be limited to the authorized activities under such contracts (e.g. wheeling will only be available for the amount of energy and for the specific purpose established therein). This suggests that new models of interconnection agreements may be more flexible to cover the implementation of the various activities allowed.

The regulations provide that CRE must implement a regulatory regime providing for the conditions for the procurement of the public services of transmission and distribution of electric power based on the principles of proportionality and equality, aiming to prevent transporters, distributors and suppliers from exercising excessive market power that could negatively affect final users. Such regulatory regime will consider the degree of openness in the market, the concentration of participants and any other condition of the competition in every division of the industry. The regulations also anticipate the possible cases of curtailment of the services of transmission and distribution of electric power and provide for standard procedures in different situations.

Commercialization of Electricity

Under the Electric Industry Law, the trader will be the holder of a MEM participant agreement, and will carry out commercial activities, among which are executing electric coverage agreements for the sale and purchase of electricity within the MEM. Under the Electric Industry Law, electric coverage agreements are those agreements executed between MEM participants through which those Participants engage in the sale of electric energy or related products. Traders may enter into such agreements with qualified users (through the figure of the provider-trader) or with other traders (who are not providers).

Excluding qualified users, basic providers will provide the basic supply to all people who so request it and whose load centers are located in their operation areas. Qualified providers will provide the qualified supply to qualified users in terms of free competition. Prior commencement of the Qualified or basic supply services, the final user must execute a supply agreement with the appropriate provider, and such agreements will require registration before the Federal Attorney's Office of Consumer, or *Procuraduria Federal del Consumidor*, or PROFECO, CRE will issue the general terms and conditions for the electrical supply services, which will determine the rights and obligations of the service provider and the final user, correspondingly.

Qualified users are those final users who are duly registered as such before CRE in order to acquire power as MEM participants or by a qualified provider. In terms of the Electric Industry Law, users holding load points with a demand greater than or equal to 3 MW may be included in the qualified users registry (but such amount will decrease in one MW per year following the first year until reaching 1 MW). In this case, having the property in which the electric power is intended to be supplied registered as Qualified under the corresponding rules to be issued will suffice. Within the MEM, qualified users may purchase energy through electric coverage agreements executed with CENACE or directly with traders.

Supply

Supply activities carried out in the new electric industry may be either in the basic or qualified modalities. Power supply agreements will be executed by and between providers and final users, under the corresponding supply permits issued by CRE. Basic supply refers to that which is provided by a provider under a regulated tariff to any applicant who is not a qualified user. Qualified Supply refers to that which is provided in terms of free competition to qualified users.

For basic supply, private generators may participate in the auctions conducted by CENACE, in order for CFE to acquire the energy in the most convenient economic terms and conditions, and thus CFE will be able to supply power to users who so request it before CENACE, who will carry out the referred auction and determine whom the electricity will be purchased from. CRE will also determine the requirements that providers must comply with in order to acquire energy and execute contracts for electric coverage with users.

As for qualified supply, qualified providers will carry out transactions directly through long-term supply agreements with qualified users. Under these agreements, the parties will be free to agree upon the terms and conditions (including economic conditions) thereof, abiding by certain general guidelines that will be issued by CRE.

Open Access

Both the Electric Industry Law and in the regulations thereunder establish that CFE will be obligated to grant non-discriminatory open access to all users of the national electric grid. This will enhance the existence of an open electricity market, where various competitors in almost all segments of the supply chain requiring the use of the national electric grid will coexist and develop their activities. Open access is a crucial component of the electric industry since CFE, as owner of the grid, will compete directly with other private sector participants in several activities of the industry, which could lead to a monopoly by CFE. In order to avoid such situation, the CENACE, as an independent system operator, will ensure competitive conditions for all users who want to use CFE's infrastructure.

The regulations provide that CRE will issue the general guidelines regarding open access conditions, the procedure for users to request such open access and the procedure to which the CENACE will be subject to grant this open access, among others.

Tariffs

Transmission, distribution, basic supply and last resort supply, as well as the operation of CENACE, will be subject to regulatory accounting guidelines established by CRE. CRE will issue general administrative provisions regarding the methodology to determine the calculation and adjustment of the regulated tariffs for transmission, distribution, basic provider operation and CENACE operation services, as well as all related services which are not included in the MEM.

Dispatchers, distributors, basic providers and the CENACE will be required to publish their tariffs, as indicated by CRE, through general administrative provisions.

Wholesale Spot Market, Mercado Electrico Mayorista

The Electric Industry Law provides for the creation of a MEM, operated by CENACE, in which Participants can carry out a number of different transactions provided for in said law, among which are the sale of electricity and related products.

MEM participants can be (i) generators, (ii) provider-traders, (iii) non-provider traders, or (iv) qualified users, prior to execution of the corresponding agreement with CENACE. Transactions carried out within the MEM must be formalized through "electric coverage agreements" executed by and between such MEM participants. Generators, as MEM participants may, sell their generated energy and both traders and qualified users may purchase such energy through CENACE, which is the independent operator of the electric system.

CENACE is responsible for managing the supply and demand of MEM participants, conducting transactions and continuously generating prices. The price to be paid in MEM transactions has to be a “competition price” in terms of the Electric Industry Law, and has to reflect elements such as electricity generation costs and other operating costs, as well as the amount of electricity demanded by and supplied within the MEM. Such competition price will serve as a reference for long-term supply agreements between providers and qualified users, partially replacing the current CFE-published tariffs.

Even though the Electric Industry Law provides the general guidelines to which the operation of the MEM is subject, on 8 September 2015, the Ministry of Energy published the Guidelines of the Market, as the general administrative provisions which establish the principles for the design and operation of the MEM. The regulations list certain topics which will be described in depth in the Rules of the Market, such as the methodology that will be used to forecast the level of demand in the spot market, information on market participants, and the methodology to determine the price of the electricity that will be sold and purchased within the spot market.

The Guidelines are part of the Rules of the Market, (which are administrative provisions of general application that will specifically detail different aspects of the operation of the MEM, and determine the rules that all market participants as generators, traders, suppliers, non-supplier traders or qualified users, as well as the competent authorities must comply with, and the procedures they must follow in order to maintain the proper management, operation and planning of the MEM. Pursuant to the Guidelines, which will subsequently be supplemented by guidelines for market practices, operational guidelines and criteria and operating procedures, the different participants of the electricity industry will be able to carry out activities which are now open to private participation, due to the so-called Energy Reform that took place in late 2013, and which were regulated through the Electric Industry Law and its Regulations (such activities include, among others, transactions of sale of electricity and related services, power, financial transmission rights and clean energy certificates.

Public Consultation

The Electric Industry Law and the regulations thereunder set out the obligation to carry out a prior consultation process in the event a project is to be developed in certain lands where communities or indigenous people are found. This obligation, which is established in international treaties, as well as in Article 2 of the Political Constitution of the United Mexican States, is now established in the new legal framework to provide certainty regarding community and social issues in all projects within the electric industry.

The aforementioned general obligation is provided for in the Electric Industry Law and the regulations thereunder detail the specific procedure to be followed, including the filing of a social and cultural impact assessment before the Ministry of Energy and the different stages that the prior consultation entail, among others.

Transitory Regime

Given that the Electric Industry Law sets various deadlines for the full implementation of its provisions (such as the issuance of the Market Rules pending to be determined, the full entry into operation of the MEM or the Terms and Conditions for the Supply of Electricity), a transitory regime has been established, intending to provide clarity and certainty to all participants of the industry who either have ongoing projects or plan to start projects in the near future.

Permits

Permits granted by CRE, in accordance with the Electricity Law, will continue to be governed under the terms set out therein and other applicable provisions. Holders of such permits who decide to remain under the regulation of Electricity Law may, at any time, migrate to the new regime if it suits their interests.

Interconnection agreements

In order to be able to execute an interconnection agreement in terms of the Electricity Law (in the event not previously executed), those interested in doing so must comply with the following conditions: (i) having obtained or having applied for a permit in any of the modalities provided by the Electricity Law, prior to the entry into force of the Electric Industry Law (August 11, 2014); (ii) having notified CRE about its intention to continue with the development of the relevant project; and (iii) having provided proof evidencing that the appropriate financing for the project has already been obtained, that they have already contracted the supply of the main equipment required for the project, and that at least 30% of the total investment for the project has been paid before December 31, 2015. Additionally, it is possible to execute an interconnection agreement in terms of the Electricity Law if a company participated in an open season process, through which CRE granted transmission capacity to several participating companies.

The Electric Industry Law also provides certainty regarding interconnection agreements which have been executed with CFE prior to the enactment of the Electric Industry Law, as those agreements which were executed under the scope of regulation of the Electricity Law will remain in force for their entire duration (although they will not be subject to renewal or extension upon their termination). With the enactment of the Electric Industry Law, it is now possible to modify executed interconnection agreements in relation to the load points, surplus sales, support services, cost of stamp wheeling and other conditions contained therein which may apply.

Permit holders who choose to remain under the scope of regulation of the Electricity Law and decide to keep their interconnection agreements will be governed by the terms and conditions set forth therein and, consequently, will not be subject to the rules of the MEM.

Former Regulatory Framework

The following laws and regulations include constitutional, legal and administrative provisions applying to the development of cogeneration projects in Mexico, according to the former regulatory framework:

- **The Mexican Constitution**. Pursuant to articles 25, 27 and 28 of the Mexican Constitution, the supply of electricity, a public service in Mexico, including its generation, transmission, transformation, distribution and sale are activities expressly reserved to the Mexican federal government.

- **Electricity Law**. Along with its regulations, this law provides the main legal framework through which the Mexican federal government, acting through CFE, provides the public its electricity supply, as well as the regulations applicable to power generation, sale and purchase for the private sector.

- **Law of the Energy Regulatory Commission**, *Ley de la Comision Reguladora de Energia*. This regulates the manner in which the CRE operates.

- **Resolution number RES/146/2001, issued by the CRE: Fee Calculation Methodology for Electricity Transmission Services**, *Metodologia para la determinacion de los cargos por servicios de transmision de energia electrica*. This regulation provides the mechanism pursuant to which CFE will calculate the appropriate charges for the requests of transmission services.

- **Interconnection Agreement**, *Contrato de Interconexion*, issued by the CRE.

- *Transmission Agreement*, *Convenio de Transmision*, issued by the CRE.

- **Methodology and criteria for high-efficiency cogeneration**, *Metodologia y criterios de cogeneracion eficiente.*
- **Guidelines for the validation as high-efficiency cogeneration systems** (*Disposiciones para acreditar sistemas de cogeneracion eficiente*).

Current Regulatory Framework

The following laws and regulations include constitutional, legal and regulatory provisions applying to the development of cogeneration projects in Mexico, according to the recently enacted regulatory framework:

- Political Constitution of the Mexican United States.
- Electric Industry Law.
- Regulation of the Electric Industry Law.
- Law of the Federal Commission of Energy.
- Law of the Coordinated Regulatory Agencies in Energy Matters.

Notwithstanding the above-listed regulatory framework, it is noteworthy that this list remains subject to modifications, as the pending regulatory instruments are to be issued in coming months, and, pursuant to the transitory regime provided for in the new framework, certain former legal provisions will continue to be in force, as applicable, for specific projects which were started before the enactment and implementation of the new legal framework.

Regulation in Peru

Below is a general overview of certain Peruvian electricity sector regulations. This overview should not be considered a full description of all regulations.

The Electric Transmission Sector

The Peruvian electric system serves energy to a large area of the country through the SEIN that has transmission lines and substations operating at 500, 220, 138, 69 and 33-kV levels.

Pursuant to Law 28832, which is applicable to any transmission project commissioned after July 2006, the transmission facilities integrating the transmission grid are classified as those belonging to: either (i) the SGT for transmission facilities that are included in the transmission plan and developed pursuant to a concession agreement granted by the Peruvian government to the winner of a public tender, or (ii) the Complementary Transmission System, or Sistema Complementario de Transmision, or SCT, for transmission facilities that are either (a) included in the transmission plan and developed by the private entity that was awarded a concession as a result of the successful review of a private initiative proposal, or (b) not included in the transmission plan.

The projected expansions of the transmission system identified in the Peruvian transmission plan are now part of the SGT. The government also introduced tender procedures to call private investors interested in building the projected lines of the SGT. Under SGT concession agreements, the concessionaire shall build the lines and be responsible for their operation and maintenance. Recovery of the investment during the term of the contract (30 years) is guaranteed thereunder. The concessionaire owns the transmission assets during the term of the contract. Upon expiry of the contract the assets return to the State which shall call a new tender if the lines are required at such time for the operation of the system.

Transmission lines of interest to generation plants, distribution networks or large consumers are part of the SCT. The lines of the SCT included in the Peruvian transmission plan and certain projects that exclusively serve the demand, as defined by the government, may be subject to tenders for the granting of SCT concession agreements for 30 years. The rest of the SCT projects are subject to the general regime in which the owners of the SCT lines (for example, the generation companies building them to connect their plants to the system) are the holders of the respective Definitive Transmission Concession and own the transmission assets through the term of the concession.

Open Access Regime

The electricity transmission is a public service according to Peruvian law; such service is subject to open access regulations, which imply that the owner of a transmission infrastructure is obliged to allow the third parties to connect to the SEIN through its transmission facilities. However, third parties requesting access to a transmission system have the obligation to assume the costs of any additional investment required to increase the connection capacity, if required to make the interconnection feasible. The terms and conditions of the required new investments shall be negotiated in the interconnection agreement.

If a private interconnection agreement is not reached through private negotiation, a request for an interconnection mandate can be filed before the *Organismo Supervisor de la Inversion en Energia y Mineria*, or OSINERGMIN, who will determine the conditions applicable to the connection, if it is technically feasible. To that end an assessment of the different connection possibilities shall be submitted to OSINERGMIN by the applicant to determine the most efficient technical solution.

The participation of OSINERGMIN shall guarantee and enforce compliance with the legal principle of open access to transmission and distribution networks. An interconnection mandate establishes the conditions under which the interconnection shall take place. The parties usually prefer to reach an agreement establishing those conditions. However, in cases where an agreement is not feasible due to the pre-existence of previous interconnection commitments with other companies, OSINERGMIN has been willing to grant new interconnection mandates as long as there is available capacity.

Tariff Regime

The SGT is compensated through the tariff base, which is the authorized annual remuneration for facilities belonging to the SGT. The tariff base is established in annual amounts and includes the following: (i) remuneration of investments (including adjustments), which is calculated based on a 30-year recovery period applying a 12% rate of return, (ii) efficient operating and maintenance costs, and (iii) the liquidation of imbalances between the authorized tariff base for the previous year and the proceeds obtained during that year.

The tariff base will be paid through the (i) tariff income and (ii) the transmission toll. The tariff income is paid monthly by the electricity generation companies in proportion to their respective capacity income. The transmission toll is paid by the electricity generation companies based on their collection of the transmission toll paid by their respective customers pursuant to Article 26 of Law 28832 and Article 27 of the Transmission Rules, or Reglamento de Transmision, approved by the Supreme Decree No. 027-2007-EM.

The electricity generation companies are paid by customers via capacity charges and energy charges established in their respective supply contracts. These capacity charges include a transmission toll per unit of peak demand (5% per kW-month) needed to cover the costs to be paid for the SGT.

The monthly payments to be made by electricity generation companies to the transmission companies are calculated by the COES, taking into account the actual demand of their customers. A portion of the amount collected by the electricity generation companies from customers is allocated to the transmission companies that own facilities in the SGT. As such, electricity generation companies collect the money required to pay the SGT facilities from customers.

Non-regulated customers include large electricity consumers with a power demand of over 2,500 kW and customers with power demands between 200 kW and 2500 kW that may choose to be regulated customers or not. Non-regulated customers may freely negotiate their energy prices with suppliers.

The SCT is remunerated on the basis of the annual average cost approved by OSINERGMIN. The applicable tariffs and their respective actualization formulas are approved by OSINERGMIN every four years.

Penalties

The concessionaires must maintain certain quality, safety and maintenance standards of the facilities. The failure to meet the quality standards established by applicable industry regulations, such as the quality for power services approved by Supreme Decree No. 020-97-EM and the National Power Code, may result in the imposition of penalties, fines and restrictions. In addition to these penalties, fines and restrictions, if our concession is terminated due to the breach of obligations under the Concession Agreements, the Ministry of Energy may appoint an intervenor to supervise the operations related to the concession to ensure the continuity in the provision of the service, and the compliance with applicable laws and regulations.

If the concessionaire suspends or interrupts the service for reasons other than regular maintenance, repairs, force majeure events or breaches by customers under their contracts, the concessionaire may be required to indemnify our customers for the damages caused by any such service interruption, in accordance with applicable regulations. In addition, the OSINERGMIN could impose penalties, including, among others, (a) admonishment, (b) successive fines, depending on the nature and effect of the interruption and its frequency, (c) temporary suspension of activities, and (d) definitive suspension of activities and the provisional administration of operations by an intervenor, if a termination event occurs and the Ministry of Energy notifies of its desire to terminate the SGT concession agreement.

Also, the OEFA (Agency of Environmental Evaluation and Control) will be the entity in charge of the supervision, inspection and sanction concerning environmental matters. In that scenario, OEFA could impose fines and corrective measures to the companies inspected.

Electricity Legal Framework

The principal laws and regulations governing the Peruvian power sector, or the Power Legal Framework, are: (i) the Power Concessions Law (or *Ley de Concesiones Electricas, PCL*), approved by Law No. 25844, and its rules (Supreme Decree No. 09-93-EM); (ii) the Law to Ensure the Efficient Development of Electricity Generation (or *Ley para Asegurar el Desarrollo Eficiente de la Generacion Electrica*), approved by Law No. 28832, or Law No. 28832; (iii) the Transmission Rules (or *Reglamento de Transmision*), approved by the Supreme Decree No. 027-2007-EM, or the Transmission Rules; (iv) the General Environmental Law (Law No. 28611); (v) the Rules for the Environmental Protection in Power Activities (Supreme Decree No. 029-94-EM); (vi) the Power Sector Antitrust Law (Law No. 26876) and its regulations (Supreme Decree No. 017-98-ITINCI); (vii) the Laws creating the Supervisory Agency of Investment in Energy and Mining (Law No. 26734 and Law No. 28964); (viii) the Supervisory Agency of Investment in Energy and Mining Rules (Supreme Decree No. 054-2001-PCM); (ix) the Regulatory Agencies of Private Investment in Public Services Framework Law (Law No. 27332); and (x) the Legislative Decree that promotes investment in the generation of power through renewable resources (Legislative Decree No. 1002) and its regulations (Supreme Decree No. 012-2011-EM).

These laws regulate how to enter the electricity sector (applicable permits and licenses); the main obligations of the different participants of the electricity market (generators, transmission companies and distribution companies); remuneration systems for the different market participants; rights of electricity consumers and the attributions of the competent authorities.

Other relevant laws are: (i) the Public Consultation Law and its regulations (Law No. 29758 and Supreme Decree No. 001-2012-MC) for projects that may affect rights of indigenous and native communities and (ii) Law of National Patrimony (Law 28296) and relevant regulations (Supreme Resolution No. 004-2000-ED) for obtaining the CIRA which is issued by the Ministry of Culture, certifying there are no archaeological remains in an area. Prior to performance of any activity or construction works, titleholders shall obtain the corresponding CIRA.

Some of the main aspects of Peru's regulatory framework concerning its power sector are: (i) the separation between the power generation, transmission and distribution activities; (ii) unregulated prices for the generation of power supplied to unregulated customers; (iii) regulated prices for the generation of power supplied to regulated customers; (iv) regulated prices applicable to transmission and distribution of power for both regulated and unregulated customers; and (v) the private administration of the SEIN, according to the principles of efficiency, cost reduction, guaranty of quality and reliability in the provision of services.

All entities that generate, transmit or distribute power to third parties in Peru, including self-generators and co-generators that sell their excess capacity and energy in the SEIN, are regulated by the Power Legal Framework.

Although significant private investments have been made in the Peruvian power sector and independent entities have been created to regulate and coordinate its oversight, the Peruvian government still retains ultimate oversight and regulatory control. In addition, the Peruvian government owns and controls various generation and distribution companies in Peru.

The Guaranteed Transmission System—SGT Concession Agreement

ATN and ATS, as concessionaires, have SGT concession agreements granted by the Peruvian government as a result of a public tender.

Under the SGT concession agreement, the Ministry of Energy grants the concession necessary to construct, develop, own, operate, and maintain the transmission lines and substations comprising a project to provide electricity transmission services.

The SGT concessionaires are not obliged to pay the grantor any consideration for the SGT concession agreement.

If the concessionaire requests it, the grantor is required to impose easements required for the execution of the project upon accordance with applicable laws, but it does not assume the costs associated with such easements.

Upon request, the grantor is also required to use its best efforts to assist in obtaining licenses, permits, authorizations, concessions and other rights when the owner of the project complies with the legal requirements to obtain them and they are not granted on a timely basis by the competent authorities.

In this case, the concessionaire shall build the lines and be responsible for their operation and maintenance. The recovery of the investment during the term of the contract (30 years) is guaranteed thereunder. The concessionaire owns the transmission assets during the term of the contract. Upon expiry of the contract the assets return to the state, which shall call a new tender if the lines are required at such time for the operation of the system.

Revenues

The revenues of the project are established under the terms of the SGT concession agreement. In addition, the revenues of the project are funded by the entire Peruvian electric transmission system.

In effect, the compensation for facilities that are part of the SGT is allocated to customers by OSINERGMIN according to the amounts of investment, operational and maintenance costs set forth in the SGT concession agreement. The SGT will receive monthly compensation from the generation companies that collect the tariff base from their customers. Their compensation will be paid on a monthly basis and these monthly payments are determined by the COES, following the compensation established annually by OSINERGMIN.

As of the commercial operation date, the owner of a project receives the revenue from payments of the tariff base pursuant to the SGT concession agreement. The calculation of the tariff base is based on: (i) an amount which represents a return on investment, including operation and maintenance costs and (ii) the amount determined on May 1 of each year by OSINERGMIN, in order to compensate for any intra-year difference between the compensation we should have received in the immediately preceding tariff year in U.S. dollars and the amount actually paid in Peruvian *nuevos soles*, determined at the exchange rate published in the Official Gazette "El Peruano" on the last working day prior to the fifteenth day of the month following the relevant month for which the services were charged to the electricity generation companies.

Every year, before the beginning of the new tariff period, OSINERGMIN will recalculate and determine the tariff base in U.S. dollars for the period which starts from May 1 of such year to April 30 of the following year. This determination is approved in April of each year through a resolution published in the Official Gazette, "*El Peruano*."

Regulation in Spain

On November 26, 1997, the European Union published a report, or White Paper, which outlined a strategy and a community-wide action plan aimed at doubling energy production from renewable energy sources in the European Union from 6% in 1996 to 12% by 2010. The White Paper proposed a number of measures to promote the use of renewable energy sources, including measures designed to provide renewable energy sources better access to the electricity market. The Kyoto Protocol, ratified by the EU and its Member States on May 31, 2002, imposed a target of reducing EU emissions of greenhouse gases by 8%

Directive 2009/28/EC on the Promotion of the Use of Energy from Renewable Sources of the European Parliament and of the Council of the European Union, or the 2009 Renewable Energy Directive, set mandatory national overall targets for each Member State consistent with at least 20% of EU total energy consumption coming from renewable energy sources by 2020. In order to comply with these mandatory renewable energy targets, all EU Member States, including Spain, were required to develop a national action plan, called a National Renewable Energy Action Plan, or NREAP. Spain's NREAP was issued on June 30, 2010 and sent to the European Commission.

In its NREAP, Spain set a target of 22.7% for primary energy consumption to be supplied by renewable energy sources and a target of 42.3% of total electricity consumption to be supplied by renewable energy sources by 2020.

In 2011, a new Renewable Energies Plan, referred to as REP 2011-2020, was developed by the European Parliament and the Council of the European Union under the 2009 Renewable Energy Directive that added a new target to the 2009 Renewable Energy Directive, a minimum of 10% of transportation energy consumption to be supplied from renewable energy sources in each Member State by 2020.

In Spain, these targets mean that energy from renewable sources should represent at least 20% of total energy consumption by 2020, consistent with the EU target, with a minimum of 10% of transportation consumption to be derived from renewable sources by that same year.

Article 3.3.(a) of the 2009 Renewable Energy Directive states that in order to reach the targets set for 2020, Member States may apply support schemes and incentives for renewable energy. These support systems or incentives are different in each country, but the most common are:

- *Green certificates*. Producers of renewable energy receive a "green certificate" for each MWh they generate and suppliers of energy have an obligation to purchase part of the energy that they supply from renewable sources.

- *Investment grants and direct subsidies*. These help defray the costs of installing renewable energy generation plants.
- *Tax exemptions or relief*. These include ITCs, cash grants in lieu of tax credits and accelerated depreciation, among others.
- *System of direct support of prices*. These include regulated tariffs and premiums and involve a regulatory guarantee to purchase energy generated by a renewable energy plant for an allotted period of time at a fixed tariff per kWh, for a maximum annual number of hours, so that the producer is ensured of a reasonable return on its investment.

Solar Regulatory Framework Applicable to Solar Power Plants Currently in Operation

The applicable legal framework for solar power plants already in operation is set out in four primary legal instruments:

- Royal Decree-law 9/2013, of July 12, containing emergency measures to guarantee the financial stability of the electricity system, referred to as Royal Decree-law 9/2013;
- Law 24/2013, of December 26, the Electricity Sector Act, referred to as the Electricity Act;
- Royal Decree 413/2014, of June 6, regulating electricity production from renewable energy sources, combined heat and power and waste, referred to as Royal Decree 413/2014; and
- Ministerial Order IET/1045/2014 of June 16, published on June 20, 2014, approving the remuneration parameters for standard facilities, applicable to certain electricity production facilities based on renewable energy, cogeneration and waste, referred to as Revenue Order.

Primary Rights and Obligations under the Electricity Act

The Electricity Act eliminates a previously existing distinction between ordinary electricity producers and those using renewable energy sources in their production of electricity, though it continues to recognize the following rights for producers with facilities that use renewable energy sources:

- *Priority off-take*. Producers of electricity from renewable sources will have priority over conventional generators in transmitting to off-takers the energy they produce over conventional generators under equal market conditions, subject to the secure operation of the national electricity system and based on transparent and non-discriminatory criteria.
- *Priority of access and connection to transmission and distribution networks*. Producers of electricity from renewable energy sources will have priority in obtaining access and connecting to the grid, subject to the terms set forth in the regulations, on the basis of objective, transparent and non-discriminatory criteria.
- *Entitlement to a specific payment scheme*. Producers of electricity from renewable sources will receive specific reimbursement that shall not exceed the minimum amount necessary to cover their costs. This enables them to compete on a level playing field with the other, non-renewable technologies on the market while achieving a reasonable return on investment.

The significant obligations of the renewable energy electricity producers under the Electricity Act include a requirement to:

- Offer to sell the energy they produce through the market operator even when they have not entered into a contract and so are excluded from the bidding system managed by the market operator.
- Maintain the plant's planned production capacity. Power lines, which include connections with the transmission or distribution network and transformers, are considered part of the production facility.

- Contract and pay the corresponding fees, whether directly or through their representatives, to the transmission or distribution companies to which the renewable energy facilities are connected in order for their power to be fed into the grid.

Registration on Public Registers

The Electricity Act and Royal Decree 413/2014 require electricity generation facilities to be entered on the official register of electricity production plants maintained by the Ministry of Industry, Energy and Tourism.

The autonomous regions may keep their own registers of electricity generation plants they have authorized if such plants have a capacity of 50 MW or less. The registration details of these plants must be provided to the Ministry of Industry, Energy and Tourism electronically.

Solaben 2/3 and Solaben 1/6 are on the register of the autonomous region Extremadura and the Ministry of Industry, Energy and Tourism.

Solacor 1/2, PS10/20, Helioenergy 1/2 and Solnova 1/3/4 are on the register of the autonomous region of Andalucia and the Ministry of Industry, Energy and Tourism.

Helios 1/2 is on the register of the autonomous region Castilla La Mancha and the Ministry of Industry, Energy and Tourism.

To receive their facility-specific reimbursement, renewable energy facilities are required under the Electricity Act and Royal Decree 413/2014 to be listed on a new register entitled the Specific Payment System Register, *Registro de Regimen Retributivo Especifico*. Unregistered plants will only receive the pool price.

The first transitional provision of Royal Decree 413/2014 states that power plants based on renewable sources recognized under the previous economic regime, as in the case of Solaben 2/3, Solacor 1/2, PS10/20 will be automatically included in the Specific Payment System Register.

Change of Compensation System Applicable to Solar Power Plants

Royal Decree-law 9/2013 introduced a change in the payment system applicable to existing electricity production facilities using renewable energy sources to guarantee the financial stability of the electric system. The purpose of Royal Decree-law 9/2013, which entered into force on July 14, 2013, was to adopt a series of measures to ensure the sustainability of the electric system and to combat the shortfalls between electricity system revenues and costs, referred to as the tariff deficit.

The measures adopted were focused primarily on the following areas: (i) the legal and financial regime for existing electricity production facilities using renewable energy sources, co-generation and residual waste; (ii) the remuneration regime for transport and distribution activities; (iii) Spain's guarantee of the Securitization Fund to cover the tariff deficit; and (iv) certain aspects related to capacity payments, assumption of the cost of the subsidized tariff and a review of access charges.

Royal Decree-law 9/2013 established an entirely new remuneration system, abolishing the remuneration system based on a regulated tariff applicable to electricity production facilities using renewable energy sources (including facilities in operation at the time that Royal Decree-law 9/2013 entered into force).

Prior to the adoption of Royal Decree-law 9/2013, electricity production facilities using renewable energy sources received revenues tied to their electricity produced according to their power output. This involved receiving feed-in tariffs, in €/kWh, that were split into two components: (i) the pool price of electricity and (ii) an equivalent premium, consisting of the difference between the pool price and the set feed-in tariff for each type of plant (feed in tariff = pool price + equivalent premium). This revenue was received for a maximum annual number of hours and for a pre-determined number of years, depending on the technology used in each case. For any additional hours produced, producers received the pool price.

The repealed economic scheme was applied on a transitional basis until new provisions were approved to fully implement the new remuneration system. Settlements made after July 14, 2013 were made in accordance with the previous regime until the new implementing regulations have been adopted. However, following the implementation of these new regulations, payments made during this interim period will be recalculated in accordance with the new regulations. The difference between the amounts received under the prior regime and those calculated under the new regime will be deducted from the first nine settlements that follow the approval of the new implementing regulations.

New System

According to Royal Decree-law 413/2014, producers now receive: (i) the pool price for the power they produce and (ii) a payment based on the standard investment cost for each type of plant (without any relation whatsoever to the amount of power they generate). This payment based on investment (in €/MW of installed capacity) is supplemented (in cases of technologies with running costs in excess of the pool price) with an "operating payment" (in €/MWh produced).

The principle driving the new economic regime imposed by Royal Decree-law 413/2014 is that the incentives that an electricity producer receives should be equivalent to the costs that they are unable to recover on the electricity market where they compete with non-renewable technologies. The new economic regime seeks to allow a "well-run and efficient enterprise" to recover the costs of building and running a plant, plus a reasonable return on investment (project internal rate of return).

According to Royal Decree 413/2014, the remuneration for investment in respect of plants that were already in operation during the first statutory period (from July 14, 2013 to December 31, 2019) is calculated as follows:

- The "standard per-MW investment value" is added to the "standard per-MW operating cost" (both updated from July 2013 with a 7.398% rate of return); i.e., what it would have cost a well-run and efficient enterprise to build, maintain and run the facility from its start-up until the time Royal Decree-law 9/2013 came into force.

- From the resulting total, the "standard per-MW total revenue valued at the electricity pool price," earned by each type of plant from its start-up through entry into force of Royal Decree-law 9/2013, also updated applying the 7.398% rate of return is subtracted.

- The result (the standard per-MW investment value plus standard per-MW operating cost minus standard per-MW total revenue) is the "net investment value," i.e., the costs unrecovered by the plant owner as of July 14, 2013.

- Payments for investment to be made after Royal Decree-law 9/2013 came into force and during every year of a plant's remaining statutory useful life are calculated by (a) adding the net investment value (calculated as explained above) to the "expected operating costs until the end of the asset's statutory useful life;" and (b) deducting the "expected revenue on the market up to that same point in time" (in both cases, the amount would be discounted to July 2013 by applying the 7.398% rate of return). The annual amount to be received would be calculated so that it would be the same amount every year until the end of the statutory useful life.

Accordingly, under Royal Decree 413/2014, the returns received by the owners of plants in excess of 7.398%, from start-up until Royal Decree-law 9/2013 took effect, would serve to reduce the unrecovered net investment value as of July 14, 2013.

Operating payments will only be available for those facilities whose costs exceed the estimated average pool price. However, the Ministry of Industry, Energy and Tourism can cap operating payments at a maximum number of hours.

Payment Factors for Solar Power Plants

The payment system applicable for each plant is based on various criteria considered by the Ministry of Industry, Energy and Tourism and includes the specific technology used, amount of power produced relative to operating costs, age of the facility and any other differentiating factor deemed necessary to consider in applications of the payment system.

Revenue Order recognizes six types of solar thermal plants: (i) parabolic trough collectors without a storage system, (ii) parabolic trough collectors with a storage system, (iii) central or tower receivers without a storage system, (iv) central or tower receivers with a storage system, (v) linear collectors and (vi) solar-biomass hybrids.

To determine the payment system applicable to each plant, the following factors are considered:

- *Net investment value*. This consists of a standard amount per MW for each type of plant, calculated by the method set out in Royal Decree 413/2014, which is the amount invested in the plant and not depreciated as of July 14, 2013.
- *Useful life of the plant*. For solar thermal plants this is 25 years.
- *Return on investment*. Considering the net asset value determined on the basis of a standard cost per MW built, an amount is set per unit of power, which enables investment costs that cannot be recovered through the pool price to be recouped over the useful life of the plant.
- *Operating remuneration*. An amount is set per unit of power and hour that, added to the pool price, enables the producer to recoup all the plant's operating and maintenance costs. Operating expenses include the cost of land, electricity, gas and water bills, management, security, corrective and preventive maintenance, representation costs, the Spanish tax on special immovable properties, insurance, applicable generation charges and a generation tax which is equal to 7% of total revenue.
- *Maximum number of operating hours*. A maximum number of hours is set for which each plant type can receive the operating remuneration.
- *Operating threshold*. Plants must operate for more than a set number of hours per year to receive the return on investment and operating remuneration.
- *Minimum operating hours*. Plants that cross the operating threshold but operate for fewer hours than the annual minimum hours receive a lower remuneration.

The payment criteria established in respect of our solar assets in Spain are set forth below:

	Useful Life[1]	Return on Investment 2015 (euros/MW)	Operating Remuneration 2014 (euros/GWh)	Maximum Hours	Minimum Hours	Operating Threshold
Solaben 2	25 years	410,391	39,090	2,040	1,224	714
Solaben 3	25 years	410,391	39,090	2,040	1,224	714
Solacor 1	25 years	410,391	39,090	2,040	1,224	714
Solacor 2	25 years	410,391	39,090	2,040	1,224	714
PS 10	25 years	554,217	59,989	1,866	1,122	655
PS 20	25 years	410,683	54,201	1,866	1,122	655
Helioenergy 1	25 years	404,929	38,888	2,040	1,124	714
Helioenergy 2	25 years	404,929	38,888	2,040	1,124	714
Helios 1	25 years	410,391	39,090	2,040	1,124	714
Helios 2	25 years	410,391	39,090	2,040	1,124	714
Solnova 1	25 years	417,007	39,453	2,040	1,124	714
Solnova 3	25 years	417,007	39,453	2,040	1,124	714
Solnova 4	25 years	417,007	39,453	2,040	1,124	714
Solaben 1	25 years	406,858	38,960	2,040	1,124	714
Solaben 6	25 years	406,858	38,960	2,040	1,124	714

[1] According to the Royal Decree.

Regulatory Periods

Payment criteria are based on prevailing economic conditions in Spain, demand for electricity and reasonable profits for electricity generation activities and can be revised, mainly, every six years. The first regulatory period commenced on July 14, 2013, the date on which Royal Decree-law 9/2013 came into force, and will end on December 31, 2019.

The definitions and values of all payment criteria can be changed at the end of each regulatory period, except for a plant's useful life and the value of a plant's initial investment that is recouped through the specific return on investment.

Unless reviewed, payment criteria will be considered to be extended for the subsequent regulatory period.

Reasonable Rate of Return

Article 14 of the Electricity Act provides that a reasonable return on investment is calculated on the basis of the average pre-tax yield of Spanish government 10-year bonds on the secondary market.

For plants that are already in operation, the reasonable return over the regulatory life of the plants is based on the average pre-tax yield on Spanish government 10-year bonds on the secondary market for the preceding 10 years, plus 300 basis points.

Annex III of the Revenue Order specifies that the 10-year average yield for the 10-year bond is 4.398%, which, increased by 300 bps, results in 7.398% per annum.

Under no circumstances will amounts received by producers for electricity generated before July 14, 2013 be required to be returned or reimbursed under the new system.

Before the start of a new regulatory period, a revised reasonable return can be established for each plant type, calculated as the average yield on Spanish government 10-year bonds on the secondary market in the 24 months through the month of May preceding the new regulatory period, plus a spread.

This spread is based on the following criteria:

- Appropriate profit for this specific type of renewable electricity generation and electricity generation as a whole, considering the financial condition of the Spanish electricity system and Spanish prevailing economic conditions; and
- Borrowing costs for electricity generation companies using renewable energy sources with regulated payment systems, which are efficient and well run, within Europe.

The next regulatory period will begin on January 1, 2020.

Funding the Tariff Deficit

The Electricity Act also states that from January 1, 2014, tariff deficit amounts would no longer be paid for, as they had been previously, by the five major Spanish utilities. Instead, they will be paid by the companies that receive "regulated payments," including distributors, transportation companies, producers of electricity from renewable plants, companies receiving capacity payments and others. Each of these entities will temporarily fund the tariff deficit in proportion to the costs that they represent for the electricity system in a given year and can recover these contributions in the following five years, plus interest at a market rate.

According to the Electricity Act, tariff deficit cannot exceed 2% of the estimated system revenues for each year. Furthermore, the accumulated debt due to previous' years deficit cannot exceed 5% of the estimated system revenues for that period. If these thresholds are exceeded, the Spanish government is forced to review the access fees so that the system revenues increase accordingly.

Access Fee

Royal Decree-law 14/2010 was passed in order to eliminate the shortfalls between electricity system revenues and costs, referred to as the tariff deficit in the electricity sector.

The First Transitional Provision of Royal Decree-law 14/2010 provided that the owners of electricity production facilities pay a fee for access to the grid to the transmission and distribution companies (this access previously having been provided at no cost) from January 1, 2011. During the interim period, the access fee payable is: (i) calculated at €0.5 per MWh delivered to the network or (ii) any other amount that the Ministry of Industry, Energy and Tourism establishes.

Royal Decree 1544/2011 implemented the First Transitional Provision of Royal Decree-law 14/2010 and confirmed the interim access fee imposed on electricity producers (€0.5 per MWh), subject to the adoption of a final method for calculating the access fee.

Electricity Sales Tax

On December 27, 2012, the Spanish Parliament approved Law 15/2012, which became effective on January 1, 2013. The aim of Law 15/2012 is to try to combat the problem of the so-called tariff deficit, which reached approximately €28 billion as of December 2013.

Law 15/2012, as amended, provides for an electricity sales tax which is levied on activities related to electricity production. The tax is triggered by the sale of electricity and affects ordinary energy producers and those generating power from renewable sources. The tax, a flat rate of 7%, is levied on the total income received from the power produced at each of the installations, which means that every calendar year, solar power plants will be required to pay 7% of the total amount which they are entitled to receive for production and incorporation into the electricity system of electric power, measured as the net output generated.

Tax Incentive of Accelerated Depreciation of New Assets

Under provisions of the Spanish Corporate Income Tax Act, tax-free depreciation is permitted on investments in new material assets and investment properties used for economic activities acquired between January 1, 2009 and March 31, 2012. Taxpayers who made investments during such period and have amounts pending to be deducted for this concept may apply such amounts with certain limitations.

Taxpayers who made or will make investments from March 31, 2012 through March 31, 2015 in new material assets and investment properties used for economic activities are permitted to take accelerated depreciation for those assets subject to certain limitations. The accelerated depreciation is permitted if:

- 40% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (subject to requirements to keep up employment levels); or
- 20% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (without employment requirements).

Most of the investment in our Spanish assets was undertaken within the regime that applied between January 1, 2009 and March 31, 2012.

These limitations do not apply in respect of companies that meet the requirements set forth in article 108.1 of the Spanish Corporate Income Tax Act related to the special rules for enterprises of a reduced size.

Regulation in Brazil

Electric transmission operations are subject to significant regulation in Brazil.

The Governmental Policy and Legislative Framework for the Electricity Sector

The electricity sector in Brazil has undergone two major institutional reforms in the last decades which results in its current form: the first in the 1990s and another in 2003, which aimed at modifying the rules applying to the National Interconnected System, *Sistema Interligado Nacional*, or SIN. The first change in the sector occurred after the enactment of Law No. 8,987 of 1995, as amended, which established the system for the concessions and permissions for rendering public services, or the Concessions' General Act, and with the enactment of Law No. 9,074 of 1995, as amended, which sets forth specific rules for the concession of electricity public services. This law, inter alia:

- established the granting, duration and extension of concessions and permissions;
- set forth the free access principle for the electric transmission and distribution systems;
- released free consumers (as defined below) from the commercial monopoly of distribution concessionaires, allowing them to choose their supplier; and
- introduced the independent power producer and the self-producer agents.

Law No. 9,074 of 1995 is regulated by Decree No. 1,717 of 1995, which establishes the procedures for extending the concessions granted before the enactment of the Concessions' General Act for a period up to 20 years, and by Decree No. 2,003 of 1996, governing the independent producers' and self-producers' system.

Law No. 9,427 of 1996, as amended, inter alia, created ANEEL, the regulatory agency responsible for supervising the generation, transmission, distribution and trading of electricity, and it is regulated by Decree No. 2,335 of 1997. Such law granted ANEEL the authority, inter alia, to run public tenders for concessions and permissions, as well as to execute and manage the agreements for the rendering of public services of this nature and to grant certain authorizations. Law No. 9,478 of 1997, as amended, created the National Committee on Energy Policy, *Conselho Nacional de Politica Energetica*, chaired by the Minister of Mining and Energy with the duty of advising the President of the Republic on the national policies in this domain.

The first phase of the reform was concluded with the enactment in May 1998 of Law No. 9,648, later amended, which regulates competition in the electricity sector. Among many other provisions, it sets forth rules for:

- the trading, import and export of power;

- the division, into separate agreements, of the purchase and sale of energy, and the free access to the electric transmission and distribution systems;
- the creation of the Electric System National Operator, *Operador Nacional do Sistema Eletrico*, or ONS, a legal entity organized under the private law, in charge of the coordination and operational control of the facilities for the electric and power generation and power transmission of interconnected electric systems in Brazil; and
- the free negotiation of energy, within the scope of the Wholesale Market of Electricity, *Mercado Atacadista de Energia Eletric*a, or MAE, to be created by a market agreement.

The second phase of the reform redefined the sector's institutional model, mainly concerning the energy market, by setting forth as chief goals the need for the system's expansion while keeping tariffs low and competition present in power generation.

This new institutional framework was established by Law No. 10,848 of 2004.

Law No. 10,848 created two co-existing energy markets: a regulated market, for the protection of customers, and a free market to encourage consumers which are able to buy directly from producers on a competitive basis, or free consumers. Law No. 10,848 authorized the creation of the Chamber of Electric Energy Trading, *Camara de Comercializacao de Energia Eletrica*, or CCEE, a non-profit private entity, functioning under the supervision of ANEEL to manage the agreements for the purchase and sale of energy in the regulated contracting environment and the ascertainment and settlement of contractual differences in the free contracting environment, which took over the responsibilities previously performed by MAE. This law further authorized the creation of the Committee on the Monitoring of the Electricity Sector, *Comite de Monitoramento do Setor Eletrico*, under the aegis of the government, to monitor the supply conditions of the electricity market and the advising of preventive actions for guaranteeing this supply.

On May 28, 2009, Provisional Measure No. 450 of 2008 became Law No. 11,943 of 2009, as amended, which authorizes the federal government to participate in the Guarantee Fund for Electric Energy Enterprises, or *Fundo de Garantia a Empreendimentos de Energia Eletrica*. Such fund aims to provide financial guarantees proportional to the participation, direct or indirect, of federal or state companies of the electric industry in special purpose companies, created for the development of electric-related projects in connection with the Growth Acceleration Program, *Programa de Aceleracao do Crescimento*, and other strategic programs appointed by an act of the Executive Branch.

More recently, the government passed Provisional Measure No. 577 of 2012, later converted into Law No. 12,767 of 2012, which establishes specific rules for the termination of concessions in the event of bankruptcy or forfeiture and for intervention by the granting authority, acting through ANEEL, in the management of concessionaires in order to ensure the adequate rendering of services and compliance with contractual, regulatory and legal provisions. The goal of this law is to ensure the continuation of the service and its rules on administrative intervention are stricter than the ones of the Concessions' General Act. Law No. 12,767 of 2012 expressly sets forth that the possibility of resorting to the judicial or extrajudicial reorganization procedure under Law No. 11,101 of 2005 (Law on Corporate Reorganization and Bankruptcy) shall not apply to the electricity concessionaires which exploit public services while the concession is in force.

In addition, the Provisional Measure No. 579 of 2012, later converted into Law No. 12,783 of 2013, regulated, among others, by Decree No. 7,805 of 2012, sets forth the rules for further extending the concession contracts up to 30 years, for one period only.

In March 2014, the federal government announced new measures to help distribution concessionaires reduce the immediate impact on consumers' electricity bill caused by the use of electricity originated from thermal power plants and by the higher cost of energy in the spot market. The aid amounted to R$12.4 billion and had been made available by the federal government (R$1.2 billion) and by loans (R$11.2), but will be untimely born by the consumers, as the electricity bills are going to increase between 2015 and 2017. The loans were obtained by the federal government from private or public banks and intermediated by the CCEE. In August 2014, a new loan to distribution concessionaires in the amount of R$6.6 billion has been approved by the federal government, following similar rules and for the same purpose. A third loan to the distribution concessionaires in the amount of R$3.4 billion was approved in March 2015.

Another measure already implemented is a new energy auction in which the distributors are able to purchase electricity for immediate supply. Before the enactment of the Provisional Measure (*Medida Provisoria*) 641 of 2014, as regulated by Decree No. 8,213 of 2014 and Portaria MME No. 118 of 2014, there was a minimum one year gap between the purchase and the supply of energy. That gap in some cases resulted in concessionaries being forced to pay more for energy in the spot market. The first auction after the new regulation took place on April 30, 2014. Despite MP 641 is no longer in force since July 21, 2014, the rights and obligations created during its term are still valid and enforceable, and afterwards the provision allowing the purchase of electricity by the distributors in the same year of the beginning of the supply has been established again by Provisional Measure 656 of 2014, converted into Law 13,097 of 2015.

In November 2014, ANEEL approved new rules limiting the amount of the Price of Settlement of Differences, or PLD, in the spot market applicable in 2015. PLD maximum value was reduced from R$822.83 to R$388.45 per MWh. The purpose of such change was to reduce the impact of high energy prices deriving from drought, delay in the commercial operation of hydroelectric plants and t-lines, and the high cost of thermal power plants. Certain power producers claimed that such new ANEEL rules are illegal because they affect power supply and demand.

The Governmental or Administrative Authorizations Required for the Construction and Operation of Electric Transmission Networks

Before the auction for the concession of electric transmission lines, the environmental impact assessment and environmental impact reports shall be conducted and must be approved by the proper environmental agency. After the auction, the concession is granted by the federal government by means of the execution of the concession agreement, which is signed by and registered and filed with ANEEL. Next, the concessionaire should apply for ANEEL's approval of the Basic Project for Power Transmission Facilities relating to the concession. The previous license (*licenca previa*), which is the first environmental permit that allows the development of the environmental studies, and the installation license (*licenca de instalacao*), which is the permit that authorizes the construction of the project, should be obtained at different stages from the environmental agencies. The concessionaire may use public land or request the granting authority to expropriate necessary private land for the benefit of the concessionaire. In this case, the concessionaire must compensate the affected private landowners. The Declaration of Public Interest from ANEEL, the tree cutting authorization and the operation license (*licenca de operacao*) issued by the environmental agency, as well as the release certificate issued by the ONS are also required.

The Requirements That Must Be Met to Obtain Access to such Public Service

The regulation in force sets forth that the rendering of transmission services shall be preceded by the execution of Transmission Agreements and of Agreements for the Rendering of Supplementary Services, *Contratos de Prestação de Servicos Ancilares*. There are three different types of Transmission Agreements: (i) Agreement for the Rendering of Transmission Services, or CPST; (ii) Agreement for the Use of the Transmission Networks, or CUST; and (iii) Connection Agreement. The CPST is executed between the ONS and the concessionaire. The CUST is executed among the ONS, the concessionaire, represented by the ONS, and the user of the transmission network. These users may be: (i) agents holding a concession or a permission for the distribution of electricity; (ii) power generation agents directly connected to the basic grid or not connected to the basic grid but operating centrally, whether concessionaires or authorized companies; (iii) consumers connected to the basic grid; and (iv) importers and exporters of electricity directly connected to the basic grid.

There are three types of Connection Agreements: (i) Agreement for the Connection to the Transmission Network, *Contrato de Conexao ao Sistema de Transmissao*; (ii) Agreement for Facilities' Sharing, *Contrato de Compartilhamento de Instalacoes*; and (iii) Agreement for the Connection to the Transmission Network—Adjustment Term, *Contrato de Conexao ao Sistema de Transmissao—Termo de Ajuste*. These agreements are executed between the transmission concessionaires and the connecting agents, while the ONS is an interested third party to such agreements.

There is also the Financial Guarantee Contract, *Contrato de Constituicao de Garantia*, which is an agreement between the ONS, acting on its own behalf and on behalf of the transmission concessionaire, and the custodian bank which provides ONS with access to funds available in user-designated bank accounts in the event the latter fails to satisfy payments owed to the transmission concessionaires and to ONS under the corresponding CUST.

Concessionaires' Obligations

Besides the obligations under the concession agreements, ANEEL regularly issues and publishes, in the Federal Official Gazette, Resolutions directed at the activities carried out by the electricity sector. They are regulatory acts of general interest, with the object of establishing directives, obligations, tasks, conditions, limits, rules, procedures, requirements, or any other rights and duties of the agents and the users of the public service. Some of these rules, applicable to transmission concessionaires, are described below:

- *Full Performance Guarantee*: The winner of the public auction shall grant a full compliance guarantee on behalf of ANEEL in order to ensure the compliance with the obligations established under the concession. Such guarantees may be replaced by lesser-value guarantees when ANEEL verifies the gradual execution of milestones in the implementation landmarks' schedule (and, in such cases, the reduction shall be proportional to the implementation);

- *Changes in Controlling Interest*: ANEEL must previously approve any change in the concessionaire's indirect and direct controlling interest;

- *Agreements with Related Parties*: ANEEL provides for specific rules on the transactions between agents of the electricity sector and related parties, especially concerning technology transfer, technical assistance, infrastructure sharing and provision of services. According to ANEEL's Resolution No. 334 of 2008, some agreements shall be previously submitted to the Agency for approval;

- *Financing*: ANEEL's Resolution No. 532 of 2013 establishes limits that shall be observed by the concessionaire to offer to third parties the rights emerging from the concession, assets and future revenues related to the concession as guarantee in financing agreements. Notwithstanding the general rule that the grant of a security interest on concession rights requires ANEEL's prior approval, such approval will not be required, for example, in the following situations: (a) project finance guarantee packages for new transmission projects; and (b) regulated auctions for new projects that require a guarantee; and

- *Expiration*: When the concession expires, all assets, rights and privileges that are materially related to the rendering of the services revert to the Brazilian government. Following the expiration, the concessionaire is entitled to indemnification for its investments in assets that have not been fully amortized or depreciated on the expiration date.

Governmental Incentives to Encourage Expansion of the Electric Transmission Grid

There are special credit lines available to entrepreneurs from the National Bank for Economic and Social Development, *Banco Nacional de Desenvolvimento Economico e Social*. Also, Law No. 11,488 of 2007, as amended, created the Special Incentive Regimen for the Development of Infrastructure, *Regime Especial de Incentivos para o Desenvolvimento da Infraestrutura*, or REIDI, a general tax incentive to infrastructure projects, which directly applies to the expansion of the electric transmission grids.

A recent innovation regarding the granting of the REIDI was established after the edition of Mines and Energy Ministerial Ordinance No. 274/2013, which stipulates all the data that is required in order to apply for this incentive, which includes, among other, the description of the project, technical and legal information, and the perspective of investment in equipment, materials and machines. All information required must be compiled in a specific petition and filed with ANEEL.

The Rates for the Provision of Electric Transmission Services

Electric transmission companies are remunerated through the Annual Authorized Revenue, *Receita Anual Permitida*, or RAP, for the availability of their facilities to the ONS and for the rendering of transmission services to the users.

Charges and Tariffs Owed by Electric Transmission Concessionaires

The Electricity Services Inspection Fee, *Taxa de Fiscalizacao de Servicos de Energia Eletrica*, or TFSEE, was created by Law No. 9,427 of 1996, as amended, and regulated by Decree No. 2,410 of 1997. TFSEE is an annual fee payable directly to ANEEL in 12 monthly payments, and is calculated based on the type of service rendered by the concessionaire and in proportion to the size of the concession. It is equivalent to 0.4% of the annual economic benefit earned by the concessionaire. Electricity transmission concessionaires also must invest each year a minimum of 1% of their net operating revenues in electricity research and development.

Penalties

The regulation issued by ANEEL governs the imposition of sanctions against the participants of the energy sector and classifies the appropriate penalties based on the nature and importance of the breach (including warnings, fines, temporary suspension from the right to participate in public auctions for new concessions, licenses or authorizations and forfeiture). For each breach, the fine may be up to 2% of the concessionaire revenues (net of value-added tax and services tax) in the 12-month period preceding any assessment notice. In addition, electricity generation, distribution and electric transmission concessionaires are strictly liable for any direct or consequential damages caused to third parties as a result of inappropriate provision of electricity services at their facilities. In case ONS is incapable of determining liability for the damages to a particular concessionaire, permissionaire or authorized agent, or if the damages are caused by ONS, liability is proportionately allocated to the electric transmission, distribution and generation agents in accordance with the voting rights of each category under the ONS bylaws.

Reinforcements and Improvements

The granting authority may unilaterally amend the concession agreements, including in the event of alterations to the project or previously unforeseen specifications (such as a requirement to strengthen or to improve the current electric transmission facilities). A concessionaire is entitled to the economic and financial balance of the concession agreement and, therefore, receives additional revenues by way of amortization of its investments in the implementation of these reinforcements or improvements.

Until May 2005, a concessionaire’s obligation to implement strengthening actions, or Reinforcement, was subject to specific prior authorization from ANEEL, which would then set the corresponding additional revenues.

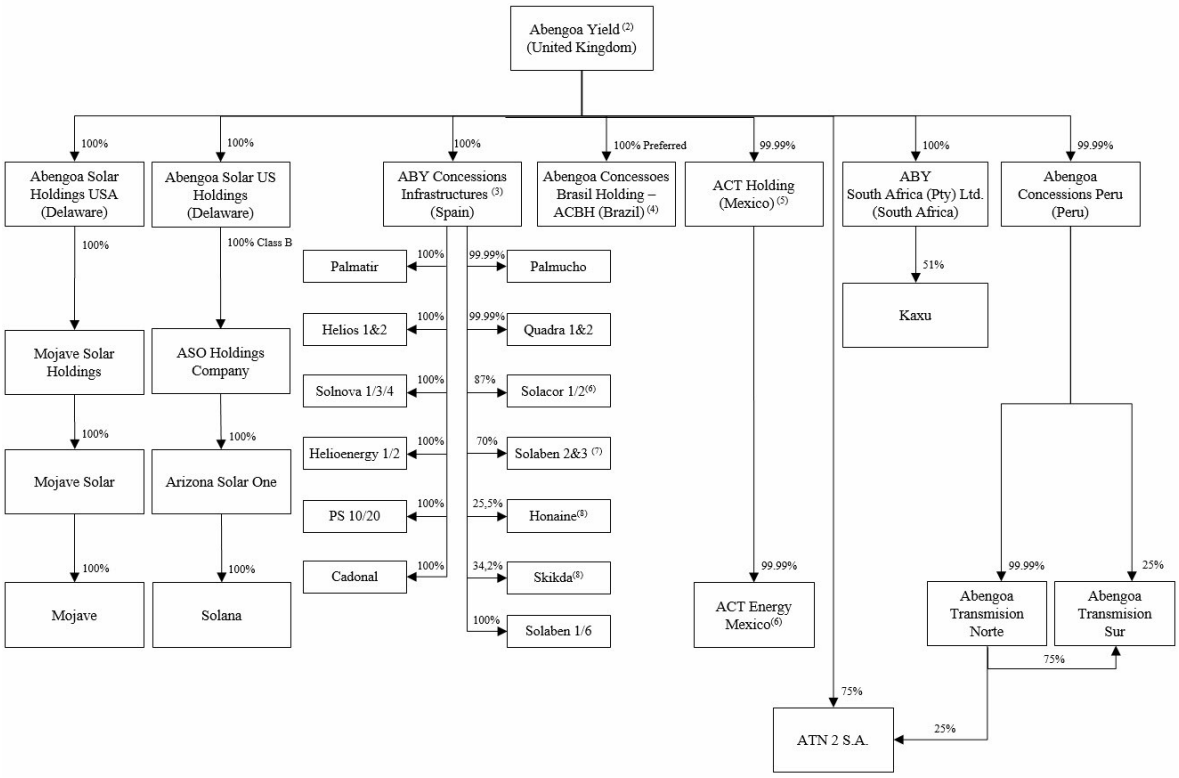
Any improvement action, or Improvement, would not require prior authorization or additional revenues. The then-existing regulation, however, failed to clearly define Reinforcement and Improvement. Thus, on May 23, 2005, ANEEL issued Resolution No. 158, distinguishing the projects and installations that would be considered as Reinforcements and those deemed to be classified as Improvements. In July 2011, Resolution No. 158 was replaced by Resolution No. 443, as amended.

Improvement is defined as any installation, replacement or remodeling of equipment in order to ensure adequate electricity transmission services, pursuant to the relevant concession agreement.

Reinforcement is defined as the implementation of new electricity transmission facilities, or replacement or adjustment of existing facilities in order to increase the electricity transmission capacity, the reliability of the SIN, the useful life or to connect users. Some Reinforcements are subject to prior authorization by ANEEL and certain types of Reinforcements may be implemented by transmission concessionaires directly, without prior authorization by ANEEL, provided that they are the result of a request by ONS aiming at expanding electric transmission capacity or the reliability of the SIN. In this case, however, ANEEL will not have previously established the additional revenues to which the concessionaire would be entitled for the implementation of such Reinforcement. These revenues, therefore, are included in the annual revision of the RAP.

C. Organizational Structure

The following summary chart sets forth our ownership structure as of the date of this annual report:



(1) ACIN directly holds one share in each of Abengoa Concessions Peru S.A., Abengoa Transmision Norte S.A. and Abengoa Transmisión Sur S.A.
(2) We do not have control over ACBH. See "Item 4.B—Business Overview—Our Operations—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding."
(3) Due to Mexican legal requirements, one share is held by Servicios Auxiliares de Administracion, S.A. de C.V.
(4) Abengoa Yield plc directly holds one share in Palmucho and 10 shares in each of Quadra 1 and Quadra 2.
(5) 30% is held by Itochu, a Japanese company.
(6) 13% is held by JGC, a Japanese company.
(7) AEC holds 49% of Honaine and Skikda. Sadyt holds 25.5% of Honaine and 16.9% of Skikda.

D. Property, Plant and Equipment

See "Item 4.B—Business Overview."

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read together with, and is qualified in its entirety by reference to, our Annual Consolidated Financial Statements. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements as a result of various factors, including those set forth under "Item 3.D—Risk Factors" and elsewhere in this annual report.

The following discussion analyzes our historical financial condition and results of operations. For all periods prior to our IPO, the discussion reflects the combined financial statements of our predecessor, which represents the combination of the assets transferred by Abengoa to us immediately prior to the consummation of our IPO. For all periods subsequent to our IPO, the discussion reflects our and our subsidiaries' consolidated results.

A. Operating Results

Overview

We are a total return company that owns, manages, and acquires renewable energy, conventional power, electric transmission lines and water assets, focused on North America (the United States and Mexico), South America (Peru, Chile, Brazil and Uruguay) and EMEA (Spain, Algeria and South Africa). We also intend to expand to certain countries in the Middle East, maintaining North America, South America and Europe as our core geographies.

As of the date of this annual report, we own or have interests in 20 assets, comprising 1,441 MW of renewable energy generation, 300 MW of conventional power generation, 10.5 M ft^3 per day of water desalination and 1,099 miles of electric transmission lines, as well as an exchangeable preferred equity investment in ACBH. Each of the assets we own has a project-finance agreement in place. All of our assets have contracted revenues (regulated revenues in the case of our Spanish assets) with low-risk off-takers and collectively have a weighted average remaining contract life of approximately 22 years as of December 31, 2015.

We intend to take advantage of favorable trends in the power generation and electric transmission sectors globally, including energy scarcity and a focus on the reduction of carbon emissions. To that end, we believe that our cash flow profile, coupled with our scale, diversity and low-cost business model, offers us a lower cost of capital than that of a traditional engineering and construction company or independent power producer and provides us with a significant competitive advantage with which to execute our growth strategy.

We are focused on high-quality, newly-constructed and long-life facilities that have contracts with creditworthy counterparties that we expect will produce stable, long-term cash flows. We will seek to grow our cash available for distribution and our dividend to shareholders through organic growth and by acquiring new contracted assets from our current sponsor, Abengoa, from third parties and from potential new future sponsors.

We signed an exclusive agreement with Abengoa, which we refer to as the ROFO Agreement, which provides us with a right of first offer on any proposed sale, transfer or other disposition of any of Abengoa's contracted renewable energy, conventional power, electric transmission or water assets in operation and located in the United States, Canada, Mexico, Chile, Peru, Uruguay, Brazil, Colombia and the European Union, as well as four assets in selected countries in Africa, the Middle East, Asia and Australia. We refer to the contracted assets subject to the ROFO Agreement as the "Abengoa ROFO Assets." See "Item 4.B—Business Overview—Our Growth Strategy" and "Item 7.B—Related Party Transactions—Right of First Offer."

Additionally, we plan to sign similar agreements with other developers or asset owners. In addition, we expect to acquire assets from third parties leveraging the local presence and network we have in the geographies and sectors where we operate.

With this business model, our objective is to pay a consistent and growing cash dividend to shareholders that is sustainable on a long-term basis. We expect to distribute a very high percentage of our cash available for distribution as cash dividends and we will seek to increase such cash dividends over time through organic growth and as we acquire assets with characteristics similar to those in our current portfolio.

Based on the acquisition opportunities available to us, we believe that we will have the opportunity to grow our cash available for distribution in a manner that would allow us to increase our cash dividends per share over time. Prospective investors should read “Item 5.B—Liquidity—Liquidity and Capital Resources—Cash dividends to investors” and “Item 3.D—Risk Factors,” including the risks and uncertainties related to our forecasted results, acquisition opportunities and growth plan, in their entirety.

Acquisitions

First Dropdown Assets

On November 18, 2014, we completed the acquisition of a 74% stake in Solacor 1/2, a 100 MW solar power plant in Spain; on December 4, 2014, we completed the acquisition of PS10/20, a 100 MW solar power complex in Spain; and on December 29, 2014, we completed the acquisition of Cadonal, an on-shore wind farm located in Uruguay with a capacity of 50 MW. The total aggregate consideration for the First Dropdown Assets was $312 million.

Second Dropdown Assets

On February 3, 2015, we completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda, which are two water desalination plants in Algeria with an aggregate capacity of 10.5 M ft3 per day. We entered into a two-year call and put option agreement with Abengoa under which (i) we have a put option to require Abengoa to repurchase these assets at the same price paid by us and (ii) Abengoa has a call option to require us to resell these assets if certain indemnities and guarantees provided by Abengoa related to past circumstances reach a certain threshold. Revenues from these assets are indexed to U.S. dollars and payable in local currency. On February 23, 2015, we completed the acquisition of a 29.6% stake in Helioenergy 1/2, a 100 MW solar complex located in Spain. All these assets were acquired from Abengoa under the ROFO Agreement. The total aggregate consideration for the Second Dropdown Assets was $94 million.

Third Dropdown Assets

On May 13, 2015, we completed the acquisition of Helios 1/2, a 100 MW solar complex located in Spain. On May 14, 2015, we completed the acquisition of Solnova 1/3/4, a 150 MW solar complex located in Spain. On May 25, 2015, we completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2, a 100 MW solar complex in Spain. On July 30, 2015, we completed the acquisition of Kaxu, a 100 MW solar plant in South Africa. The total aggregate consideration for the Third Dropdown Assets was $682 million.

Fourth Dropdown Assets

On June 25, 2015 we completed the acquisition of ATN2, an 81-mile transmission line in Peru. On September 30, 2015, we completed the acquisition of Solaben 1/6, a 100 MW solar complex in Spain. These assets were acquired from Abengoa under the ROFO Agreement. In addition, on January 7 2016 we completed the acquisition from JGC of a 13% in Solacor 1/2, a 100 MW solar complex in Spain where we already owned a 74% stake. The total aggregate consideration for the Fourth Dropdown Assets was $378 million.

Our Operations

We own a diversified portfolio of contracted assets across the renewable energy, conventional power, electric transmission line and water sectors in North America (the United States and Mexico), South America (Peru, Chile, Uruguay and Brazil) and EMEA (Spain, Algeria and South Africa). We intend to expand to certain countries in the Middle East, maintaining North America, South America and Europe as our core geographies. Our portfolio consists of 12 renewable energy assets, a natural gas-fired cogeneration facility, several electric transmission lines and minority stakes in two water desalination plants, all of which are fully operational. In addition, we own an exchangeable preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, consisting mostly of electric transmission lines. All of our assets have contracted revenues (regulated revenues in the case of our Spanish assets) with low-risk offtakers and collectively have a weighted average remaining contract life of approximately 22 years as of December 31, 2015. We expect that the majority of our cash available for distribution over the next four years will be in U.S. dollars, indexed to the U.S. dollar or in euros. We intend to use currency hedging contracts to maintain a ratio of 90% of our cash available for distribution denominated in U.S. dollars. Approximately 89% of our project-level debt is hedged against changes in interest rates through an underlying fixed rate on the debt instrument or through interest rate swaps, caps or similar hedging instruments.

Results of Operations

Our revenue and Further Adjusted EBITDA by geography and business sector for the years ended December 31, 2015, 2014 and 2013 are set forth in the following tables:

	Year ended December 31,					
	2015		2014		2013	
	$ in millions	% of revenue	$ in millions	% of revenue	$ in millions	% of revenue
North America	$ 328.1	41.5%	$ 195.5	53.9%	$ 114.0	54.1%
South America	112.5	14.2%	83.6	23.0%	25.4	12.0%
EMEA	350.3	44.3%	83.6	23.1%	71.5	33.9%
Total revenue	**$ 790.9**	**100%**	**$ 362.7**	**100%**	**$ 210.9**	**100%**

Revenue by business sector

	Year ended December 31,					
	2015		2014		2013	
	$ in millions	% of revenue	$ in millions	% of revenue	$ in millions	% of revenue
Renewable Energy	$ 543.0	68.7%	$ 170.7	47.1	$ 82.7	39.2
Conventional Power	138.7	17.5%	118.8	32.7	102.8	48.7
Electric Transmission	86.4	10.9%	73.2	20.2	25.4	12.1
Water	22.8	2.9%	—	—	—	—
Total revenue	**$ 790.9**	**100%**	**$ 362.7**	**100%**	**$ 210.9**	**100%**

Further Adjusted EBITDA by geography

	Year ended December 31,					
	2015		2014		2013	
	$ in millions	% of revenue	$ in millions	% of revenue	$ in millions	% of revenue
North America	$ 279.6	85.2%	$ 175.4	89.7%	$ 96.7	84.8%
South America	110.9	98.6%	77.2	92.3%	19.0	74.8%
EMEA	233.7	66.7%	55.4	66.3%	42.8	59.9%
Further Adjusted EBITDA(1)	**$ 624.2**	78.9%	**$ 308.0**	**84.9%**	**$ 158.5**	**75.2%**

Further Adjusted EBITDA by business sector

	Year ended December 31,					
	2015		2014		2013	
	$ in millions	% of revenue	$ in millions	% of revenue	$ in millions	% of revenue
Renewable Energy	$ 414.0	76.2%	$ 137.8	80.7%	$ 55.8	67.5%
Conventional Power	107.7	77.6%	101.9	85.8%	83.3	81.0%
Electric Transmission	89.0	103.1%	68.3	93.3%	19.4	76.4%
Water	13.5	59.6%	—	—	—	—
Further Adjusted EBITDA(1)	$ 624.2	**78.9%**	**$ 308.0**	**84.9%**	**$ 158.5**	**75.2%**

Note:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA for the year ended December 31, 2014 includes preferred dividends by ACBH for the first time during the third and fourth quarters of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

Factors Affecting the Comparability of Our Results of Operations

Commencement of operations of projects

The comparability of our results of operations is significantly influenced by the volume of projects that become operational during a particular year. The number of projects becoming operational and the length of lead times for projects under construction significantly affect our revenue and operating profit, which makes the comparison of periods difficult.

The following table sets forth the principal projects that commenced operations during 2014, including the quarter in which operations began.

Geography Segment	Asset	Business Sector	Capacity	Status	Commercial Operation Date
North America	Mojave	Renewable energy	280 MW	Operational	4Q 2014
South America	ATS	Electric Transmission	569 miles	Operational	1Q 2014
	Quadra 1	Electric Transmission	43 miles	Operational	2Q 2014
	Quadra 2	Electric Transmission	38 miles	Operational	1Q 2014
	Palmatir	Renewable energy	50 MW	Operational	2Q 2014

All of our projects were in operation in 2015 and all of the assets were acquired were already in operation at the time of acquisition.

Acquisitions

On November 18, 2014, we completed the acquisition of a 74% stake in Solacor 1/2, a 100 MW solar power plant in Spain; on December 4, 2014, we completed the acquisition of PS10/20, a 100 MW solar power complex in Spain; and on December 29, 2014, we completed the acquisition of Cadonal, an on-shore wind farm located in Uruguay with a capacity of 50 MW.

On February 3, 2015, we completed the acquisition of a 25.5% stake in Honaine and a 34.17% stake in Skikda, which are two water desalination plants in Algeria with an aggregate capacity of 10.5 M ft3 per day. On February 23, 3015 we completed the acquisition of a 29.6% stake in Helioenergy 1/2, a 100 MW solar complex located in Spain.

On May 13, 2015, we completed the acquisition of Helios 1/2, a 100 MW solar complex located in Spain from Abengoa under the ROFO Agreement.

On May 14, 2015, we completed the acquisition of Solnova 1/3/4, a 150 MW solar complex located in Spain from Abengoa under the ROFO Agreement.

On May 25, 2015, we completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2, a 100 MW solar complex in Spain from Abengoa under the ROFO Agreement.

On June 25, 2015, we completed the acquisition of 40% equity stake of ATN2, an 81-mile transmission line in Peru from Abengoa under the ROFO Agreement. We also acquired the remaining 60% equity stake owned by Sigma, a third-party financial investor, in ATN2.

On July 30, 2015, we completed the acquisition of a 51% stake in Kaxu a 100 MW solar plant in South Africa.

On September 30, 2015, we completed the acquisition of 75% of the shares and a 30-year usufruct of the economic rights of the remaining 25% of the shares of Solaben 1/6 from Abengoa.

The results of operations of each acquisition has been consolidated since the date of their respective acquisition except for Honaine, which was recorded under the equity method, and Helioenergy 1/2, which was recorded under the equity method from February 23, 2015, the date we acquired a 30% ownership stake in the asset, until May 25, 2015, the date we gained control over the asset. Helioenergy 1/2 has been fully consolidated since May 25, 2015.

These acquisitions, and any other acquisitions we may make from time to time, will affect the comparability of our results of operations.

Impairment of our preferred equity investment in ACBH

The results of the year ended December 31, 2015 are significantly impacted by the impairment of our preferred equity investment in ACBH of $210.4 million and recorded in other financial expense, with no corresponding amount in the previous year. On January 29, 2016, Abengoa informed us that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("*reorganizaçao judiciaria*"), as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH. Given that this process will likely negatively affect the value of our preferred equity investment and considering the high degree of uncertainty on its final outcome, we have recorded an impairment of this preferred equity investment of $210.4 million. This is a non-cash loss that we recorded in Other finance expense in our consolidated income statement for the year ended December 31, 2015.

Factors Affecting Our Results of Operations

Regulation

We operate in a significant number of regulated markets. The degree of regulation to which our activities are subject varies by country. In a number of the countries in which we operate, regulation is carried out by national regulatory authorities. In some countries, such as the United States and, to a certain degree, Spain, there are various additional layers of regulation at the state, regional and/or local levels. In such countries, the scope, nature, and extent of regulation may differ among the various states, regions and/or localities.

While we believe the requisite authorizations, permits, and approvals for our existing activities have been obtained and that our activities are operated in substantial compliance with applicable laws and regulations, we remain subject to a varied and complex body of laws and regulations that both public officials and private parties may seek to enforce. See "Item 4.B—Business Overview—Regulation" for a description of the primary industry-related regulations applicable to our activities in the United States and Spain and currently in force in certain of the principal markets in which we operate.

Power purchase agreements and other contracted revenue agreements

As of December 31, 2015, the average remaining life of our PPAs, concessions and contracted revenue agreements was approximately 22 years. We believe that the average life of our PPAs and contracted revenue agreements is a significant indicator of our forecasted revenue streams and the growth of our business. Contracted assets and concessions consist of long-term projects awarded to and undertaken by us (in conjunction with other companies or on an exclusive basis) typically over a term of 20 to 30 years. Upon expiration of our PPAs and contracted revenue agreements and in order to maintain and grow our business, we must obtain extensions to these agreements or secure new agreements to replace them as they expire. Under most of our PPAs and concessions, there is an established price structure that provides us with price adjustment mechanisms that partially protect us against inflation.

Tax incentives in the United States for renewable energy assets

U.S. federal, state and local governments have established several incentives and financial mechanisms to reduce the cost of renewable energy and spur the development of energy from renewable, non-carbon–based, sources. Some of the major tax incentives applied in our projects are, among others, Investment Tax Credit, Cash Grant in Lieu of ITC, Modified Accelerated Cost Recovery System, or MACRS, and Loan Guarantee Program.

We do not expect Solana or Mojave to pay U.S. federal income tax in the next 10 years due to the relevant NOLs and NOL carryforwards generated by the application of the aforementioned tax incentives established in the United States, in particular MACRS accelerated depreciation.

Tax accelerated depreciation for Spanish new assets

For investments in new material assets and investment properties used for economic activities acquired in the tax periods commencing in 2009 up to March 31, 2012, tax free depreciation is allowed. Due to this special regime, Solaben 2/3, Solaben 1/6, Solacor 1/2, PS10/20, Helios 1/2, Helioenergy 1/2 and Solnova 1/3/4 do not expect to pay taxes in the following 10 years.

Specific corporate income tax rules in Mexico

Our project in Mexico, ACT, must pay Mexican corporate income tax on its worldwide income. The general taxable income is calculated in a similar way to the other jurisdictions in which our assets are located; however, the Mexican corporate income tax provides for specific inflationary adjustments on monetary assets and liabilities.

Notwithstanding the above, the project is not expected to pay significant income taxes until the fifth or sixth year after our IPO due to the NOL carryforwards generated during the construction phase.

Capital expenditures

We finance our contracted assets primarily through project debt issued by a financial institution. Consequently, a significant part of our business is capital-intensive and our assets are highly leveraged. See “Item 5.B—Liquidity—Liquidity and Capital Resources—Capital expenditures.”

Interest rates

We incur significant indebtedness at the corporate level and in our assets. The interest rate risk arises mainly from indebtedness with variable interest rates.

Most of our debt consists of project debt. As of December 31, 2015, approximately 89% of our project debt has either fixed interest rates or has been hedged with swaps or caps.

Regarding our corporate debt, in November 2014, we incurred indebtedness at the corporate level through the issuance of the 2019 Notes, which have a fixed interest rate of 7.000% See “Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—2019 Notes.” We have also entered into and made borrowings under the Credit Facility. See “Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—Credit Facility.”

In addition, in December 2014, we signed Tranche A of the Credit Facility, amounting to $125 million, which accrues interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.75% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.75%. Tranche A has been hedged. Tranche B of the Credit Facility, amounting to $290 million, at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.50% and (B) for base rate loans, 1.50%.

To mitigate the interest rate risk, we primarily use long-term interest rate swaps and interest rate options which, in exchange for a fee, offer protection against a rise in interest rates. We estimate that currently approximately 86% of our total interest risk exposure is fixed or hedged. Nevertheless, our results of operations can be affected by changes in interest rates with respect to the unhedged portion of our indebtedness that bears interest at floating rates, which typically bears a spread over EURIBOR or LIBOR.

Exchange rates

Our functional currency is the U.S. dollar, as most of our revenues and expenses are denominated or linked to U.S. dollars. All our companies located in North America, South America and Algeria have their PPAs, or concessional agreements, and financing contracts signed in, or indexed to, U.S. dollars, and report their individual financial statements in U.S. dollars. Our solar power plants in Spain, Solaben 2/3, Solaben 1/6, Solacor 1/2, PS10/20, Helios 1/2, Helioenergy 1/2 and Solnova 1/3/4, have their revenues and expenses denominated in euros. We have signed a five year Currency Swap Agreement with Abengoa which provides for a fixed exchange rate for the cash available for distribution from our Spanish assets. The distributions from the Spanish assets are paid in euros and the Currency Swap Agreement provides for a fixed exchange rate at which euros will be converted into U.S. dollars. The revenues and expenses of Kaxu are denominated in South African rand.

Fluctuations in the value of foreign currencies (the euro and the South African rand) in relation to the U.S. dollar may affect our operating results. Impacts associated with fluctuations in foreign currency are discussed in more detail under “Item 11—Quantitative and Qualitative Disclosure About Market Risk—Foreign exchange rate risk.” In subsidiaries with functional currency other than the U.S. dollar, assets and liabilities are translated into U.S. dollars using end-of-period exchange rates; revenue, expenses and cash flows are translated using average exchange rates.

The following table sets forth, for the periods indicated, the Noon Buying Rate certified by the Federal Reserve Bank of New York expressed in U.S. dollar per €1.00. The Noon Buying Rate refers to the exchange for euro, expressed in U.S. dollars per euro, in the City of New York for cable transfers payable in foreign currencies as certified by the Federal Reserve Bank of New York for customs purposes. The rates may differ from the actual rates used in the preparation of the Consolidated Financial Statements and other financial information appearing in this annual report. We do not represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

The average rate of the Noon Buying Rate means the average rates for the euro on the last day reported of each month during the relevant period.

The Federal Reserve Bank of New York Noon Buying Rate of the euro on February 19, 2016 was $1.1127 per €1.00.

	U.S. Dollar per €1.00			
	High	**Low**	**Average**	**Period End**
Year				
2013	1.3816	1.2774	1.3303	1.3779
2014	1.3927	1.2101	1.3296	1.2101
2015	1.2015	1.0524	1.1096	1.0859
Month				
August 2015	1.1580	1.0868	1.1136	1.1194
September 2015	1.1358	1.1104	1.1229	1.1162
October 2015	1.1437	1.0963	1.1228	1.1042
November 2015	1.1026	1.0562	1.0727	1.0562
December 2015	1.1025	1.0573	1.0889	1.0859
January 2016	1.0964	1.0743	1.0855	1.0832
February 2016 (through February 19, 2016)	1.1362	1.0888	1.1140	1.1127

Apart from the impact of translation differences described above, the exposure of our income statement to fluctuations of foreign currencies is limited, as the financing of projects is typically denominated in the same currency as that of the contracted revenue agreement. This policy seeks to ensure that the main revenue and expenses in foreign companies are denominated in the same currency, limiting our risk of foreign exchange differences in our financial results.

In our discussion of operating results, we have included foreign exchange impacts in our revenue by providing constant currency revenue growth. The constant currency presentation is a non-IFRS financial measure, which excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations. We calculate constant currency amounts by converting our current period local currency revenue using the prior period foreign currency average exchange rates and comparing these adjusted amounts to our prior period reported results. This calculation may differ from similarly titled measures used by others and, accordingly, the constant currency presentation is not meant to substitute for recorded amounts presented in conformity with IFRS nor should such amounts be considered in isolation.

Key Performance Indicators

In addition to the factors described above, we closely monitor the following key drivers of our business sectors' performance to plan for our needs, and to adjust our expectations, financial budgets and forecasts appropriately.

	As of and for the year ended December 31		
	2015	2014	2013
Renewable Energy			
MW in operation	1,441	891	380
GWh produced	2,536	902	280
Conventional Power			
MW in operation	300	300	300
GWh produced	2,465	2,474	1,849
Availability (%)	101.7%	101.9%	97.0%
Electric Transmission			
Miles in operation	1,099	1,018	368
Availability (%)	99.9%	100.0%	99.6%
Water			
Mft^3 in operation	10.5	—	—
Availability (%)	101.5%	—	—

MW in operation and Mft^3 in operation represent total installed capacity in assets owned at the end of the period, regardless of the stake in each of the assets.

Results of Operations

The table below illustrates our results of operations for the years ended December 31, 2015, 2014 and 2013.

	Year ended December 31,		
	2015	2014	2013
		$ in millions	
Revenue	$ 790.9	$ 362.7	$ 210.9
Other operating income	68.8	79.9	379.6
Raw materials and consumables used	(23.2)	(9.4)	(6.2)
Employee benefit expenses	(5.8)	(1.7)	(2.4)
Depreciation, amortization and impairment charges	(261.3)	(125.5)	(46.9)
Other operating expenses	(224.9)	(132.7)	(423.4)
Operating profit/(loss)	**$ 344.5**	**$ 173.3**	**$ 111.6**
Financial income	3.5	4.9	1.2
Financial expense	(333.9)	(210.3)	(123.8)
Net exchange differences	3.9	2.1	(0.9)
Other financial income/(expense), net	(200.2)	5.9	(1.7)
Financial expense, net	**$ (526.7)**	**$ (197.4)**	**$ (125.2)**
Share of profit/(loss) of associates carried under the equity method	7.8	(0.8)	—
Profit/(loss) before income tax	**$ (174.4)**	**$ (24.9)**	**$ (13.6)**
Income tax	(23.8)	(4.4)	11.8
Profit/(loss) for the year	**$ (198.2)**	**$ (29.3)**	**$ (1.8)**
Profit/(loss) attributable to non-controlling interests	(10.8)	(2.3)	(1.6)
Profit/(loss) for the year attributable to the parent company	**$ (209.0)**	**$ (31.6)**	**$ (3.4)**

Comparison of the Years Ended December 31, 2015 and 2014

Revenues

Revenues increased by 118.1% to $790.9 million in the year ended December 31, 2015, compared with $362.7 million for the year ended December 31, 2014. On a constant currency basis, revenue for the year ended December 31, 2015 would have been $859.4 million, representing an increase of 136.9% compared to the previous year. The increase is largely attributable to the acquisitions of Solacor 1/2, PS 10/20 and Cadonal in the fourth quarter of 2014, Skikda in the first quarter of 2015, Helios 1/2, Solnova 1/3/4, Helioenergy 1/2 and ATN2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015. The commencement of operations of Mojave in the last quarter of 2014 also contributed to the increase of revenues in the year ended December 31, 2015 as compared with the year ended December 31, 2014. These resulted in a net electricity production of 5,001 GWh and 1,099 miles of transmission lines in operation for the year ended December 31, 2015, compared with 3,376 GWh produced and 1,018 miles of transmission lines in operation during the year ended December 31, 2014.

Other operating income

The following table sets forth our other operating income for the years ended December 31, 2015 and 2014:

	Year ended December 31,	
	2015	**2014**
Other operating income	**$ in millions**	
Grants	67.8	35.2
Income from various services	1.0	6.1
Income from subcontracted construction services for our assets and concessions	—	38.6
Total	**68.8**	**79.9**

Other operating income decreased by 13.8% to $68.8 million for the year ended December 31, 2015, compared with $79.9 million for the year ended December 31, 2014. The decrease was mainly due to the decrease in income from subcontracted construction services for our assets and concessions, which decreased from $38.6 million for the year ended December 31, 2014 to $0 in the year ended December 31, 2015. As certain assets owned by us were under construction and subcontracted to related parties during 2014, we were required to account for income from construction services as “other operating income” in accordance with IFRIC 12. The corresponding costs of construction were recorded within “Other operating expenses.” These amounts reflect the construction progress of the assets and concessions during 2014. The decrease was primarily due to the completion of construction of ATS. We do not expect to have any other operating income from construction activities in future periods.

Income from grants increased from $35.2 million in the year ended December 31, 2015 to $67.8 million in the year ended December 31, 2015. Income classified as grants is related to the financial support provided by the U.S. Treasury to Solana and Mojave. The increase is due to grants in respect to Mojave, which is fully consolidated from December 2014 once the asset reached COD and was recorded under the equity method until that time.

Raw materials and consumables used

Raw materials and consumables used increased by $13.8 million to $23.2 million for the year ended December 31, 2015, compared with $9.4 million for the year ended December 31, 2014, primarily due to the increase in raw materials used in Solana, the commencement of operations of Mojave and the recent acquisition of Skikda in the first quarter of 2015.

Employee benefits expenses

Employee benefit expenses increased by $4.1 million to $5.8 million for the year ended December 31, 2015, compared with $1.7 million for the year ended December 31, 2014. This increase in expenses was primarily attributable to the fact that during 2015 management employees of Atlantica Yield, who had been employed by Abengoa until March 2015 were transferred to companies within the perimeter of Atlantica Yield and the Executive Services Agreement was terminated, which has caused an increase in employee benefit expenses. In addition, other employees previously employed by subsidiaries of Abengoa who were providing services to Atlantica Yield under the Support Services Agreement were transferred to subsidiaries of Atlantica Yield. This increase was partially offset by a decrease in employee benefit expenses in ATN due to the fact that in April 2014 all ATN employees were transferred to an entity excluded from the perimeter of Atlantica Yield.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges increased by 108.2% to $261.3 million for the year ended December 31, 2015, compared with $125.5 million for the year ended December 31, 2014. Depreciation and amortization are recorded from the commencement of operations of the contracted assets. The net change was largely attributable to the commencement of operations of Mojave and to the acquisitions of Solacor 1/2, PS 10/20 and Cadonal in the fourth quarter of 2014, Helios 1/2, Solnova 1/3/4 and Helioenergy 1/2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015.

Other operating expenses

The following table sets forth our other operating expenses for the years ended December 31, 2015 and 2014:

	Year ended December 31,			
	2015		2014	
Other operating expenses	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Leases and fees	3.9	0.5%	1.8	0.5%
Repairs and maintenance	24.7	3.1%	10.3	2.8%
Independent professional services(1)	104.6	13.2%	38.1	10.5%
Supplies	18.0	2.3%	7.7	2.1%
Other external services	24.4	3.1%	10.2	2.8%
Levies and duties	32.4	4.1%	14.2	3.9%
Other expenses	16.9	2.1%	11.8	3.3%
Construction costs	—	—	38.6	10.6%
Total	**224.9**	**28.4%**	**132.7**	**36.5%**

Notes:—

(1) Includes approximately $3.8 million in the year ended December 31, 2014 of allocated costs and expenses for general and administrative services provided by Abengoa prior to our IPO.

Other operating expenses increased by 69.5% to $224.9 million for the year ended December 31, 2015, compared with $132.7 million for the year ended December 31, 2014. This increase in our operating expenses, other than those related to construction costs, was primarily due to the acquisitions of Solacor 1/2 in the fourth quarter of 2014, Skikda in the first quarter of 2015, Helios 1/2, Solnova 1/3/4 and Helioenergy 1/2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015. In addition, ACT recorded higher other operating expenses due to higher operation and maintenance costs in the year ended December 31, 2015 as a result of scheduled maintenance. The increase is also due to the commencement of operations of Mojave in the last quarter of 2014. This increase was partially offset by the decrease in construction costs from $38.6 million for the year ended December 31, 2014 to $0 for the year ended December 31, 2015, due to the completion of construction of ATS, Quadra 1, Quadra 2 and Palmatir.

Operating profit/(loss)

As a result of the above factors, operating profit increased by 98.7% to $344.5 million for the year ended December 31, 2015, compared with $173.3 million for the year ended December 31, 2014.

Financial income and financial expense

	Year ended December 31,	
Financial income and financial expense	**2015**	**2014**
	$ in millions	
Financial income	3.5	4.9
Financial expense	(333.9)	(210.3)
Net exchange differences	3.9	2.1
Other financial income/(expense), net	(200.2)	5.9
Financial expense, net	**(526.7)**	**(197.4)**

Net financial expense increased by $329.3 million to $526.7 million for the year ended December 31, 2015, compared with $197.4 million for the year ended December 31, 2014. This increase was primarily attributable to the increase in other financial income (expense), net, and also due to the increase in the financial expense, both analyzed below. Financial income decreased by 28.5% to $3.5 million for the year ended December 31, 2015, compared to $4.9 million for the year ended December 31, 2014, mainly due to lower interest income from short-term financial investments at the holding level.

Financial expense

The following table sets forth our financial expense for the years ended December 31, 2015 and 2014:

Financial expense	Year ended December 31, 2015	2014
	$ in millions	
Expenses due to interest:		
Loans with credit entities	(197.9)	(117.7)
Other debts	(81.9)	(61.9)
Interest rates losses derivatives: cash flow hedges	(54.1)	(30.7)
Total	**(333.9)**	**(210.3)**

Financial expense increased by 58.8% to $333.9 million for the year ended December 31, 2015, compared with $210.3 million for the year ended December 31, 2014. This increase was largely attributable to interest from loans with credit entities, which increased due to the acquisitions of Solacor 1/2, PS 10/20 and Cadonal in the fourth quarter of 2014, Skikda in the first quarter of 2015, Helios 1/2, Solnova 1/3/4, Helioenergy 1/2 and ATN2 in the second quarter of 2015 and Kaxu in the third quarter of 2015. Interest from loans with credit entities also increased due to the interest accrued on our Credit Facility. Interest from other debts primarily consist of interest on the 2019 Notes issued in November 2014, notes issued by ATS, ATN and Solaben 1/6, as well as interest on debt with related parties in 2014, which was capitalized in its majority before our IPO. Interest on interest-rate derivatives designated as cash flow hedges of $54.1 million in 2015 was due to transfers from equity to financial expense in accordance with our cash flow hedge accounting policy, and the increase was mainly due to the acquisition of solar assets in Spain.

Other financial income/(expense), net

Other financial income/(expenses)	Year ended December 31, 2015	2014
	$ in millions	
Dividend ACBH (Brazil)	18.4	9.2
Other financial income	1.5	0.6
Impairment preferred equity investment in ACBH	(210.4)	—
Other financial losses	(9.7)	(3.9)
Total	**(200.2)**	**5.9**

Other financial expense, net amounted to $200.2 million for the year ended December 31, 2015, compared with a $5.9 million financial income, net for the year ended December 31, 2014. The expense recorded in 2015 was largely attributable to the impairment of our preferred equity investment in ACBH. On January 29, 2016, Abengoa informed us that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("*reorganizaçao judiciaria*"), as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH. Given that this process will likely negatively affect the value of our preferred equity investment and considering the high degree of uncertainty on its final outcome, we have recorded an impairment of this preferred equity investment of $210.4 million. On the other hand, dividends received from our preferred equity investment in ACBH increase for a total amount of $18.4 million during the year ended December 31, 2015 compared to $9.2 million received in the year ended December 31, 2014, as we began to receive this income upon this consummation of our IPO. Other financial losses mainly include guarantees and letters of credit, wire transfers, other bank fees and other minor financial expenses.

Share of profit/(loss) of associates carried under the equity method

Share of profit/(loss) of associates carried under the equity method increased from a loss of $0.8 million for the year ended December 31, 2014 to a $7.8 million profit for the year ended December 31, 2015 mainly due to the acquisition of a 25.5% stake in Honaine and a 29.6% stake in Helioenergy 1/2 in February 2015. The results of Honaine have been accounted for under the equity method since the date of its acquisition in February 2015. The results of Helioenergy 1/2 have been recorded under the equity method since the acquisition of the initial 29.6% stake in February 2015 until we gained control of Helioenergy 1/2 on May 25, 2015 and have been fully consolidated since that date.

Profit/(loss) before income tax

As a result of the above factors, we reported a loss before income tax amounting to $174.4 million for the year ended December 31, 2015, compared with a loss before income taxes of $24.9 million for the year ended December 31, 2014. Without considering the impact of the impairment of our preferred equity investment in ACBH of $210.4 million, profit before income tax would have amounted to $36.0 million for the year ended December 31, 2015, compared with a loss before income taxes of $24.9 million for the year ended December 31, 2014.

Income tax

Income tax expense amounted to $23.8 million for the year ended December 31, 2015, compared with an income tax expense of $4.4 million for the year ended December 31, 2014. Our effective tax rate differs from the average nominal tax rate mainly due to permanent differences resulting primarily from inflationary effects in ACT and incentives related mainly to the tax exemption of ACBH dividends.

Loss/(profit)) attributable to non-controlling interest

Profit attributable to non-controlling interest increased by 360.9% to $10.8 million in the year ended December 31, 2015, from $2.3 million in the year ended December 31, 2014. This increase was due to the acquisition of Solacor 1/2 in the fourth quarter of 2014, in which we acquired a 74% stake in 2015, Skikda in the first quarter of 2015, in which we have a 34.2% stake with control and Kaxu in the third quarter of 2015, in which we have a 51% stake.

Profit/(loss) attributable to the parent company

As a result of the above factors, loss attributable to the parent company increased to $209.0 million for the year ended December 31, 2015, compared with a loss attributable to the parent company of $31.6 million for the year ended December 31, 2014. Without considering the impact of the impairment of our preferred equity investment in ACBH of $210.4 million, we would have reported a profit attributable to the parent company in 2015 of $1.4 million for the year ended December 31, 2015, compared with a loss attributable to the parent company of $31.6 million for the year ended December 31, 2014.

Total comprehensive income/(loss) attributable to the parent company

Total comprehensive loss attributable to the parent company amounted to $249.3 million for the year ended December 31, 2015 compared with total comprehensive loss of $128.7 million for the year ended December 31, 2014. The loss for the year ended December 31, 2015 was mainly due to a loss for the year of $198.2 million, which was highly impacted by the impairment of the preferred equity investment in ACBH of $210.4 million. In addition, other comprehensive loss amounted to $47.5 million mainly due to translation differences arising from the depreciation of the euro versus the U.S.$ during 2015. Without considering the impact of the impairment of our preferred equity investment in ACBH, total comprehensive loss attributable to the parent company would have amounted to $89.1 million for the year ended December 31, 2015.

Total comprehensive loss attributable to the parent company amounted to $128.7 million for the year ended December 31, 2014 compared with total comprehensive income of $69.8 million for the year ended December 31, 2013. The loss for the year ended December 31, 2014 was mainly due to the change in fair value of our cash flow hedges recognized directly in equity in accordance with hedge accounting. The loss results mainly from a decrease in the fair value of long-term interest rate swaps due to a decrease in future interest rates during the year 2014.

Comparison of the Years Ended December 31, 2014 and 2013

Revenues

Revenues increased by 72.0% to $362.7 million in the year ended December 31, 2014, compared with $210.9 million for the year ended December 31, 2013. The increase is largely attributable to the commencement of operations of Solana in the last quarter of 2013 and to the entry into operation of ATS in the first quarter of 2014. The increase was also due to the entry into operation of ACT in the second quarter of 2013, Quadra 1 and 2 in the first and second quarters of 2014 and Palmatir in the second quarter of 2014. The acquisition of Solacor 1/2 on November 18, 2014, and PS10/20 on December 4, 2014, also contributed to the increase in revenues in the year ended December 31, 2014 as compared with the year ended December 31, 2013. Finally, the increase in revenues was also due to the entry into operation of Mojave in December 2014. These resulted in a net electricity production of 3,375 GWh and 1,018 miles of transmission lines in operation for the year ended December 31, 2014, compared with 2,129 GWh produced and 368 miles of transmission lines in operation during the year ended December 31, 2013. The impact of exchange rates was immaterial in the year ended December 31, 2014, as it caused less than a 0.1% change in revenues.

Other operating income

The following table sets forth our other operating income for the years ended December 31, 2014 and 2013:

	Year ended December 31,	
	2014	**2013**
Other operating income	**$ in millions**	
Grants	35.2	10.1
Income from various services	6.1	4.8
Income from subcontracted construction services for our assets and concessions	38.6	364.7
Total	**79.9**	**379.6**

Other operating income decreased by 79.0% to $79.9 million for the year ended December 31, 2014, compared with $379.6 million for the year ended December 31, 2013. As certain assets owned by us were under construction and subcontracted to related parties during 2013 and 2014, we were required to account for income from construction services as “other operating income” in accordance with IFRIC 12. The corresponding costs of construction were recorded within “Other operating expenses.” This income and its corresponding cost decreased by 89.4% to $38.6 million for the year ended December 31, 2014, compared with $364.7 million for the year ended December 31, 2013. These amounts reflect the construction progress of the assets and concessions during the years of 2014 and 2013. The decrease was primarily due to the completion of construction of ATS, ACT, Mojave, Quadra 1, Quadra 2, Palmatir and Solana. We do not expect to have significant other operating income from construction activities in future periods. In addition, the increase in grants is related to the financial support provided by the U.S. Treasury to Solana. An ITC cash grant was received in March 2014 and is being recorded in “Other operating income” progressively over the useful life of the asset.

Raw materials and consumables used

Raw materials and consumables used increased by $3.2 million to $9.4 million for the year ended December 31, 2014, compared with $6.2 million for the year ended December 31, 2013, primarily due to the commencement of operations of Solana in the last quarter of 2013.

Employee benefits expenses

Employee benefit expenses decreased by 29.2% to $1.7 million for the year ended December 31, 2014, compared with $2.4 million for the year ended December 31, 2013. These expenses were primarily attributable to ATN whose employees were transferred to an entity excluded from the perimeter of Atlantica Yield in April 2014. As of the date of this annual report, we had seven employees, all in one of our solar power assets in Spain.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges increased by 167.6% to $125.5 million for the year ended December 31, 2014, compared with $46.9 million for the year ended December 31, 2013. Depreciation and amortization are recorded from the commencement of operations of the contracted assets. The net change was largely attributable to the increase in depreciation and amortization resulting from the commencement of operations of Solana and ATS and, to a lesser extent, to the commencement of operations of Mojave and Palmatir.

Other operating expenses

The following table sets forth our other operating expenses for the years ended December 31, 2014 and 2013:

	Year ended December 31,			
	2014		2013	
Other operating expenses	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Leases and fees	1.8	0.5%	1.8	0.9%
Repairs and maintenance	10.3	2.8%	12.8	6.1%
Independent professional services(1)	38.1	10.5%	25.1	11.9%
Transportation	0.1	—%	0.4	0.2%
Supplies	7.6	2.1%	3.3	1.6%
Other external services	10.2	2.8%	5.5	2.6%
Levies and duties	14.2	3.9%	6.6	3.1%
Other expenses	11.9	3.3%	3.2	1.5%
Construction costs	38.6	10.6%	364.7	172.9%
Total	**132.7**	**36.5%**	**423.4**	**200.8%**

Notes:—

(1) Includes approximately $3.8 million in the year ended December 31, 2014 and $3.5 million in the year ended December 31, 2013 of allocated costs and expenses for general and administrative services provided by Abengoa prior to our IPO.

Other operating expenses decreased by 68.7% to $132.7 million for the year ended December 31, 2014, compared with $423.4 million for the year ended December 31, 2013. This was primarily due to the decrease in construction costs by 89.4% to $38.6 million for the year ended December 31, 2014 compared with $364.7 million for the year ended December 31, 2013. This decrease was primarily due to the completion of construction of ATS, ACT, Mojave, Quadra 1, Quadra 2, Palmatir and Solana. On the other hand, the commencement of operation of these assets increased expenses in supplies, other external services, levies and duties, as well as other expenses.

Operating profit/(loss)

As a result of the above factors, operating profit increased by 55.3% to $173.3 million for the year ended December 31, 2014, compared with $111.6 million for the year ended December 31, 2013.

Financial income and financial expense

Financial income and financial expense	Year ended December 31, 2014	2013
	$ in millions	
Financial income	4.9	1.2
Financial expense	(210.3)	(123.8)
Net exchange differences	2.1	(0.9)
Other financial income/(expense), net	5.9	(1.7)
Financial expense, net	**(197.4)**	**(125.2)**

Net financial expense increased by 57.7% to $197.4 million for the year ended December 31, 2014, compared with $125.2 million for the year ended December 31, 2013. This increase was primarily attributable to the increase in financial expense analyzed below. The increase in financial income was mainly due to the commencement of operations of a number of projects and net exchange differences have remained low, as all our assets have a large majority of their expenses denominated in the same currency as their revenues. Other financial income/(expenses), net, is also analyzed below.

Financial expense

The following table sets forth our financial expense for the years ended December 31, 2014 and 2013:

Financial expense	Year ended December 31, 2014	2013
	$ in millions	
Expenses due to interest:		
Loans from credit entities	117.7	78.6
Other debts	61.9	17.2
Interest rates losses derivatives: cash flow hedges	30.7	28.0
Total	**210.3**	**123.8**

Financial expense increased by 69.8% to $210.3 million for the year ended December 31, 2014, compared with $123.8 million for the year ended December 31, 2013. This increase was largely attributable to interest expenses from Solana and, to a lower extent, from ATS, which entered into operation during the last quarter of 2013 and first quarter of 2014, respectively. Interest is capitalized for our intangible concessional assets during the construction period and begins to be expensed upon commercial operation. Interest on other debts correspond to interest on ATS and ATN bonds and interest on debt with related parties, which was capitalized in its majority before our IPO. Interest expense also increased due to the interest corresponding to the 2019 Notes and to the Credit Facility. Interest on interest-rate derivatives designated as cash flow hedges of $30.7 million in 2014 was due to transfers from equity to financial expense in accordance with our cash flow hedge accounting policy, and was mainly related to ACT and Solaben 2/3.

Net exchange differences

Net exchange differences increased to an income of $2.1 million for the year ended December 31, 2014, compared with a loss of $0.9 million for the year ended December 31, 2013. Positive exchange differences were primarily due to the depreciation of a euro denominated debt with Cofides in ATS. This debt was repaid in October and, as a result, we do not expect significant exchange rate differences in the future.

Other financial income/(expense), net

Other financial income/(expenses)	Year ended December 31, 2014	2013
	$ in millions	
Dividend ACBH (Brazil)	9.2	—
Other financial income	0.6	0.6
Other financial losses	(3.9)	(2.2)
Outsourcing of payables	—	(0.1)
Total	**5.9**	**(1.7)**

Other financial income, net increased to $5.9 million for the year ended December 31, 2014, compared with a $1.7 million financial expense, net for the year ended December 31, 2013. The increase was mainly due to the dividends received from our preferred equity investment in ACBH since our IPO in a total amount of $9.2 million during the year ended December 31, 2014. Other financial expenses mainly include guarantees and letters of credit, wire transfers and other bank fees and other minor financial expenses.

Profit/(loss) before income tax

As a result of the above factors, we reported a loss amounting to $24.9 million for the year ended December 31, 2014, compared with a loss before income taxes of $13.6 million for the year ended December 31, 2013.

Income tax

Income tax expense amounted to $4.4 million for the year ended December 31, 2014, compared with an income tax benefit of $11.8 million for the year ended December 31, 2013. Our effective tax rate differs from the average nominal tax rate mainly due to permanent differences and treatment of tax credits in some jurisdictions.

Loss/(profit) attributable to non-controlling interest

Profit attributable to non-controlling interest increased by 43.8% to $2.3 million in the year ended December 31, 2014, compared with $1.6 million in the year ended December 31, 2013. Profit attributable to non-controlling interest corresponds to the results from Solaben 2/3 and Solacor 1/2, and the increase was due to a higher profit of Solaben for the year ended December 31, 2014 as compared with the year ended December 31, 2013.

Profit/(loss) attributable to the parent company

As a result of the above factors, loss attributable to the parent company increased to $31.6 million for the year ended December 31, 2014, compared with a loss attributable to the parent company of $3.4 million for the year ended December , 2013.

Total comprehensive income/(loss) attributable to the parent company

Total comprehensive loss attributable to the parent company amounted to $128.7 million for the year ended December 31, 2014 compared with total comprehensive income of $69.8 million for the year ended December 31, 2013. The loss for the year ended December 31, 2014 was mainly due to the change in fair value of our cash flow hedges recognized directly in equity in accordance with hedge accounting. The loss results mainly from a decrease in the fair value of long-term interest rate swaps due to a decrease in future interest rates during the year 2014. For the year ended December 31, 2013, the change in the fair value of cash flow hedges was a net income, mainly as a result of an increase in the fair value of long-term interest rate swaps, due to an increase in future interest rates during the year 2013.

Segment Reporting

As of December 31, 2015, we organized our business into the following three geographies where the contracted assets and concessions are located:

- North America;
- South America; and
- EMEA.

In addition, we have identified the following business sectors based on the type of activity:

- Renewable Energy, which includes our activities related to the production electricity from solar power and wind plants;
- Conventional Power, which includes our activities related to the production of electricity and steam from natural gas;
- Electric Transmission, which includes our activities related to the operation of electric transmission lines; and
- Water, which includes our activities related to desalination plants.

As a result we report our results through the year ended December 31, 2015 in accordance with both criteria.

Comparison of the Year Ended December 31, 2015 and 2014

Revenue and Further Adjusted EBITDA by geography

The following table sets forth our revenue, Further Adjusted EBITDA and volumes for the years ended December 31, 2015 and 2014, by geographic region:

	Year ended December 31,			
	2015		2014	
Revenue by geography	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
North America	328.1	41.5%	195.5	53.9%
South America	112.5	14.2%	83.6	23.0%
EMEA	350.3	44.3%	83.6	23.1%
Total revenue	**790.9**	**100.0%**	**362.7**	**100.0%**

	Year ended December 31,			
	2015		2014	
Further Adjusted EBITDA by geography	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
North America	279.6	85.2%	175.4	89.7%
South America	110.9	98.6%	77.2	92.3%
EMEA	233.7	66.7%	55.4	66.3%
Further Adjusted EBITDA(1)	624.2	**78.9%**	**308.0**	**84.9%**

Notes:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA includes preferred dividends by ACBH for the first time during the third quarter of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

Volume by geography	Volume produced/availability	
	Year ended December 31,	
	2015	2014
North America (GWh)	3,687	3,083
South America (miles in operation)	1,099	1,018
South America (GWh)	313	109
EMEA (GWh)	1,001	185
EMEA (capacity in Mft^3 per day)	10.5	10.5

North America. Revenues increased by 67.8% to $328.1 million for the year ended December 31, 2015, compared with $195.5 million for the year ended December 31, 2014. The increase was primarily due to the commencement of operations of Mojave in December 2014 and, to a lesser extent, to the increase in production of Solana in its second year of operations. Revenues also increased in ACT mainly due to higher revenues in the portion of the tariff related to the operation and maintenance services, as we had higher operation and maintenance costs in the year ended December 31, 2015. Further Adjusted EBITDA increased by 59.4% to $279.6 million for the year ended December 31, 2015 compared with $175.4 million for the year ended December 31, 2014 mainly due to commencement of operations of Mojave and higher production at Solana. Further Adjusted EBITDA margin decreased as of December 31, 2015 as compared to December 31, 2014, mainly as a result of higher costs of operation and maintenance in Solana in 2015 and to higher general expenses, which are allocated by segment.

South America. Revenue increased by 34.6% to $112.5 million for the year ended December 31, 2015, compared with $83.6 million for the year ended December 31, 2014. The increase was mostly attributable to the acquisition of Cadonal in the first quarter of 2015 and ATN2 in the second quarter of 2015 and, to a lesser extent, the increase in the production at Palmatir. Thus, Further Adjusted EBITDA amounted to $110.9 million for the year ended December 31, 2015, which represents an increase of $33.7 million as compared with the year ended December 31, 2014. Further Adjusted EBITDA margin has increased mainly as a result of dividends received from our preferred equity investment in ACBH, which were $18.4 million for the year ended December 31, 2015 compared to $9.2 million for the year ended December 31, 2014, corresponding to the period after our IPO.

EMEA. Revenue increased by 319.0% to $350.3 million for the year ended December 31, 2015, compared with $83.6 million for the year ended December 31, 2014. On a constant currency basis, revenue for the year ended December 31, 2015 would have been $418.7 million, representing an increase of 400.9% compared to previous year. The increase is mainly attributable to the acquisitions of Solacor 1/2 and PS 10/20 in the fourth quarter of 2014, Skikda in the first quarter of 2015, Helios 1/2, Solnova 1/3/4 and Helioenergy 1/2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015. As a result, Further Adjusted EBITDA increased to $233.7 million for the year ended December 31, 2015, compared with $55.4 million for the year ended December 31, 2014. Further Adjusted EBITDA margin remained stable for the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Revenue and Further Adjusted EBITDA by business sector

The following table sets forth our revenue, Further Adjusted EBITDA and volumes for the years ended December 31, 2015 and 2014 by business sector:

	Year ended December 31,			
	2015		2014	
Revenue by business sector	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Renewable energy	543.0	68.7%	170.7	47.1%
Conventional power	138.7	17.5%	118.8	32.7%
Electric transmission lines	86.4	10.9%	73.2	20.2%
Water	22.8	2.9%	—	—
Total revenue	**790.9**	**100.0%**	**362.7**	**100.0%**

	Year ended December 31,			
	2015		2014	
Further Adjusted EBITDA by business sector	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Renewable energy	414.0	76.2%	137.8	80.7%
Conventional power	107.7	77.6%	101.9	85.8%
Electric transmission lines	89.0	103.1%	68.3	93.3%
Water	13.5	59.6%	—	—
Further Adjusted EBITDA(1)	**624.2**	**78.9%**	**308.0**	**84.9%**

Notes:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA includes preferred dividends by ACBH for the first time during the third quarter of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

	Volume produced/availability	
	Year ended December 31,	
Volume by business sector	**2015**	**2014**
Renewable energy (GWh)	2,536	902
Conventional power (GWh)	2,465	2,474
Electric transmission lines (miles in operation)	1,099	1,018

Renewable energy. Revenue increased by 218.2% to $543.0 million for the year ended December 31, 2015, compared with $170.7 million for the year ended December 31, 2014. On a constant currency basis, revenue for the year ended December 31, 2015 would have been $606.0 million, representing an increase of 255.1% compared to the year ended December 31, 2014. The increase was mainly attributable to the acquisitions of Solacor 1/2, PS 10/20 and Cadonal in the fourth quarter of 2014, Helios 1/2, Solnova 1/3/4 and Helioenergy 1/2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015. The commencement of operations of Mojave in the last quarter of 2014 also contributed to the increase in revenues in the year ended December 31, 2015 as compared with the year ended December 31, 2014. As a consequence, the capacity in terms of installed MW available throughout the year increased by 600 MW, driving total capacity to 1,441 MW as of December 31, 2015. This resulted in a net electricity production of 2,536 GWh for the year ended December 31, 2015 compared with 902 GWh produced during the year ended December 31, 2014. As a result, further Adjusted EBITDA amounted to $414.0 million for the year ended December 31, 2015, which represented an increase of $276.1 million with respect to the year ended December 31, 2014. Further Adjusted EBITDA margin has decreased mainly due to higher costs of operation and maintenance in Solana in 2015 and to higher general expenses, which are allocated by segment.

Conventional power. Revenue increased by 16.8% to $138.7 million for the year ended December 31, 2015, compared with $118.8 million for the year ended December 31, 2014. The increase was mainly due to higher revenues in the portion of the tariff related to the operation and maintenance services, attributable to higher operation and maintenance costs for the year ended December 31, 2015, as compared to the year ended December 31, 2014. Further Adjusted EBITDA margin decreased for the year ended December 31, 2015 as compared to the year ended December 31, 2014 mainly due to higher operation and maintenance costs.

Electric transmission lines. Revenue increased by 17.9% to $86.4 million for the year ended December 31, 2015, compared with $73.2 million for the year ended December 31, 2014. The increase was mostly attributable to the commencement of operations of ATS and Quadra 2 in the first quarter of 2014, and Quadra 1 during the second quarter of 2014, and the acquisition of ATN2 during the second quarter of 2015. All assets operated at high levels of availability during the year ended December 31, 2015. Thus, Further Adjusted EBITDA amounted to $89 million for the year ended December 31, 2015, representing an increase of $20.7 million compared with the year ended December 31, 2014. Further Adjusted EBITDA margin has increased as a result of dividends received from our preferred equity investment in ACBH; we received $18.4 million for the year ended December 31, 2015 compared to $9.2 million received for the year ended December 31. 2014, corresponding to the period after our IPO.

Water. Revenue amounted to $22.8 million for the year ended December 31, 2015 compared to $0 for the year ended December 31, 2014. Further Adjusted EBITDA amounted to $13.5 million for the year ended 2015 compared to $0 for the year ended December 31, 2014. The increase is due to the acquisition of Skikda in February 2015.

Comparison of the Year Ended December 31, 2014 and 2013

Revenue and Further Adjusted EBITDA by geography

The following table sets forth our revenue, Further Adjusted EBITDA and volumes for the years ended December 31, 2014 and 2013, by geographic region:

	Year ended December 31,			
	2014		2013	
Revenue by geography	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
North America	195.5	53.9%	114.0	54.1%
South America	83.6	23.0%	25.4	12.0%
EMEA	83.6	23.1%	71.5	33.9%
Total revenue	**362.7**	**100.0%**	**210.9**	**100.0%**

	Year ended December 31,			
	2014		2013	
Further Adjusted EBITDA by geography	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
North America	175.4	89.7%	96.7	84.8%
South America	77.2	92.3%	19.0	74.8%
EMEA	55.4	66.3%	42.8	59.9%
Further Adjusted EBITDA(1)	**308.0**	**84.9%**	**158.5**	**75.2%**

Notes:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA for the year ended December 31, 2014 includes preferred dividends by ACBH for the first time during the third and fourth quarters of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

	Volume sold	
	Year ended December 31,	
Volume by geography	**2014**	**2013**
	$ in millions	
North America (GWh)	3,083	1,938
South America (miles in operation)	1,018	368
South America (GWh)	109	—
EMEA (GWh)	185	191

North America. Revenues increased by 71.5% to $195.5 million for the year ended December 31, 2014, compared with $114.0 million for the year ended December 31, 2013. The increase was primarily due to the commencement of operations of Solana in the last quarter of 2013 and, to a lesser extent, of ACT in the second quarter of 2013 and Mojave during the fourth quarter of 2014. As a result, Further Adjusted EBITDA increased to $175.4 million for the year ended December 31, 2014 compared with $96.7 million for the year ended December 31, 2013. Further Adjusted EBITDA margin has increased as a result of the projects that have entered into operation.

South America. Revenue increased by 229.1% to $83.6 million for the year ended December 31, 2014, compared with $25.4 million for the year ended December 31, 2013. The increase was mostly attributable to the commencement of operations of ATS in the first quarter of 2014 and, to a lower extent, of Palmatir in the second quarter at 2014. Thus, Further Adjusted EBITDA amounted to $77.2 million for the year ended December 31, 2014, which represents an increase of $58.2 million as compared with the year ended December 31, 2013. Further Adjusted EBITDA margin has increased as a result of dividends received from our preferred equity investment in ACBH and of higher margins in the projects that have entered into operation.

EMEA. Revenue increased by 16.9% to $83.6 million for the year ended December 31, 2014, compared with $71.5 million for the year ended December 31, 2013. The increase is mainly attributable to the acquisition of Solacor 1/2 and PS10/20 during the fourth quarter of 2014. As a result, Further Adjusted EBITDA increased to $55.4 million for the year ended December 31, 2014, compared with $42.8 million for the year ended December 31, 2013.

Revenue and Further Adjusted EBITDA by business sector

The following table sets forth our revenue, Further Adjusted EBITDA and volumes for the years ended December 31, 2014 and 2013 by business sector:

	Year ended December 31,			
	2014		2013	
Revenue by business sector	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Renewable energy	170.7	47.1%	82.7	39.2%
Conventional power	118.8	32.7%	102.8	48.7%
Electric transmission lines	73.2	20.2%	25.4	12.1%
Total revenue	**362.7**	**100.0%**	**210.9**	**100.0%**

	Year ended December 31,			
	2014		2013	
Further Adjusted EBITDA by business sector	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Renewable energy	137.8	80.7%	55.8	67.5%
Conventional power	101.9	85.8%	83.3	81.0%
Electric transmission lines	68.3	93.3%	19.4	76.4%
Further Adjusted EBITDA(1)	**308.0**	**84.9%**	**158.5**	**75.2%**

Notes:—

(1) Further Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements, and dividends received from our preferred equity investment in ACBH. Further Adjusted EBITDA for the year ended December 31, 2014 includes preferred dividends by ACBH for the first time during the third and fourth quarters of 2014. Further Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Further Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Further Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Further Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Further Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures.”

	Volume sold	
	Year ended December 31,	
Volume by business sector	**2014**	**2013**
Renewable energy (GWh)	902	280
Conventional power (GWh)	2,474	1,849
Electric transmission lines (miles in operation)	1,018	368

Renewable energy. Revenue increased by 106.4% to $170.7 million for the year ended December 31, 2014, compared with $82.7 million for the year ended December 31, 2013. The increase was mainly attributable to the projects that entered into operation during 2014 and in the last quarter of 2013, comprised of Mojave, Palmatir and Solana. Additionally, the acquisition of Solacor 1/2 on November 18, 2014, and PS10/20 on December 4, 2014, also contributed to the increase in production and revenues in the year ended December 31, 2014 as compared with the year ended December 31, 2013. As a consequence, the capacity in terms of installed MW available throughout the year increased by 511 MW, driving total capacity to 891 MW as of December 31, 2014. This resulted in a net electricity production of 902 GWh for the year ended December 31, 2014, compared with 280 GWh produced during the year ended December 31, 2013. Further Adjusted EBITDA amounted to $137.8 million for the year ended December 31, 2014, which represented an increase of $82.0 million with respect to the year ended December 31, 2013, mainly due to the effect of the new projects entering into operation and acquisitions. Further Adjusted EBITDA margin has increased as well as a result of the projects that have entered into operation, with a higher margin than the projects in operation in the year ended December 31, 2013.

Conventional power. Revenue increased by 15.5% to $118.8 million for the year ended December 31, 2014, compared with $102.8 million for the year ended December 31, 2013. The increase was due to the commencement of operations of ACT during the second quarter of 2013. This resulted in net electricity production of 2,474 GWh for the year ended December 31, 2014 compared to 1,849 GWh for the year ended December 31, 2013. As a consequence, Further Adjusted EBITDA increased to $101.9 million for the year ended December 31, 2014, from $83.3 million for the year ended December 31, 2013.

Electric transmission lines. Revenue increased by 188.2% to $73.2 million for the year ended December 31, 2014, compared with $25.4 million for the year ended December 31, 2013. The increase was mostly attributable to the commencement of operations of ATS in the first quarter of 2014. Thus, Further Adjusted EBITDA amounted to $68.3 million for the year ended December 31, 2014, an increase of $48.8 million compared with the year ended December 31, 2013. Further Adjusted EBITDA margin has increased as a result of higher margins in the projects that have entered into operation and dividends received from our preferred equity investment in ACBH.

B. Liquidity and Capital Resources

The liquidity and capital resources discussion which follows contains certain estimates as of the date of this annual report of our sources and uses of liquidity (including estimated future capital resources and capital expenditures) and future financial and operating results. These estimates, while presented with numerical specificity, necessarily reflect numerous estimates and assumptions made by us with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to our businesses, all of which are difficult or impossible to predict and many of which are beyond our control. These estimates reflect subjective judgment in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business, economic, regulatory, financial and other developments. As such, these estimates constitute forward-looking information and are subject to risks and uncertainties that could cause our actual sources and uses of liquidity (including estimated future capital resources and capital expenditures) and financial and operating results to differ materially from the estimates made here, including, but not limited to, our performance, industry performance, general business and economic conditions, customer requirements, competition, adverse changes in applicable laws, regulations or rules, and the various risks set forth in this annual report. See “Cautionary Statements Regarding Forward-Looking Statements.”

In addition, these estimates reflect assumptions of our management as of the time that they were prepared as to certain business decisions that were and are subject to change. These estimates also may be affected by our ability to achieve strategic goals, objectives and targets over the applicable periods. The estimates cannot, therefore, be considered a guarantee of future sources and uses of liquidity (including estimated future capital resources and capital expenditures) and future financial and operating results, and the information should not be relied on as such. None of us, or our board of directors, advisors, officers, directors or representatives intends to, and each of them disclaims any obligation to, update, revise, or correct these estimates, except as otherwise required by law, including if the estimates are or become inaccurate (even in the short-term).

The inclusion in this annual report of these estimates should not be deemed an admission or representation by us or our board of directors that such information is viewed by us or our board of directors as material information of ours. Such information should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding Abengoa Yield contained in this annual report. None of us, or our board of directors, advisors, officers, directors or representatives has made or makes any representation to any prospective investor or other person regarding our ultimate performance compared to the information contained in these estimates or that forecasted results will be achieved. In light of the foregoing factors and the uncertainties inherent in the information provided above, investors are cautioned not to place undue reliance on these estimates. Our liquidity plans are subject to a number of risks and uncertainties, some of which are outside of our control. Macroeconomic conditions could limit our ability to successfully execute our business plans and, therefore, adversely affect our liquidity plans. See “Item 3.D—Risk Factors.”

Our principal liquidity requirements are to service our debt, pay cash dividends to investors and acquire new companies and operations. Historically, our predecessor operations were largely financed by internally generated cash flows as well as corporate and/or project-level borrowings to satisfy capital expenditure requirements. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. In addition, during the fourth quarter of 2014, we issued the 2019 Notes and entered into tranche A of the Credit Facility, which we amended and restated on June 26, 2015. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. In addition, any of the items discussed in detail under “Item 3.D—Risk Factors” in this annual report and other factors may also significantly impact our liquidity.

Our principal liquidity and capital requirements consist of the following:

- debt service requirements on our existing and future debt;
- cash dividends to investors; and
- acquisitions of new companies and operations (see “Item 4.B—Business Overview—Our Growth Strategy”).

Liquidity position

As of December 31, 2015, our cash and cash equivalents at the project company level were $469.2 million as compared with $198.7 million as of December 31, 2014. In addition, our cash and cash equivalents at the Abengoa Yield plc level were $45.5 million as of December 31, 2015 compared with $155.4 million as of December 31, 2014.

Sources of liquidity

We expect our ongoing sources of liquidity to include cash on hand, cash generated from our operations, project debt arrangements, corporate debt and the issuance of additional equity securities, as appropriate, given market conditions. Our financing agreements consist mainly of the project-level financings for our various assets, the 2019 Notes and the Credit Facility.

On November 17, 2014. we issued the 2019 Notes in an aggregate principal amount of $255 million. The 2019 Notes accrue annual interest of 7.000% payable semi-annually beginning on May 15, 2015 until their maturity date of November 15, 2019. As required by the Indenture governing the 2019 Notes, we have obtained a public credit rating for the 2019 Notes from each of S&P and Moody’s. See “Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements—2019 Notes”

On December 3, 2014, we entered into the Credit Facility in the total amount of up to $125 million. On December 22, 2014, we drew down $125 million under the Credit Facility, which we refer to as Tranche A. Loans under Tranche A of the Credit Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.75% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.75% Loans under Tranche A of the Credit Facility mature on December 22, 2018. Loans prepaid by us under Tranche A of the Credit Facility may be re-borrowed until their maturity date of November 15, 2019.

On June 26, 2015, we amended and restated our Credit Facility which we entered into initially on December 3, 2014 as the borrower for a new tranche B, in addition to the existing $125 million facility that remains as tranche A, to be used as a revolver credit facility for acquisitions and general corporate purposes. Tranche B has a total size of $290 million. Tranche B is revolving and matures in December 2017. Loans under Tranche B of the Credit Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.50% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.50% Loans under tranche B of the Credit Facility mature thirty months after the closing date of Tranche B of the Credit Facility.

As of December 31, 2015 Tranche A and Tranche B of the Credit Facility are fully drawn.

Furthermore, on May 14, 2015, we closed a private placement of our shares that resulted in the issuance of 20,217,260 new shares with total net proceeds of $664 million.

The proceeds of the Credit Facility and the proceeds of the capital increase were used to finance the acquisitions discussed above. See “Item 4.B—Business Overview.”

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control.

All our project entities have long-term project financing arrangements in place. In particular, as we explain in “—Business—Our operations”, Solana, Mojave and Kaxu have loans with 29, 25 and 18 year terms, respectively. However, following the filing of the pre-insolvency proceeding under article 5bis of the Spanish Insolvency Law, given that these project financing agreements have cross-default provisions with Abengoa and given that, as of December 31, 2015, the project entities did not have what International Accounting Standards define as an unconditional contracted right to defer the settlement of the debt for at least 12 months after that date, the debt of these projects has been classified as Current Liabilities in accordance with the provisions of IFRS International Accounting Standards 1, “Presentation of Financial Statements”. We do not expect the credit entities to use the cross-default provisions to request an acceleration of the debt.

We believe that our existing liquidity position and cash flows from operations will be sufficient to meet our requirements and commitments for the next 12 months, to finance growth and to distribute dividends to our investors. Based on our current level of operations, we believe our cash flow from operations, available cash and available borrowings under our financing agreements will be adequate to meet our future liquidity needs for at least the next twelve months. Please see “Item 3.D—Risk Factors—Risks Related to Our Indebtedness—Potential future defaults by our subsidiaries, Abengoa or other persons could adversely affect us.”

Debt service

Principal payments on debt as of December 31, 2015 are due in the following periods according to their contracted maturities:

Repayment schedule by geography	Total	Up to one year	Between one and three years	Between three and five years	Subsequent years
			$ in millions		
North America	$ 1,274.5	$ 28.6	$ 71.7	$ 96.9	$ 1,077.3
South America	888.3	25.6	40.9	50.4	771.4
EMEA	3,307.9	141.6	288.1	330.6	2,547.7
Total project debt	**$ 5,470.7**	**$ 195.7**	**$ 400.7**	**$ 477.9**	**$ 4,396.4**
Corporate debt	**$ 664.6**	**$ 3.2**	**$ 409.7**	**$ 251.7**	**$ 0.0**
Total	**$ 6,135.3**	**$ 198.9**	**$ 810.4**	**$ 729.6**	**$ 4,396.4**

Repayment schedule by business sector	Total	Up to one year	Between one and three years	Between three and five years	Subsequent years
			$ in millions		
Renewable energy	$ 4,108.2	$ 143.9	$ 318.6	$ 376.7	$ 3,268.9
Conventional power	617.1	28.4	43.0	53.4	492.3
Electric transmission	697.9	18.4	28.9	36.8	613.8
Water	47.5	5.0	10.2	11.0	21.4
Total project debt	**$ 5,470.7**	**$ 195.7**	**$ 400.7**	**$ 477.9**	**$ 4,396.4**
Corporate debt	**$ 664.6**	**$ 3.2**	**$ 409.7**	**$ 251.7**	**$ 0.0**
Total	**$ 6,135.3**	**$ 198.9**	**$ 810.4**	**$ 729.6**	**$ 4,396.4**

The debt maturities relate to project debt that will be repaid with cash flows generated from the projects in respect of which that financing was incurred.

Cash dividends to investors

We intend to distribute to holders of our shares in the form of a quarterly distribution all of the cash available for distribution that is generated each quarter, less interest expense and reserves for the prudent conduct of our business. The cash available for distribution is likely to fluctuate, and in some cases significantly, from quarter to quarter as a result of the seasonality of our assets, the terms of our financing arrangements, maintenance and outage schedules and other factors. In addition, our board of directors may change our dividend policy at any point in time or modify the dividend for specific quarters following prevailing conditions.

On November 5, 2015, our board of directors approved a quarterly dividend corresponding to the third quarter of 2015 amounting to $0.43 per share. The dividend was paid on December 15, 2015, to shareholders of record as of November 30, 2015, and from that amount we retained $9 million of the dividend attributable to Abengoa in accordance with the provisions of the parent support agreement. See “Business Overview—Electric Transmission—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding.”

On July 29, 2015, our board of directors approved a quarterly dividend corresponding to the second quarter of 2015 amounting to $0.40 per share. The dividend was paid September 15, 2015, to shareholders of record as of August 30, 2015.

On May 8, 2015, our board of directors approved a quarterly dividend corresponding to the first quarter of 2015 amounting to $0.34 per share. The dividend was paid on June 15, 2015, to shareholders of record as of May 29, 2015.

Acquisitions

On November 18, 2014, we completed the acquisition of a 74% stake in Solacor 1/2; on December 4, 2014, we completed the acquisition of PS10/20; and on December 29, 2014, we completed the acquisition of Cadonal. The total purchase price paid for these assets amounted to $312 million. These assets were financed with the proceeds of the 2019 Notes and with a portion of the proceeds of the Credit Facility.

On February 3, 2015, we completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda. On February 23, 2015, we completed the acquisition of a 29.6% stake in Helioenergy 1/2. The total purchase price paid for these assets amounted to $94 million and was financed with a portion of the proceeds of the Credit Facility.

On May 13, 2015 and May 14, 2015, we completed the acquisition of Helios ½ and Solnova 1/3/4. On May 25, 2015, we completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2. On July 30, 2015, we completed the acquisition of a 51% stake in Kaxu. The total purchase price paid for these assets amounted to $682 million and was financed with the proceeds of a capital increase completed in May 2015.

On June 25, 2015, we completed the acquisition of ATN2 from Abengoa and Sigma, a third-party financial investor in ATN2. On September 30, 2015, we completed the acquisition of Solaben 1/6. In addition, on January 7, 2016, we completed the acquisition from JGC of a 13% in Solacor 1/2, a 100 MW solar complex in Spain where we already owned a 74% stake. The total purchase price for these assets amounted to $378 million and was mainly financed with Tranche B of our Credit Facility.

Cash flow

The following table sets forth cash flow data for the years ended December, 2015, 2014 and 2013:

	Year ended December 31,		
	2015	**2014**	**2013**
		$ in millions	
Gross cash flows from operating activities			
Profit/(loss) for the year	$ (198.2)	$ (29.3)	$ (1.8)
Adjustments to reconcile after-tax profit to net cash generated by operating activities	734.9	290.6	92.4
Profit for the year adjusted by non-monetary items	**$ 536.7**	**$ 261.3**	**$ 90.6**
Net interest/taxes paid	(310.2)	(149.7)	(62.4)
Variations in working capital	73.1	(68.0)	9.2
Total net cash flow provided by operating activities	**$ 299.6**	**$ 43.6**	**$ 37.4**
Net cash flows from investing activities			
Investments	(95.9)	(122.8)	(694.6)
Acquisitions	(834.0)	(222.4)	—
Total net cash flows used in investing activities	**$ (929.9)**	**$ (345.2)**	**$ (694.6)**
Net cash flows provided by financing activities	**$ 810.9**	**$ 304.4**	**$ 914.9**
Net increase/(decrease) in cash and cash equivalents	**180.6**	**2.9**	**257.7**
Cash, cash equivalents and bank overdraft at beginning of the year	354.2	357.7	97.5
Translation differences cash or cash equivalents	(20.1)	(6.4)	2.5
Cash and cash equivalents at the end of the period	**$ 514.7**	**$ 354.2**	**$ 357.7**

Net cash flows provided by operating activities

For the year ended December 31, 2015, net cash provided by operating activities was $299.6 million compared with $43.6 million for the year ended December 31, 2014. During the year ended December 31, 2015, profit adjusted by financial expense and non-monetary items was $536.7 million compared to $261.3 million in the year ended December 31, 2014. Adjustments to reconcile after-tax profit to net cash generated by operating activities correspond mainly to the impairment of our preferred equity investment in Brazil of $210.4 million, depreciation, amortization and impairment charges, as well as finance expense, partially offset by other non-monetary items, consisting mainly of income related to the grants provided by the U.S. Treasury to Solana and Mojave. The increase profit adjusted by financial expense and non-monetary items was primarily due to the acquisitions of Solacor 1/2, PS10/20 and Cadonal in the fourth quarter of 2014, Skikda in the first quarter of 2015, Helios 1/2, Solnova 1/3/4, Helioenergy 1/2 and ATN2 in the second quarter of 2015 and Kaxu and Solaben 1/6 in the third quarter of 2015, as well as to the commencement of operations of Mojave in the last quarter of 2014. All these assets are now generating a higher Further Adjusted EBITDA. Variations in working capital had a positive impact of $73.1 million in the year ended December 31, 2015, as all the assets in the portfolio are currently in operation, and amounted to a negative $68.0 million impact in the year ended December 31, 2014, which was related to the end of the construction phase of several projects during that period. Net interest and taxes paid increased from $149.7 million in the year ended December 31, 2014 to $310.2 million in the year ended December 31, 2015, mainly due to the recent acquisitions mentioned above.

For the year ended December 31, 2014, net cash provided by operating activities was $43.6 million, compared with $37.4 for the year ended December 31, 2013. During the year ended December 31, 2014, profit adjusted by non-monetary items was $261.3 million, compared with $90.6 million for the year ended December 31, 2013. The increase was primarily due to the commencement of operations of Solana and ACT during 2013 and the entry into operation of ATS in the first quarter of 2014. This increase was partially offset by a negative variation in working capital which amounted to $(68.0) million for the year ended December 31, 2014 compared with $9.2 million for the year ended December 31, 2013. The negative variation in working capital in 2014 is related to the end of the construction phase of several projects. In addition, higher interest amounts were paid in the year ended December 31, 2014, amounting to $149.7 million compared with $62.4 million in the year ended December 31, 2013, which is due to interests paid by the projects which have entered into operation.

Net cash used in investing activities

For the year ended December 31, 2015, net cash used in investing activities increased to $929.9 million, compared with $345.2 million for the year ended December 31, 2014, mainly due to the 2015 acquisitions under the ROFO Agreement, net of the existing cash in the project companies acquired, for a net amount of $834.0 million.

For the year ended December 31, 2014, net cash used in investing activities decreased to $345.2 million, compared with $694.6 million for the year ended December 31, 2013 due to the completion of construction of Solana and ATS in the last quarter of 2013 and the first quarter of 2014, respectively. This was partially offset by a net cash outflow caused by the acquisition of the First Dropdown Assets under the ROFO Agreement for the amount of $222.4 million.

Net cash provided by financing activities

Net cash provided by financing activities in the year ended December 31, 2015 amounted to $810.9 million and corresponds mainly to the net proceeds of the capital increase that we closed in May 2015 pursuant to a private placement that resulted in the issuance of 20,217,260 new shares, with total net proceeds of $664.1 million. In addition, we made a drawing under Tranche B of our Credit Facility for a total amount of $286.0 million, net of expenses, which we used to finance the acquisition of the Fourth Dropdown Assets from Abengoa pursuant to the ROFO Agreement. Furthermore, proceeds from project debt amounted to $173.4 million, related to the financing of scheduled pending payments from the construction phase of projects. These effects were partially offset by dividend payments to shareholders and non-controlling interest for a total amount of $137.2 million and the repayment of project debt of $175.4 million.

For the year ended December 31, 2014, net cash flow provided by financing activities was $304.4 million, compared with $914.9 million provided by financing activities for the year ended December 31, 2013. The net cash provided by financing activities during the year ended December 31, 2014 was a net of different movements. Firstly, we recorded proceeds from loans and borrowings of $1,350.7 million, mainly related to (i) the collection of an ITC Cash Grant awarded to Solana by the U.S. Treasury, which was partially used on April 2, 2014 to fully repay the short-term tranche of Solana's loan with the Federal Financing Bank of $451.3 million, (ii) the bond issue by ATS of $424 million, which was used to repay existing debt associated with the project, (iii) the 2019 Notes in the aggregate principal amount of $255 million (which were used, together with a portion of the proceeds of Tranche A of our Credit Facility, to finance the acquisition of the First Dropdown Assets from Abengoa pursuant to the ROFO Agreement) and (iv) Tranche A of our Credit Facility in the total amount of $125 million (a portion of which was used to finance the acquisition of Cadonal and the remaining portion was used to finance the acquisition of the Second Dropdown Assets from Abengoa pursuant to the ROFO Agreement and for general corporate purposes). We repaid loans and borrowings for an amount of $1,665.4 million, mostly comprised of the repayments of Solana and ATS referred to above. Additionally, on June 18, 2014 we received $685.3 million in our IPO, of which $655.3 million was used to pay Abengoa in exchange for a transfer of assets, which occurred immediately prior to our IPO.

Financing Arrangements

2019 Notes

On November 17, 2014, we issued the 2019 Notes in an aggregate principal amount of $255 million. Interest accrues on the 2019 Notes from November 17, 2014 until November 15, 2019, the maturity date, at a rate of 7.000% per annum. The 2019 Notes were offered and issued in transactions exempt from registration to certain qualified institutional buyers in the United States, under Rule 144A under the Securities Act, and to institutional investors outside the United States, under Regulation S under the Securities Act.

The proceeds from the offering of the 2019 Notes were used, together with a portion of the proceeds of the Credit Facility, to finance the acquisition of the First Dropdown Assets from Abengoa pursuant to the ROFO Agreement. See "Item 4.B—Business Overview—First Dropdown Assets." The total aggregate consideration for the First Dropdown Assets was $312 million (which consideration was determined in part by converting the portion of the purchase price of Solacor 1/2 and PS10/20 denominated in euros into U.S. dollars based on the exchange rate on the date on which the payment was made).

As of the date of this annual report, $255 million aggregate principal amount of the 2019 Notes remain outstanding. The 2019 Notes are guaranteed on a senior unsecured basis by our subsidiaries Abengoa Solar Holdings USA Inc., Abengoa Solar US Holdings Inc., Abengoa Solar South Africa (Pty) Ltd, Abengoa Concessions Peru S.A., Abengoa Concessions Infrastructures, S.L.U. and ACT Holding, S.A. de C.V. If we fail to make payments on the 2019 Notes as required under the indenture governing such notes, the guarantors are obligated to make such payments.

The indenture governing the 2019 Notes provides, among other things, that the 2019 Notes and the guarantees are our and the guarantors', respectively, general unsecured obligations and rank equally (subject to any applicable statutory exemptions) in right of payment with all of our and the guarantors', respectively, existing and future debt that is not subordinated in right of payment and be effectively subordinated to all of our and the guarantors', respectively, existing and future secured debt to the extent of the assets securing such debt and to any preferential obligations under applicable law. Interest is payable on the 2019 Notes on May 15 and November 15 of each year beginning on May 15, 2015 until their maturity date of November 15, 2019.

The indenture governing the 2019 Notes contains covenants that limit certain of our and the guarantors' activities, including those relating to: incurring additional indebtedness; paying dividends on, redeeming or repurchasing our capital stock; prepaying subordinated indebtedness; making certain investments; imposing certain restrictions on the ability of subsidiaries to pay dividends or other payments; creating certain liens; transferring or selling assets; merging or consolidating with other entities; entering into transactions with affiliates; and engaging in unrelated businesses. Each of the covenants is subject to a number of important exceptions and qualifications. In addition, certain of the covenants listed above will terminate before the 2019 Notes mature if at least two of the specified rating agencies assign the 2019 Notes an investment grade rating in the future and no events of default under the indenture governing the 2019 Notes exist and are continuing. Any covenants that cease to apply to us as a result of achieving investment grade ratings will not be restored, even if the credit ratings assigned to the 2019 Notes later fall below investment grade.

The indenture governing the 2019 Notes also contains customary events of default (subject in certain cases to customary grace and cure periods). Generally, if an event of default occurs and is not cured within the time periods specified, the trustee or the holders of at least 25% in principal amount of the 2019 Notes then outstanding may declare all of the 2019 Notes to be due and payable immediately.

Credit Facility

On December 3, 2014, we, entered into a credit facility of up to $125 million with HSBC Bank plc, as administrative agent, HSBC Corporate Trust Company (UK) Limited, as collateral agent and Banco Santander, S.A., Bank of America, N.A., Citigroup Global Markets Limited, HSBC Bank plc and RBC Capital Markets as joint lead arrangers and joint bookrunners. We refer to the $125 million tranche of the Credit Facility as Tranche A.

On June 26, 2015, we amended and restated our Credit Facility to include an additional revolving credit facility of up to $290 million with Bank of America, N.A., as global coordinator and documentation agent and Barclays Bank plc and UBS AG, London Branch as joint lead arrangers and joint bookrunners. We refer to the $290 million tranche of the Credit Facility as Tranche B.

Loans under Tranche A of the Credit Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.75% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.75% Loans under Tranche A of the Credit Facility mature on December 22, 2018. Loans prepaid by us under Tranche A of the Credit Facility may be reborrowed.

Loans under Tranche B of the Credit Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.50% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.50% Loans under Tranche B of the Credit Facility mature thirty months after the closing date of Tranche B of the Credit Facility. Loans prepaid by us under Tranche B of the Credit Facility may be reborrowed.

Our payment obligations under the Credit Facility are guaranteed by our subsidiaries Abengoa Solar Holdings USA Inc., Abengoa Solar US Holdings Inc., Abengoa Solar South Africa (Pty) Ltd, Abengoa Concessions Peru S.A., Abengoa Concessions Infrastructures, S.L.U. and ACT Holding, S.A. de C.V. The Credit Facility is also secured by substantially all of our assets and the assets of the guarantors, subject to customary exceptions.

The Credit Facility contains covenants that limit certain of our and the guarantors' activities, including those relating to: mergers; consolidations; the ability to incur additional indebtedness; sales, transfers and other dispositions of property and assets; providing new guarantees; investments; granting additional security interests, transactions with affiliates and our ability to pay cash dividends is also subject to certain standard restrictions.

Additionally, we are required to comply with (i) a maintenance leverage ratio of our indebtedness at the holding level to our cash available for distribution of 5.50:1.00 before debt service prior to January 1, 2016, 5.25:1.00 on and after January 1, 2016 and prior to January 1, 2017 and 5.00:1.00 on and after January 1, 2017 and (ii) an interest coverage ratio of cash available for distribution to debt service payments of 2.00:1.00.

The Credit Facility also contains customary events of default, the ability of the lenders to declare the unpaid principal amount of all outstanding loans, and interest accrued thereon, to be immediately due and payable.

Project level financing

We have outstanding project-specific debt that is backed by certain of our assets. These financing arrangements generally include a pledge of shares of the entities holding our assets and customary covenants, including restrictive covenants that limit the ability of the project-level entities to make cash distributions to their parent companies and ultimately to us including if certain financial ratios are not met. For more information about the debt of project-level entities, see "Item 4.B—Business Overview—Our Operations."

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with IFRS requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the specific circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An understanding of the accounting policies for these items is important to understand the consolidated financial statements. The following discussion provides more information regarding the estimates and assumptions used for these items in accordance with IFRS and should be considered in conjunction with the consolidated financial statements.

The most critical accounting policies, which reflect significant management estimates and judgment to determine amounts in our consolidated financial statements, are as follows:

- Contracted concessional agreements and PPAs;
- Impairment of intangible assets;
- Assessment of control;
- Derivative financial instruments and fair value estimates; and
- Income taxes and recoverable amount of deferred tax assets.

Some of these accounting policies require the application of significant judgment by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on our historical experience, forecasts and other circumstances and expectations as of the close of the financial period. The assessment is considered in relation to the global economic situation of the industries and regions where we operate, taking into account future development of our businesses. By their nature, these judgments are subject to an inherent degree of uncertainty; therefore, actual results could materially differ from the estimates and assumptions used. In such cases, the carrying values of assets and liabilities are adjusted.

As of the date of preparation of our Annual Consolidated Financial Statements, no relevant changes in the estimates made are anticipated and, therefore, no significant changes in the value of the assets and liabilities recognized at December 31, 2015, are expected.

Although these estimates and assumptions are being made using all available facts and circumstances, it is possible that future events may require management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8, in the consolidated income statement of the year in which the change occurs. Our significant accounting policies are more fully described in note 2 to our Annual Consolidated Financial Statements, presented elsewhere in this annual report.

Contracted concessional agreements

Contracted concessional assets include fixed assets financed through non-recourse loans, related to service concession arrangements recorded in accordance with IFRIC 12, except for Palmucho, which is recorded in accordance with IAS 17 and PS10/20, which are recorded as tangible assets in accordance with IAS 16. The infrastructures accounted for as concessions are related to the activities concerning electric transmission lines, solar electricity generation plants, cogeneration plants, wind farms and water desalination plants. The infrastructure used in a concession can be classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the agreement.

The application of IFRIC 12 requires extensive judgment in relation with, among other factors, (i) the identification of certain infrastructures and contractual agreements in the scope of IFRIC 12, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the timing and recognition of the revenue from construction and concessionary activity.

Under the terms of contractual arrangements within the scope of this interpretation, the operator shall recognize and measure revenue in accordance with IAS 11 and 18 for the services it performs. If the operator performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Consequently, even though construction was subcontracted to Abengoa, in accordance with the provisions of IFRIC 12, we recognize and measure revenue and costs for providing construction services during the period of construction of the infrastructure in accordance with IAS 11 “Construction Contracts.” Construction revenue is recorded within “Other operating income” and “Construction cost,” which is fully contracted with related parties, is recorded within “Other operating expense.” This applies in the same way to the two models.

Intangible assets

We recognize an intangible asset to the extent that we receive a right to charge final customers for the use of the infrastructure. This intangible asset is subject to the provisions of IAS 38 and is amortized linearly, taking into account the estimated period of commercial operation of infrastructure, which generally coincides with the concession period.

We recognize and measure revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with IAS 11 “Construction contracts” and revenue for other services in accordance with IAS 18 “Revenue.” The interest costs derived from financing the project incurred during construction are capitalized during the period of time required to complete and prepare the asset for its predetermined use.

Once the infrastructure is in operation, the treatment of income and expenses is as follows:

- Revenues from the updated annual revenue for the contracted concession, as well as operations and maintenance services are recognized in each period according to IAS 18 “Ordinary income.”
- Operating and maintenance costs and general overheads and administrative costs are recorded in accordance with the nature of the cost incurred (amount due) in each period.
- Financing costs are expensed as incurred.

Financial assets

We recognize a financial asset when demand risk is assumed by the grantor, to the extent that the contracted concession holder has an unconditional right to receive payments for the asset. This asset is recognized at the fair value of the construction services provided, considering upgrade services in accordance with IAS 11, if any.

The financial asset is subsequently recorded at amortized cost calculated according to the effective interest method. Revenue from operations and maintenance services is recognized in each period according to IAS 18 “Ordinary income.” The remuneration of managing and operating the asset resulting from the valuation at amortized cost is also recorded in revenue.

Financing costs are expensed as incurred.

Property, plant and equipment

Assets recorded as property, plant and equipment (PS10/20) are measured at historical cost, including all expenses directly attributable to the acquisition, less depreciation and impairment losses, with the exception of land, which is presented net of any impairment losses. Once the infrastructure is in operation, the treatment of income and expenses is equal to intangible assets.

Impairment of intangible assets and property, plan and equipment

We review our contracted revenue assets to identify any indicators of impairment annually.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, defined as the present value of the estimated future cash flows to be generated by the asset. In the event that the asset does not generate cash flows independently of other assets, we calculate the recoverable amount of the cash generating unit, or CGU to which the asset belongs.

When the carrying amount of the CGU to which these assets belong is lower than its recoverable amount assets are impaired.

Assumptions used to calculate value in use include a discount rate and projections considering real data based on the contract terms and projected changes in both selling prices and costs. The discount rate is estimated by management, to reflect both changes in the value of money over time and the risks associated with the specific CGU.

For contracted or concession revenue assets with a defined useful life and with a specific financial structure, cash flow projections until the end of the project are considered and no terminal value is assumed. Contracted revenue assets have a contractual structure that permits to estimate quite accurately the costs of the project (both in the construction and in the operations periods) and revenue during the life of the project.

Projections take into account real data based on the contract terms and fundamental assumptions based in specific reports prepared by experts, assumptions on demand and assumptions on production. Additionally, assumptions on macroeconomic conditions are also taken into account, such as inflation rates, future interest rates and sensitivity analysis are performed over all major assumptions, which can have a significant impact on the value of the asset.

Cash flow projections of CGUs are calculated in the functional currency of those CGUs and are discounted using rates that take into consideration the risk corresponding to each specific country and currency.

Taking into account that in most CGUs its specific financial structure is linked to the financial structure of the projects that are part of those CGUs, the discount rate used to calculate the present value of cash flow projections is based on the weighted average cost of capital, or WACC, for the type of asset, adjusted, if necessary, in accordance with the business of the specific activity and with the risk associated with the country where the project is performed. In any case, sensitivity analyses are performed, especially in relation with the discount rate used and fair value changes in the main business variables, in order to ensure that possible changes in the estimates of these items do not impact the possible recovery of recognized assets. See note 2 to our Annual Consolidated Financial Statements for further information on WACCs.

In the event that the recoverable amount of an asset is lower than its carrying amount, an impairment charge for the difference would be recorded in the consolidated income statement under the item “depreciation, amortization and impairment charges.”

Assessment of control

Control over an investee is achieved when we have power over the investee, we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to use its power to affect its returns.

We reassess whether or not we control an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In order to evaluate the existence of control, we need to distinguish two independent stages in these projects in terms of the decision-making process: the construction phase and the operation phase. In some of these projects, such as Solana and Mojave, we have concluded that all the relevant decisions during the construction phase were subject to the approval of a third party. As a result, we did not have control over these assets during this period and we record these companies as associates under the equity method. Once the project’s construction phase is finished, we gain control over these companies, which are then fully consolidated.

We use the acquisition method to account for business combinations of companies controlled by a third party. According to this method, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any contingent consideration is recognized at fair value at the acquisition date and subsequent changes in its fair value are recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Acquisition-related costs are expensed as incurred. We recognize any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest’s proportionate share of the acquirer’s net assets on an acquisition-by-acquisition basis.

All assets and liabilities between entities within the group, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full.

Derivative financial instruments and fair value estimates

Derivatives are recorded at fair value. We apply hedge accounting to all hedging derivatives that qualify to be accounted for as hedges under IFRS.

When hedge accounting is applied, hedging strategy and risk management objectives are documented at inception, as well as the relationship between hedging instruments and hedged items. Effectiveness of the hedging relationship needs to be assessed on an ongoing basis. Effectiveness tests are performed prospectively and retrospectively at inception and at each reporting date, following the dollar offset method.

We apply cash flow hedge accounting. Under this method, the effective portion of changes in fair value of derivatives designated as cash flow hedges are recorded temporarily in equity and are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Any ineffective portion of the hedged transaction is recorded in the consolidated income statement as it occurs.

When interest rate options are designated as hedging instruments, the intrinsic value and time value of the financial hedge instrument are separated. Changes in intrinsic value which are highly effective are recorded in equity and subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Changes in time value are recorded as financial income or expenses, together with any ineffectiveness.

When the hedging instrument matures or is sold, or when it no longer meets the requirements to apply hedge accounting, accumulated gains and losses recorded in equity remain as such until the forecast transaction is ultimately recognized in the income statement. However, if it becomes unlikely that the forecast transaction will actually take place, the accumulated gains and losses in equity are recognized immediately in the income statement.

The inputs used to calculate fair value of our derivatives are based on inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), through the application of valuation models (Level 2). The valuation techniques used to calculate fair value of our derivatives include discounting estimated future cash flows, using assumptions based on market conditions at the date of valuation or using market prices of similar comparable instruments, amongst others. The valuation of derivatives requires the use of considerable professional judgment. These determinations were based on available market information and appropriate valuation methodologies. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The fair value of the preferred equity investment in ACBH (Level 3) was calculated by discounting the originally expected cash-flows from the preferred equity instrument at a discount rate of 35%, based on the yield of bonds issued in Brazil by comparable companies with a rating indicating distress. Valuation was obtained from internal models. This valuation could vary where other models and assumptions made on the principle variables had been used, however the fair value of the asset as well as the results generated by this financial instrument are considered reasonable.

Income taxes and recoverable amount of deferred tax assets

The current income tax provision is calculated on the basis of relevant tax laws in force at the date of the statement of financial position in the countries in which the subsidiaries and associates operate and generate taxable income.

Determining income tax payable requires judgment in assessing the timing and the amount of deductible and taxable items, as well as the interpretation and application of tax laws in different jurisdictions. Due to this fact, contingencies or additional tax expenses could arise as a result of tax inspections or different interpretations of certain tax laws by the corresponding tax authorities.

We recognize deferred tax assets for all deductible temporary differences and all unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which they can be utilized.

We consider it probable that we will have sufficient taxable profit available in the future to enable a deferred tax asset to be recovered when:

- There are sufficient taxable temporary differences relating to the same tax authority, and the same taxable entity is expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward.

- It is probable that the taxable entity will have sufficient taxable profit, relating to the same tax authority and the same taxable entity, in the same period as the reversal of the deductible temporary difference (or in the periods into which a tax loss arising from the deferred tax asset can be carried back or forward).

- Tax planning opportunities are available to the entity that will create taxable profit in appropriate periods.

Our management assesses the recoverability of deferred tax assets on the basis of estimates of future taxable profit. These estimates are derived from the projections of each of our assets. Based on our current estimates, we expect to generate sufficient future taxable income to achieve the realization of our current tax credits and tax loss carryforwards, supported by our historical trend of business performance.

In assessing the recoverability of our deferred tax assets, our management also considers the foreseen reversal of deferred tax liabilities and tax planning strategies. To the extent management relies on deferred tax liabilities for the readability of our deferred tax assets, such deferred tax liabilities are expected to reverse in the same period and jurisdiction and are of the same character as the temporary differences giving rise to the deferred tax assets. We consider that the recovery of our current deferred tax assets is probable without counting on potential tax planning strategies that we could use in the future.

C. Research and Development

Not applicable.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2015 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Off Balance Sheet Arrangements

As of December 31, 2015, our only off-balance sheet arrangements consisted of bank bond and surety insurance in an aggregate amount of $27.6 million attributed to transactions of a technical nature. For further discussion, see note 19 to our Annual Consolidated Financial Statements included elsewhere in this annual report.

F. Tabular Disclosure of Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2015.

	Total	Up to one year	Between one and three years	Between three and five years	Subsequent years
			$ in millions		
Corporate debt	$ 664.6	$ 3.2	$ 409.7	$ 251.7	$ —
Loans with credit institutions (project debt)*	4,634.5	170.2	356.3	430.2	3,677.8
Notes and bonds (project debt)	836.2	25.5	44.3	47.7	718.6
Purchase commitments	4,158.5	170.0	320.3	344.3	3,323.9
Accrued interest estimate during the useful life of loans	3,761.3	338.5	667.4	594.3	2,161.1

(*) According to contracted maturities

All our project entities have long-term project financing arrangements in place. In particular, as we explain in "—Business—Our operations", Solana, Mojave and Kaxu have loans with 29, 25 and 18 year terms, respectively. However, following the filing of the pre-insolvency proceeding under article 5bis of the Spanish Insolvency Law, given that these project financing agreements have cross-default provisions with Abengoa and given that, as of December 31, 2015, the project entities did not have a contractual unconditional right to defer the settlement of the debt for at least 12 months after that date, the debt of these projects has been classified as Current Liabilities in accordance with the provisions of IFRS International Accounting Standards 1, "Presentation of Financial Statements". We do not expect the credit entities to use these cross-default provisions to request an acceleration of the debt.

As described in the table above, we have other contractual obligations to make future payments in connection with bank debt and notes and bonds. In addition, during the normal course of business, we enter into agreements where we commit to future purchases of goods and services from third parties.

Corporate debt refers to the 2019 Notes and the Credit Facility, which are described in detail in note 14 to our Annual Consolidated Financial Statements.

For more detailed information on project debt (loans with credit institutions) refer to note 15 to our Annual Consolidated Financial Statements.

Notes and bonds refer to the carrying value of issuances made during 2014, which are described in detail in note 15 to our Annual Consolidated Financial Statements.

Purchase obligations include agreements for the purchase of goods or services that are enforceable and legally binding on the combined group and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the appropriate timing of the transactions.

Accrued interest estimate during the useful life of loans represents the estimation for the total amount of interest to be paid or accumulated over the useful life of the loans, notes and bonds.

Capital Expenditures

Our capital spending program is limited considering all our projects are in operation.

G. Safe Harbor

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and as defined in the Private Securities Litigation Reform Act of 1995. See "Cautionary Statements Regarding Forward-Looking Statements."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Board of Directors of Atlantica Yield

The board of directors of Atlantica Yield comprises the following eight members:

Name	Position	Year of birth
Daniel Villalba	Director and Chairman of the Board, independent	1947
Santiago Seage	Managing Director	1969
William B. Richardson	Director	1947
Maria J. Esteruelas	Director	1972
Eduardo Kausel	Director, independent	1943
Jack Robinson	Director, independent	1942
Enrique Alarcon	Director, independent	1942
Juan del Hoyo	Director, independent	1944

The business address of the members of the board of directors of Atlantica Yield is Great West House, GW1, 17 floor, Great West Road, Brentford, United Kingdom, TW8 9DF.

There are no family relationships among any of our executive officers or directors.

There are no potential conflicts of interest between the private interests or other duties of the members of the board of directors listed above and their duties to Atlantica Yield.

The following is the biographical information of members of our board of directors.

Daniel Villalba, Director and Chairman of the Board

Daniel Villalba has served as a director since our formation in 2014. Mr. Villalba was previously a Professor of Business Economics at the Universidad Autonoma de Madrid. He also previously served as the CEO of Inverban, a broker and investment bank, and independent board member of Vueling, an airline currently part of International Airlines Group, Abengoa and the Madrid Stock Exchange, as well as a board member of several private companies. He also has written more than 50 academic papers and books. Mr. Villalba holds a Master of Science in Operations Research from Stanford University, a Master of Science in Business Administration from the University of Massachusetts and a PhD in Economics from the Universidad Autonoma de Madrid. Mr. Villalba was elected chairman of the board on November 27, 2015.

Santiago Seage, Managing Director

Mr. Seage has served as a director since our formation in 2014 and was Chairman from June until November 2015. Mr. Seage served as our chief executive officer from our formation until he was appointed chief executive officer of Abengoa in May 2015, in which capacity he served until November 27, 2015, when he was appointed as our Managing Director. We expect to propose Mr. Seage's election to Chief Executive Officer at our annual general meeting. Prior to the foregoing, he served as Abengoa Solar's CEO beginning in 2006. Previously, Mr. Seage was Abengoa's Vice President of Strategy and Corporate Development. Before joining Abengoa, he was a partner with McKinsey & Company. Mr. Seage holds a degree in Business Management from ICADE University in Madrid.

William B. Richardson, Director

Mr. Richardson has served as a director since our formation in 2014. Mr. Richardson was the 30 Governor of the State of New Mexico, from 2003 to 2011. He was the U.S. Ambassador to the United Nations and Energy Secretary and has also served as a U.S. Congressman, chairman of the 2004 Democratic National Convention and chairman of the Democratic Governor's Association. He is chairman of APCO Worldwide's executive advisory service, Global Political Strategies and Special Envoy of the Organization of American States, Chairman of the International Council for Science and the Environment, as well as an advisor to Abengoa and member of Abengoa's international advisory board.

Maria J. Esteruelas, Director

Ms. Esteruelas has served as a director since our formation in 2014. Ms. Esteruelas serves as the Executive Vice President of Latin America at Abengoa. Previously she was the Vice President of Concessions at one of Abengoa's subsidiaries. Ms. Esteruelas has an Industrial Engineering degree from the Instituto Catolico de Artes e Industrias University and has a Master's degree in Operations from the Instituto de Empresa in Madrid.

Eduardo Kausel, Director

Dr. Kausel has served as a director since our formation in 2014. Dr. Kausel is a Professor of Civil and Environmental Engineering at Massachusetts Institute of Technology, or MIT. Dr. Kausel is a senior member of various professional organizations and has extensive experience as consulting engineer. He is the author of more than 100 technical papers and has a Doctorate and a Masters of Science from MIT, a post-graduate degree from Darmstadt University in Germany and a civil engineering degree from the University of Chile.

Jack Robinson, Director

Mr. Robinson has served as a director since our formation in 2014. Mr. Robinson is Vice Chairman and Portfolio Manager at Trillium Asset Management. He also serves on the advisory board of several institutions including ACORE (American Council on Renewable Energy), EFW (Energy, Food & Water) and Bambeco (Sustainable Housewares). He holds a Bachelor's degree from Brown University.

Enrique Alarcon, Director

Dr. Alarcon has served as a director since our formation in 2014. Dr. Alarcon has been a Professor of Engineering at several universities, as well as Chairman of the Spanish Royal Academy of Engineering and member of the Science and Engineering Sector of the "European Academy." Dr. Alarcon holds a PhD in Engineering and a civil engineering degree from the Madrid Technical University and has written a dozen books and more than 100 articles and received many prizes in recognition of his work in the field of engineering.

Juan del Hoyo, Director

Dr. del Hoyo has served as a director since our formation in 2014. Dr. del Hoyo is a Professor of Economics at Madrid University. He has published several books and many articles on economy and finance. He holds a PhD in Economics, a Masters in Econometrics from the University of Southampton and is a telecommunications Engineer.

Senior Management of Atlantica Yield

We have a senior management team with extensive experience in developing, financing, managing and operating contracted assets. During the year 2014, we did not employ any member of this senior management team, as their services were provided through an Executive Services Agreement signed with Abengoa. During 2015, the members of our executive management team, including Mr. Seage, Mr. Silvan, Mr. Garcia, Mr. Merino, Mr. Esteban and Ms. Hernandez, were transferred to Atlantica Yield and some of our subsidiaries. The Executive Services Agreement with Abengoa was terminated in March 2015.

The senior management of Atlantica Yield is made up of the following members:

Name	Position	Year of birth
Santiago Seage	Managing Director	1969
Francisco Martinez-Davis	Chief Financial Officer	1963
Manuel Silvan	Vice President Taxes, Risk Management and Compliance	1973
Emiliano Garcia	Vice President North America	1968
Antonio Merino	Vice President South America	1967
David Esteban	Vice President EMEA	1979
Irene M. Hernandez	General Counsel	1980

The business address of the members of the senior management of Atlantica Yield is Great West House, GW1, 17 floor, Great West Road, Brentford, United Kingdom, TW8 9DF.

There are no potential conflicts of interest between the private interests or other duties of the members of the senior management of Atlantica Yield listed above and their duties to Atlantica Yield. There are no family relationships among any of our executive officers or directors.

Below are the biographies of those members of the senior management of Atlantica Yield who do not also serve on our board of directors.

Francisco Martinez-Davis, Chief Financial Officer

Mr. Martinez-Davis was appointed as our Chief Financial Officer since January 11, 2016. Mr. Martinez-Davis has more than 24 years of experience in senior finance positions both in the United States and Spain. He has served as Chief Financial Officer of several large industrial companies. Most recently, he was Chief Financial Officer for the company responsible for the management and operation of metropolitan rail service of the city of Madrid where he was also member of the Executive Committee. He has also worked as CFO for a retailer and as Deputy General Manager in Finance and Treasury for Telefonica Moviles. Prior to that, he worked for different investment banks in New York City and London for more than 10 years, including J.P. Morgan Chase & Co. and BNP Paribas. Mr. Martinez-Davis holds a Bachelor of Science, cum laude, in Business Administration from Villanova University in Philadelphia and an MBA from The Wharton School.

Manuel Silvan, Vice President Taxes, Risk Management and Compliance

Mr. Silvan has served as Vice President Taxes, Risk Management and Compliance since our formation. Prior to that, he served as Abengoa's Vice President of Taxation beginning in 2007. Before joining Abengoa in 1998, he worked for the legal and tax advisory firm of Garrigues. Mr. Silvan holds a degree in Economics and Business Science from Huelva University, a Master's degree in Tax Consultancy from Cajasol Business Institute and an MBA from San Telmo International Institute.

Emiliano Garcia, Vice President North America

Mr. Garcia serves as Vice President of our North American business. Based in Phoenix, Arizona, he is responsible for managing two of our key assets, Solana and Mojave. Mr. Garcia was previously the General Manager of Abengoa Solar in the United States and of the Solana Power Plant. Before that, he held a number of managerial positions in various Abengoa companies over two decades. Mr. Garcia holds a Bachelor's degree in Engineering from Madrid Technical University.

Antonio Merino, Vice President South America

Mr. Merino serves as Vice President of our South American business. Previously, he was the Vice President of Abengoa's Brazilian business, as well as the head of Abengoa's commercial activities and partnerships in South America. Mr. Merino holds an MBA from San Telmo International Institute.

David Esteban, Vice President EMEA

Mr. Esteban has served as Vice President of our operations in EMEA since July 2014. He had previously served at Abengoa's Corporate Concession department for two years. Before joining Abengoa, David worked for the management consulting firm Arthur D. Little for seven years in the industries of Telecoms & Energy and then moved to a private equity firm specialized in renewable investments in Europe for three years.

Irene M. Hernandez, General Counsel

Ms. Hernandez has served as our General Counsel since June 2014. Prior to that, she served as head of our legal department since the date of our formation. Before that, Ms. Hernandez served as Deputy Secretary General at Abengoa Solar since 2012. Before joining Abengoa, she worked for several law firms. Ms. Hernandez holds a law degree from Complutense Madrid University and a Master's degree in law from the Madrid Bar Association (*Colegio de Abogados de Madrid* (ICAM)).

Lead Independent Director

Our corporate governance guidelines provide that one of our independent directors shall serve as a lead independent director at any time when an independent director is not serving as the chairman of our board of directors. Mr. Villalba served as our lead independent director until he was named chairman of our board of directors on November 27, 2015.

B. Compensation

Compensation of Board of Directors and Chief Executive Officer

Our independent directors will receive compensation as "non-employee directors" as set by our board of directors.

Each independent director receives a total annual compensation of $100,000. As chairman of the board of directors and chairman of our audit committee, Mr. Villalba receives an additional $35,000 per year. Directors representing Abengoa do not receive any compensation from us.

The total compensation received by our independent directors, Chief Executive Officer and Managing Director from us during 2015 and 2014 is set forth in the table below.

Directors Remuneration for the year ended December 31, 2015

(in thousands of U.S. dollars)	Salary and Fees	All Taxable Benefits	Annual Bonuses	LTIP	Pension	Total
Santiago Seage	167.9	0.1	—	—	—	168.0
Javier Garoz*	1,429.5	0.1	—	—	—	1,429.6
Daniel Villalba	135.0	—	—	—	—	135.0
Jackson Robinson	100.0	—	—	—	—	100.0
Enrique Alarcon	100.0	—	—	—	—	100.0
Eduardo Kausel	100.0	—	—	—	—	100.0
Juan del Hoyo	100.0	—	—	—	—	100.0
Total	**2,132.4**	**0.2**	—	—	—	**2,132.6**

Directors Remuneration for the year ended December 31, 2014

(in thousands of U.S. dollars)	Salary and Fees	All Taxable Benefits	Annual Bonuses	LTIP	Pension	Total
Santiago Seage**	174.0	0.1	—	—	—	174.1
Daniel Villalba	67.5	—	—	—	—	67.5
Jackson Robinson	50.0	—	—	—	—	50.0
Enrique Alarcon	50.0	—	—	—	—	50.0
Eduardo Kausel	50.0	—	—	—	—	50.0
Juan del Hoyo	50.0	—	—	—	—	50.0
Total	**441.5**	**0.1**	—	—	—	**441.6**

* Includes a €1,319.6 thousand termination payment received after leaving the Company as per his employment contract

** The chief executive officer was employed in 2014 by Abengoa and therefore received no remuneration directly from the Company. The table above reflects an estimate of the fixed remuneration he received from Abengoa for services provided to the Company, based on the time dedicated to the Company.

Each member of our board of directors will be indemnified for his actions associated with being a director to the extent permitted by law.

C. Board Practices

For purpose of the following disclosure, Mr. Seage, Mr. Richardson and Ms. Esteruelas are considered affiliated to Abengoa.

Our board of directors consists of eight directors, five of whom are independent. Under our articles of association, our board may consist of 7 to 13 members.

Directors affiliated to Abengoa do not vote on matters that represent or could represent a conflict of interests, including the evaluation of assets offered to us under the ROFO Agreement. See “Item 7.B—Related Party Transactions—Procedures for Review, Approval and Ratification of Related Party Transactions; Conflicts of Interest.”

Our board of directors is responsible for, among other things, overseeing the conduct of our business; reviewing and, where appropriate, approving, our long-term strategic, financial and organizational goals and plans; and reviewing the performance of our chief executive officer and other members of senior management.

Under English law, the board of directors of an English corporation is responsible for the management, administration and representation of all matters concerning the relevant business, subject to the provisions of the relevant constitution, statutes and resolutions adopted at general shareholder's meetings by a majority vote of the shareholders. Under English law, the board of directors may delegate its powers to an executive committee or other delegated committee or to one or more persons, unless the shareholders, through a meeting, have specifically delegated certain powers to the board of directors and have not approved the board of director's delegation to others.

Audit Committee

Our Audit Committee is responsible for monitoring and informing the board of directors on the work of external and internal auditors, control systems, key processes and procedures, security and risks. The committee comprises the following five members, each of whom is an independent director:

Name	Position
Daniel Villalba	Chairman
Eduardo Kausel	Member
Jack Robinson	Member
Enrique Alarcon	Member
Juan del Hoyo	Member

The committee will meet as many times as required and a minimum of two times per year.

Our Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between the external auditor and management. The external auditor will report directly to our Audit Committee. Our Audit Committee is also responsible for reviewing and approving our hiring policies regarding former employees of the external auditor. In addition, the Audit Committee preapproves all non-audit services undertaken by the external auditor.

Our Audit Committee is responsible for reviewing the adequacy and security of procedures for the confidential, anonymous submission by our employees or contractors regarding any possible wrongdoing in financial reporting or other matters. Our Audit Committee is accountable to our board of directors and will provide a report to our board of directors after each regularly scheduled Audit Committee meeting outlining the results of the Audit Committee's activities and proceedings.

Appointments and Remuneration Committee

Our Appointments and Remuneration Committee comprises of the following three members:

Name	Position
Santiago Seage	Chairman
Daniel Villalba	Member
Enrique Alarcon	Member

The duties and functions of our Appointments and Remuneration Committee include, among others, the duty to inform our board of directors of appointments, re-elections, terminations and remuneration of our board of directors and its members, as well as upon general remuneration and incentives policy for our board of directors and senior management. Our Appointments and Remuneration Committee meets as often as necessary in order to perform its functions and meets at least once every six months. The committee informs and makes proposals to the board of directors.

On February 25, 2016, our board of directors decided to create an Appointments and Corporate Governance Committee and a Remunerations Committee that will substitute the existing Appointments and Remuneration Committee. Members of each committee will be selected shortly.

Benefits upon Termination of Employment

Neither we nor our subsidiaries maintain any director's service contracts providing for benefits upon termination of service.

D. Employees

As of December 31, 2015, we had 88 employees compared to seven employees as of December 31, 2014. During 2015, we finished the process of transferring and employing directly our executive management team. As a result of the completion of this process, the Executive Services Agreement between Abengoa and us was terminated in March 2015. In addition, during 2015 we initiated a process to employ directly personnel that were employed by Abengoa subsidiaries in 2014.

The following table shows the number of employees as of December 31, 2015 on a consolidated basis:

Geography	Employees
EMEA	34
North America	7
South America	6
Corporate	41
Total	**88**

E. Share Ownership

None of our directors or members of our senior management is the owner of more than one percent of our ordinary shares, and no director or member of our senior management has voting rights with respect to our ordinary shares that are different from any other holder of our ordinary shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to beneficial ownership of our ordinary shares as of the date of this annual report by:

- each of our directors and executive officers;
- our directors and executive officers as a group; and
- each person known to us to beneficially own 5% and more of our ordinary shares.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes the power to direct the voting or the disposition of the securities or to receive the economic benefit of the ownership of the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of this annual report, including through the exercise of any option or other right and the vesting of restricted shares. These shares, however, are not included in the computation of the percentage ownership of any other person. The calculations of percentage ownership in the table below is based on 100,217,600 ordinary shares outstanding as of March 1, 2016.

Name	Ordinary Shares Beneficially Owned	Percentage
Directors and Officers		
Daniel Villalba	60,000	*
Santiago Seage	20,000	*
Jackson Robinson	5,281	*
All Directors and executive officers as group	85,281	*
5% Beneficial Owners		
Abengoa Concessions Investments Limited(1)	41,955,940	41.86%
Jennison Associates LLC(2)	9,240,090	9.22%
Prudential Financial, Inc.(3)	9,242,650	9.22%
Appaloosa L.P.(4)	6,303,713	6.29%
Waddell & Reed Financial, Inc.(5)	5,518,235	5.51%

Notes:

* Less than 1%.

(1) This information is based solely on the Schedule 13D filed on December 24, 2015 by Abengoa, S.A., a corporation incorporated under the laws of Spain. The direct beneficial owner of the shares is Abengoa Concessions Investments Limited. The registered address of Abengoa, S.A. is Campus Palmas Altas, C/ Energia Solar, 41014, Seville, Spain.

(2) This information is based solely on the Schedule 13G filed on February 4, 2016 by Jennison Associates LLC ("Jennison"), a Delaware limited liability company. Prudential Financial, Inc. indirectly owns 100% of equity interests of Jennison. As a result, Prudential Financial, Inc. may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to the ordinary shares held in portfolios for which it furnishes investment advice. Jennison does not file jointly with Prudential, as such, ordinary shares reported on Jennison's Schedule 13G may be included in the shares reported on the Schedule 13G filed by Prudential Financial, Inc. The address of Jennison is 466 Lexington Avenue, New York, New York 10017.

(3) This information is based solely on the Schedule 13G filed on January 28, 2016 by Prudential Financial, Inc., ("Prudential"), a New Jersey corporation. The shares beneficially owned by Prudential represent (i) 9,240,090 shares beneficially owned by Jennison Associates LLC and (ii) 2,530 shares beneficially owned by Quantitative Management Associates LLC. Prudential is a parent holding company and the indirect parent of Jennison Associates LLC and Quantitative Management Associates LLC. The address of Prudential is 751 Broad Street, Newark, New Jersey 07102-3777.

(4) This information is based solely on the Schedule 13G filed on February 12, 2016 by Appaloosa L.P. ("ALP") a Delaware limited partnership, Appaloosa Investment Limited Partnership I ("AILP"), a Delaware limited partnership, Palomino Master Ltd., a British Virgin Islands company, ("Palomino Master"), Appaloosa Management L.P. ("AMLP"), a Delaware limited partnership, Appaloosa Partners Inc., a Delaware corporation ("API") and David A. Tepper ("Mr. Tepper"). ALP serves as investment adviser to AILP and Palomino Master and may be deemed to beneficially own 6,303,713 ordinary shares. AILP may be deemed to beneficially own 2,692,579 shares (inclusive of the shares beneficially owned by ALP). Palomino Master may be deemed to beneficially own 3,611,134 shares (inclusive of the shares beneficially owned by ALP). AMLP is the general partner of AILP and may be deemed to beneficially own 2,692,579 shares. API is the general partner of, and Mr. Tepper owns a majority of the limited partnership interest in, AMLP. API may be deemed to beneficially own 2,692,579 shares. Mr. Tepper is the sole stockholder and president of API and the controlling stockholder and president of Appaloosa Capital, Inc. ("ACI") and may be deemed to beneficially own 6,303,713 shares. ACI is the general partner of, and Mr. Tepper owns a majority of the limited partnership interests in, ALP. The business address of ALP is 51 John F. Kennedy Parkway, Short Hills, New Jersey 07078. The business address of each of AILP and Palomino Master is c/o Appaloosa LP, 51 John F. Kennedy Parkway, Short Hills, New Jersey 07078. The business address of AMLP is Appaloosa Management L.P., 404 Washington Avenue, Suite 810, Miami, Florida 33139. The business address of each of API and Mr. Tepper is c/o Appaloosa Management L.P., 404 Washington Avenue, Suite 810, Miami, Florida 33139.

(5) This information is based solely on the Schedule 13G filed on February 12, 2016 by Waddell & Reed Financial, Inc., a Delaware corporation ("WDR"). The securities reported on the Schedule 13G filed by WDR are beneficially owned by one or more open-end investment companies or other managed accounts which are advised or sub-advised by (i) Ivy Investment Management Company ("IICO"), a Delaware corporation and an investment advisory subsidiary of WDR, which may be deemed to beneficially own 3,624,897 shares or (ii) Waddell & Reed Investment Management Company ("WRIMCO"), a Kansas corporation and an investment advisory subsidiary of Waddell & Reed, Inc. ("WRI"), which may be deemed to beneficially own 1,893,359 shares. WRI is a Delaware corporation and is a broker-dealer and underwriting subsidiary of Waddell & Reed Financial Services, Inc., a Missouri corporation and a parent holding company ("WRFSI"). WRI and WRFSI may be deemed to beneficially own 1,893,359 shares. In turn, WRFSI is a subsidiary of WDR, a publicly traded company. WDR may be deemed to own all 5,518,256 shares. The investment advisory contracts grant IICO and WRIMCO all investment and/or voting power over securities owned by such advisory clients. The investment sub-advisory contracts grant IICO and WRIMCO investment power over securities owned by such sub-advisory clients and, in most cases, voting power. Any investment restriction of a sub-advisory contract does not restrict investment discretion or power in a material manner. Therefore, IICO and/or WRIMCO may be deemed the beneficial owner of the securities covered by this statement under Rule 13d-3 of the Securities Exchange Act of 1934. The address of each of WDR, IICO, WRIMCO, WRI and WRFSI is 6300 Lamar Avenue, Overland Park, KS 66202.

We have one class of ordinary shares, and each holder of our ordinary shares is entitled to one vote per share.

As of March 1, 2016, 100,217,600 of our ordinary shares were outstanding. Because some of our ordinary shares are held by brokers and other nominees, the number of shares held by and the number of beneficial holders with addresses in the United States is not fully ascertainable. As of the date of this annual report, to the best of our knowledge, one of our shareholders of record was located in the United States and held in the aggregate 100,217,599 ordinary shares representing approximately 99.99% of our outstanding shares. However, the United States shareholders of record include Cede & Co., which, as nominee for The Depositary Trust Company, is the record holder of all such ordinary shares. Accordingly, we believe that the shares held by Cede & Co. include ordinary shares beneficially owned by both United States and non-United States beneficial owners. As a result, these numbers may not accurately represent the number of beneficial owners in the United States.

Arrangements for Change in Control of the Company

Based on the Schedule 13D filed by Abengoa on December 24, 2015, Abengoa Concessions Investments Limited, an indirect subsidiary of Abengoa, S.A., has pledged 39,530,843 ordinary shares, representing approximately 39.5% of our outstanding shares, to financial institutions as collateral for borrowings under financing arrangements. If Abengoa defaults on these financing arrangements, such lenders may foreclose on, and dispose of, the pledged shares and the resulting change in beneficial ownership of such shares would result in a change in control of the Company.

B. Related Party Transactions

Each of our assets typically has two contracts in place with Abengoa entities, i.e. an operation and maintenance agreement and a services agreement that covers local administrative support. We also have engineering, procurement and construction agreements with subsidiaries of Abengoa.

Additionally, we have entered into a number of agreements with our largest shareholder, Abengoa, that we believe will allow us to: (i) secure cost-effective administrative and financial support and (ii) access through the ROFO Agreement a pipeline of potential acquisitions that we believe will help us to grow in the future. In addition to the deed described under “Item 10.B—Memorandum and Articles of Association—Brazil Dividend Policy” and the shareholders agreement and related parent support agreement described under “Item 4.B—Business Overview—Our Operations—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding,” we have five agreements with Abengoa:

- ROFO Agreement;
- Trademark License Agreement;
- Financial Support Agreement;
- Support Services Agreement; and
- Currency Swap Agreement.

Each of these agreements has been reviewed with external advisors and we believe that they comply with transfer pricing regulations. Each agreement is described below.

Project-Level Management and Administration Agreements

When our projects reach COD, we typically have in place two contracts for each project:

- an operations and maintenance contract, in most cases with an Abengoa subsidiary; and
- a services contract that typically covers areas like accounting, administration, payments management, local legal and tax support, local institutional relations, communications and other services. This contract is entered into with local Abengoa subsidiaries that have the required staff in the countries or states in which our assets are located.

Operation and Maintenance Contracts

Each of our project-level companies have entered into an operation and maintenance agreement with an Abengoa subsidiary, with the exception of ACT, where the contract is with third-party providers.

- ***Term***. Contract terms range from 20 to 30 years, typically mirroring the duration of financing contracts. The only exceptions are ATN, ATS and ATN2 which are subject to shorter terms but have renewal clauses.

- ***Services***. Contracts typically cover all day-to-day operation and maintenance services, including procurement of equipment, scheduling and performance of maintenance, operation of the facility, training and supervision of personnel, as well as compliance with laws and regulations, safety and security programs, environmental services and technical reporting.

- ***Termination***. Typically, either party may terminate the agreement upon default by the counterparty. The relevant project-level company that owns the asset can typically terminate due to payment default, winding-up of the operator, failure of the operator to perform material obligations, termination of the PPA and, in some cases, for failure to reach certain performance ratios, the imposition of fines or penalties in excess of certain threshold amounts or force majeure. The operator can typically terminate in the event of payment default, winding-up of the project-level company, failure of the project-level company to perform material obligations and, in some cases, force majeure.

- ***Compensation***. Operation and maintenance contracts in Solana and Mojave provide for a fixed fee of approximately $500,000 per plant per year, which is indexed to U.S. CPI and a variable fee paid in periods in which net operating profit exceeds the target. In addition, the operator is entitled to reimbursement of certain costs. In other projects, including ATN, ATS and each of our solar power assets in Spain, the operation and maintenance contract provides for an all-in fee by which the operator must bear substantially all costs for the operation and maintenance of the plant.

Services Agreement

Each of our project-level companies have entered into a services agreement with a local Abengoa subsidiary, which agreement typically provides for accounting, administration, payments management, local legal and tax support, local institutional, communications services and general support services.

- ***Term***. The agreements relating to ATN and ATS expire after a year but include tacit renewal clauses, while Solana, Mojave, Solaben 2/3, Solacor 1/2, PS10/20 and Helioenergy 1/2 are contracts with 20- to 30-year terms.

- ***Termination***. The agreements can typically be terminated due to breach of obligations, insolvency, suspension of payments or winding-up of the counterparty, or mutual consent.

- ***Compensation***. The compensation paid is typically approximately 1% of revenues, with the exception of Solaben 2/3, Solacor 1/2, which provide for a fee of 2.5% of revenues, and PS10/20 and Helioenergy 1/2, which provide for a fee of 2% of revenues.

Engineering, Procurement and Construction Agreement

Each of our project-level companies, including the Abengoa ROFO Assets we expect to acquire, have entered into an EPC contract with a local Abengoa subsidiary. These contracts typically provide for the construction of the asset and are in place until the asset reaches COD. EPC contracts may contain warranties such as those against defects in design, materials and workmanship after completion of the asset and may also provide a performance guarantee.

Right of First Offer

Pursuant to the ROFO Agreement, which we and Abengoa entered into on June 13, 2014, as amended and restated on December 9, 2014, Abengoa and its affiliates granted us and our affiliates a right of first offer on any proposed sale, transfer or other disposition of any of their contracted renewable energy, conventional power, electric transmission or water assets that are in operation and any other renewable energy, conventional power, electric transmission and water asset that is expected to generate contracted revenue and that Abengoa has transferred to an investment vehicle that are located in our primary geographies: (i) North America (the United States, Canada and Mexico); (ii) the following countries in South America: Chile, Peru, Uruguay, Brazil and Colombia; and (iii) the European Union. In addition, with respect to selected countries in Africa, the Middle East, Asia and Australia, which we refer to as our secondary geographies, we agreed to four assets that are also considered Abengoa ROFO Assets.

Whenever we acquire an asset from Abengoa in the secondary geographies, or, if after 60 days of negotiations we and Abengoa are unable to reach an agreement on an asset offered for sale to us, we will update the list to include a replacement asset. If we and Abengoa are unable to agree on the replacement asset, Abengoa will propose three additional assets in the secondary geographies and we will select one to replace the asset removed from the list. Thereafter, the selected asset will also be considered an Abengoa ROFO Asset. This right of first offer will not apply to a merger with or into, or sale of substantially all of Abengoa's assets to, an unaffiliated third party, or to an internal restructuring.

If Abengoa transfers interests in any Abengoa ROFO Asset to any affiliate or to an investment vehicle, then Abengoa must obtain an accession agreement from such transferee subjecting the transferred Abengoa ROFO Asset to our right of first offer. For purposes of this requirement, "investment vehicle" means any person (A) (i) formed by Abengoa to act as an investment vehicle or (ii) that is an affiliate of Abengoa that Abengoa intends to use as an investment vehicle or becomes an investment vehicle due to an investment by a third party and (B) with the purpose of providing equity to projects related to any renewable energy, conventional power, electric transmission line and water contracted revenue assets that are to be, are being or were previously developed, sponsored, initiated or launched by Abengoa or any of its affiliates, irrespective of the amount of equity invested in such person by Abengoa or any such affiliate. Abengoa Project Warehouse 1 qualifies as an "investment vehicle" and has agreed to be subject to the ROFO Agreement.

In addition, we have a "negotiation call" right under which we can require Abengoa to negotiate in good faith for the sale to us of any Abengoa ROFO Asset that has been in operation for 18 months.

The ROFO Agreement has an initial term of five years from the consummation of our IPO. We will be able to unilaterally extend the term of the ROFO Agreement as many times as desired for an additional three-year period; provided that we have executed at least one acquisition in the previous two years after having been offered at least four projects.

Prior to engaging in any negotiation regarding any disposition, sale or other transfer of any Abengoa ROFO Asset, Abengoa will deliver a written notice to us thereof, including all information that is relevant for us to make a determination regarding the Abengoa ROFO Asset including the price at which Abengoa proposes to sell it to us. Once that information is received and if we do not notify Abengoa within 10 days that the information is insufficient, a 60-day negotiation period will start. If an agreement is not reached, Abengoa may, during the following 30 months, only sell, transfer, dispose or recontract such Abengoa ROFO Asset to a third party (or to agree in writing to undertake such transaction with a third party) on terms and conditions generally no less favorable to Abengoa than those offered by Abengoa to us. If an asset that was already the subject of negotiations is presented again, we will have a 15-day period to negotiate. After such 30-month period, the asset will cease to be an Abengoa ROFO Asset.

We will pay to Abengoa a fee of 1% of the equity purchase price of any Abengoa ROFO Asset that we acquire as consideration for Abengoa granting us the right of first offer.

Under the ROFO Agreement, Abengoa is not obligated to sell any Abengoa ROFO Asset and, therefore, we do not know when, if ever, these assets will be offered to us. In addition, in some of the assets offered to us under the ROFO Agreement, Abengoa may have equity partners with rights regulating divestitures by Abengoa of its stake such as drag-along and tag-along clauses, and rights of first refusal, among others. We will consider and take into account all these clauses when deciding whether to present an offer.

Even though we do not have a ROFO over them as described in this section, Abengoa may offer to sell to us contracted assets in business sectors or geographic regions not covered by the ROFO Agreement. We will evaluate these opportunities on a case-by-case basis.

Any offer by Abengoa to sell an Abengoa ROFO Asset under the ROFO Agreement will be subject to an inherent conflict of interest because some of the same professionals within Abengoa's organization who are involved in acquisitions that are suitable for us have responsibilities to Abengoa within Abengoa's broader asset management business. Notwithstanding the significance of the services to be rendered by Abengoa or its designated affiliates on our behalf or of the assets which we may elect to acquire from Abengoa in accordance with the terms of the ROFO Agreement or otherwise, Abengoa will not owe fiduciary duties to us or our shareholders.

Any material transaction between Abengoa and us (including the proposed acquisition of any Abengoa ROFO Asset) will be subject to our related party transaction policy, which will require prior approval of such transaction by a majority of the independent members of our board of directors. See "Item 7.B—Related Party Transactions—Procedures for Review, Approval and Ratification of Related Party Transactions; Conflicts of Interest," "Item 3.D—Risk Factors—Risks Related to Our Relationship with Abengoa—We may not be able to consummate future acquisitions from Abengoa" and "Item 3.D—Risk Factors—Our organizational and ownership structure may create significant conflicts of interest that may be resolved in a manner that is not in our best interests or the best interests of our minority shareholders and that may have a material adverse effect on our business, financial condition, results of operations and cash flows."

Abengoa may enter into agreements with other companies with the objective of jointly financing the construction of new projects consisting of concessional assets which are included in Abengoa's current or future portfolio. Pursuant to the terms of the ROFO Agreement, we expect that any investing vehicle created by Abengoa and a potential partner with this purpose will sign the ROFO Agreement in the same terms of Abengoa.

Trademark License Agreement

We and Abengoa entered into a Trademark License Agreement on June 13, 2014, pursuant to which Abengoa granted us a non-exclusive, royalty-free license to use the name "Abengoa" and the Abengoa logo, among other trademarks owned by Abengoa. Other than under this limited license, we do not have a legal right to the "Abengoa" name or the Abengoa logo. Abengoa also granted an exclusive license to use the "Abengoa Yield" name and logo.

On September 10, 2014, Abengoa transferred to us the domain names www.abengoayield.com, www.abengoayield.co.uk and www.abengoayield.es against payment of costs incurred by Abengoa in registering such domain names. Abengoa committed to cooperate to deliver to us any similar domain names at our request and it shall defend us against any infringements. We will assign the domain names to Abengoa within two years of any termination of the Trademark License Agreement.

Abengoa is entitled to terminate the Trademark License Agreement upon 90 days' prior written notice of termination if any of the following occurs:

- we default in the performance of any material term, condition or agreement contained in the Trademark License Agreement and the default continues uncured for a period of 90 days after written notice of termination of the breach is given to us;
- we assign, sublicense, pledge, mortgage or otherwise encumber the intellectual property rights granted to us pursuant to the Trademark License Agreement without Abengoa's prior written consent and do not provide satisfactory remedy within 90 days; or
- in the event of our bankruptcy, insolvency or similar events.

If Abengoa ceases to own directly or indirectly at least 20% of our outstanding shares, Abengoa will be entitled to terminate the Trademark License Agreement two years thereafter upon written notice.

In the event of any dispute under the Trademark License Agreement, a dispute notice will be required to be delivered, after which our CEO and the CEO of Abengoa will have an obligation to discuss and attempt to resolve the dispute for 15 days prior to submitting the matter to a court.

On December 30, 2015, we filed a U.S. trademark application for the mark "Atlantica Yield". On January 7, 2016, we changed our corporate brand to Atlantica Yield. We will change our legal name once approved by the shareholders at our next annual general meeting.

Financial Support Agreement

We and Abengoa entered into a Financial Support Agreement on June 13, 2014, for a period of five years, pursuant to which:

(1) Abengoa provided us with a revolving credit line from its central treasury for a period of five years up to a maximum amount of $50 million. If we have any funding needs in excess of this amount, Abengoa will make a good faith effort to accommodate any requests from us for additional funding taking into positive consideration the achievement of our business objectives. As of the date of this annual report, such revolving credit line has not been entered into and the total amount of the credit line remains undrawn.

(2) If we have a positive liquidity position at the holding company level while the revolving credit line is outstanding, we will deposit such cash in Abengoa's central treasury, up to a maximum amount of $20 million.

(3) Abengoa will maintain any guarantees (whether parent company guarantees, bank guarantees, technical guarantees or otherwise) or letters of credit currently outstanding in our or any of our affiliates' favor for a period of up to five years from the date of our IPO. We have undertaken to periodically review the relevance and possible substitution of such guarantees with a view to operating independently from Abengoa.

If Abengoa ceases to own, directly or indirectly, at least 20% of our outstanding shares, Abengoa shall be entitled to terminate the Financial Support Agreement not earlier than three years from the date thereof, upon 180 days' prior written notice. See "Risk Factors—Risks Related to Our Relationship with Abengoa—Abengoa's financial condition will affect its ability to meet its obligations under the Currency Swap Agreement and to maintain existing guarantees and letters of credit under the Financial Support Agreement" for a discussion of risks associated with the Financial Support Agreement.

Support Services Agreement

We and Abengoa entered into a Support Services Agreement on June 13, 2014, pursuant to which Abengoa agreed to provide or arrange for other service providers to provide management and administration services to us. This agreement does not include executive or senior management services. We are currently renegotiating this contract with Abengoa as we have hired most of the employees that were performing services to Atlantica Yield.

Services Rendered

Under the Support Services Agreement, Abengoa or certain of its affiliates provide or arrange for the provision by an appropriate service provider of the following services:

- causing or supervising the carrying out of all day-to-day, secretarial, accounting, banking, treasury,
- administrative, liaison, representative, regulatory and reporting functions and obligations;
- establishing and maintaining or supervising the establishment and maintenance of books and records;
- monitoring and/or oversight of our accountants, legal counsel and other accounting, financial or legal advisors and technical, commercial, marketing and other independent experts, and managing litigation in which we or one of our subsidiaries is sued or commencing litigation after consulting with, and subject to the approval of, the board of directors or its equivalent of us or our relevant subsidiary;

- attending to all matters necessary for any reorganization, bankruptcy proceedings, dissolution or winding up of us or one of our subsidiaries, subject to approval by the relevant board of directors or its equivalent;
- supervising the timely calculation and payment of taxes, and the filing of all tax returns;
- causing or supervising the preparation of our annual financial statements and quarterly interim financial statements to be: (i) prepared in accordance with IFRS and audited at least to such extent and with such frequency as may be required by law, regulation or in order to comply with any debt covenants; and (ii) submitted to the relevant board of directors or its equivalent for its prior approval;
- preparing filings for submission to, or required by, relevant regulators;
- making recommendations in relation to and effecting the entry into insurance policies covering our assets, together with other insurances against other risks, including directors' and officers' insurance, as the relevant service provider and the relevant board of directors or its equivalent may from time to time agree;
- providing us with authorizations and licenses necessary to use Abengoa's corporate systems for management of risks (NOC) and for compliance processes (POC);
- providing IT services, human resources support and office and space and support to our employees;
- advising us regarding the maintenance of compliance with applicable laws and other obligations; and
- providing all such other services as may from time to time be agreed with us that are reasonably related to our day-to-day operations.

These activities are subject to the supervision of our executive management.

Support Services Fee

Pursuant to the Support Services Agreement, we pay a support services fee of approximately $625,000 per quarter. The support services fee is adjusted for inflation annually since January 1, 2015 at an inflation factor based on year-over-year CPI. The support services fee shall also be increased if the total services agreements fees paid by the assets in a given year are lower than 1% of our revenue. The increase would be equivalent to the difference between a 1% of our revenues and the total fees paid under the service agreements by our assets. We do not expect this adjustment to occur based on the current level of fees, unless a significant project stopped paying its fees under its relevant project-level services agreement. Additionally, it will also be increased in connection with our completion of future acquisitions (including any Abengoa ROFO Assets) by an amount estimated to be equal to 0.12% of the enterprise value of the acquired assets as of the acquisition closing date.

We may amend the scope of the services to be provided by Abengoa under the Support Services Agreement, including reducing the number of our subsidiaries that receive services or otherwise, by providing 180 days' prior written notice to Abengoa; provided that the services to be provided by Abengoa under the Support Services Agreement cannot be increased without Abengoa's prior written consent. Furthermore, we and Abengoa must consent to any related change in the support services fee resulting from a change in the scope of services.

Term and Termination

The Support Services Agreement does not have a fixed term. However, we are able to terminate the Support Services Agreement upon 180 days' prior written notice of termination from us to Abengoa; provided that any decision by us to terminate the Support Services Agreement must be approved by a majority of our independent directors. We may not terminate the Support Services Agreement solely due to the poor performance of us or any of our subsidiaries or investments.

Abengoa is able to terminate the Support Services Agreement upon 180 days' prior written notice of termination to us if we default in the performance or observance of any material term, condition or agreement contained in the Support Services Agreement in a manner that results in material harm to Abengoa and the default continues unremedied for a period of 60 days after written notice of the breach is given to us. Abengoa is also able to terminate the Support Services Agreement upon the occurrence of certain events relating to our bankruptcy or insolvency. See "Risk Factors—Risks Related to Our Relationship with Abengoa—If Abengoa terminates the Support Services Agreement, or defaults in the performance of its obligations under the agreement, we may be unable to contract with a substitute service provider on similar terms, or at all" for a discussion of risks associated with the Support Services Agreement.

Indemnification and Limitations on Liability

Under the Support Services Agreement, Abengoa does not assume any responsibility other than to provide or arrange for the provision of the services called for thereunder in good faith and is not responsible for any action that we take in following or declining to follow the advice or recommendations of Abengoa. The maximum amount of the aggregate liability of Abengoa or any of its affiliates, or of any director, officer, employee, member, shareholder, agent or other representative of Abengoa or any of its affiliates, will be equal to the support services fee previously paid by us in the two most recent calendar years pursuant to the Support Services Agreement. We have also agreed to indemnify each of Abengoa and its affiliates, directors, officers, agents, members, partners, shareholders and employees to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses (including legal fees) incurred by an indemnified person or threatened in connection with our respective businesses, investments and activities or in respect of or arising from the Support Services Agreement or the services provided by Abengoa, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined by a final and non-appealable judgment entered by a court or by a settlement agreement to have resulted from the indemnified person's bad faith, fraud, willful misconduct, gross negligence, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the Support Services Agreement, the indemnified persons will not be liable to us except to the extent that there is a determination by a final and non-appealable judgment entered by a court that the conduct involved bad faith, fraud, willful misconduct, gross negligence or in the case of a criminal matter, action that the indemnified person knew to have been unlawful.

Currency Swap Agreement

On May 12, 2015, we entered into a Currency Swap Agreement with Abengoa which provides for a fixed exchange rate for the cash available for distribution from Spanish assets. The distributions from the Spanish assets are paid in euros and the Currency Swap Agreement provides for a fixed exchange rate at which euros will be converted into U.S. dollars. Any amounts to be paid to us by Abengoa each year as a result of the Currency Swap Agreement is capped at an amount based on the dividends received by Abengoa as a shareholder of us. The Currency Swap Agreement has a five-year term. See "Risk Factors—Risks Related to Our Relationship with Abengoa—Abengoa's financial condition will affect its ability to meet its obligations under the Currency Swap Agreement and to maintain existing guarantees and letters of credit under the Financial Support Agreement" for a discussion of risks associated with the Currency Swap Agreement.

Procedures for Review, Approval and Ratification of Related Party Transactions; Conflicts of Interest

Our policy for the review, approval and ratification of related party transactions requires that all transactions with related parties shall be subject to approval or ratification in accordance with the procedures set forth in the policy. With respect of any transaction with Abengoa or its affiliates (other than our subsidiaries), including transactions pursuant to the ROFO Agreement, our independent directors are required to review all of the relevant facts and circumstances and either approve or disapprove of the entry into the transaction. In determining whether to approve or ratify a transaction with Abengoa, the independent directors are to take into account, among other factors they deem appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Abengoa's interest in the transaction.

Code of Conduct

We have adopted a code of conduct applicable all directors, officers and employees of Atlantica Yield and our subsidiaries. The Code of Conduct is available on our website at www.atlanticayield.com.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and other Financial Information.

We have included the Annual Consolidated Financial Statements as part of this annual report. See "Item 18—Financial Statements."

Dividend Policy

Our Cash Dividend Policy

We expect to pay a quarterly dividend on or about the 75 day following the expiration of each fiscal quarter to our shareholders of record on or about the 60th day following the last day of such fiscal quarter. However, our board of directors may change our dividend policy at any point in time or modify the dividend for specific quarters following prevailing conditions. We declared our first quarterly dividend in November 2014 and paid it on December 15, 2014.

On May 8, 2015, our board of directors approved a quarterly dividend corresponding to the first quarter of 2015 amounting to $0.34 per share. The dividend was paid on June 15, 2015 to shareholders of record as of May 29, 2015. On July 29, 2015, our board of directors approved a quarterly dividend corresponding to the second quarter of 2015 amounting to $0.40 per share. The dividend was paid September 15, 2015 to shareholders of record as of August 30, 2015. On November 5, 2015, our board of directors approved a quarterly dividend corresponding to the third quarter of 2015 amounting to $0.43 per share. The dividend was paid on December 16 2015, to shareholders of record as of November 30, 2015, and from that amount we retained $9 million of the dividend attributable to Abengoa in accordance with the provisions of the parent support agreement. See "Business Overview—Electric Transmission—Exchangeable Preferred Equity Investment in Abengoa Concessoes Brasil Holding." Furthermore, taking into consideration the uncertainties resulting from the situation of our sponsor, the board of directors has decided to postpone the decision on the dividend corresponding to the fourth quarter of 2015 until the second quarter of 2016.

We intend to distribute a very high portion of our cash available for distribution as dividend, after considering the cash available for distribution that we expect our projects will be able to generate, less reserves for the prudent conduct of our business (including for, among other things, dividend shortfalls as a result of fluctuations in our cash flows). We intend to distribute a quarterly dividend to shareholders. Our board of directors may, by resolution, amend the cash dividend policy at any time. We intend to grow our business via improvements in our existing projects, the ramp-up of projects that started operations in 2015 and at the end of 2014 and through the acquisition of operational projects when market conditions are favorable, which, we believe, will facilitate the growth of our cash available for distribution and enable us to increase our dividend per share over time. However, the determination of the amount of cash dividends to be paid to holders of our shares will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that our board of directors deem relevant.

Our cash available for distribution is likely to fluctuate from quarter to quarter, in some cases significantly, as a result of the seasonality of our assets, the terms of our financing arrangements, maintenance and outage schedules, among other factors. Accordingly, during quarters in which our projects generate cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. In quarters in which we do not generate sufficient cash available for distribution to fund our stated quarterly cash dividend, if our board of directors so determines, we may use retained cash flow from other quarters, as well as other sources of cash, such as net cash provided by financing activities, receipts from cash grant proceeds or borrowings under our Credit Facility or future credit facilities, to pay dividends to our shareholders. Our estimation of cash available for distribution does not include non-recurring cash generation events.

Risks Regarding Our Cash Dividend Policy

We do not have a significant operating history as an independent company upon which to rely in evaluating whether we will have sufficient cash available for distribution and other sources of liquidity to allow us to pay dividends on our shares at our initial quarterly dividend level on an annualized basis or at all. There is no guarantee that we will pay quarterly cash dividends to our shareholders. We do not have a legal obligation to pay our initial quarterly dividend or any other dividend. While we currently intend to grow our business and increase our dividend per share over time, our cash dividend policy is subject to all the risks inherent in our business and may be changed at any time as a result of certain restrictions and uncertainties, including the following:

- The amount of our quarterly cash available for distribution could be impacted by restrictions on cash distributions contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and covenants in order to make such cash distributions. Generally these restrictions limit the frequency of permitted cash distributions to semi-annual or annual payments, and prohibit distributions unless specified debt service coverage ratios, historical and/or projected, are met. See the sub-sections entitled "—Project Level Financing" under the individual project descriptions in "Item 4.B—Business Overview—Our Operations." When forecasting cash available for distribution and dividend payments we have aimed to take these restrictions into consideration, but we cannot guarantee future dividends.

- Additionally, we recently incurred indebtedness under the 2019 Notes and entered into the Credit Facility which contain, among other covenants, certain financial incurrence and maintenance covenants, as applicable. See "Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements." In addition, we may incur debt in the future to acquire new projects, the terms of which will likely require commencement of commercial operations prior to our ability to receive cash distributions from such acquired projects. These agreements likely will contain financial tests and covenants that our subsidiaries must satisfy prior to making distributions. Should we or any of our project-level subsidiaries be unable to satisfy these covenants or if any of us are otherwise in default under such facilities, we may be unable to receive sufficient cash distributions to pay our stated quarterly cash dividends notwithstanding our stated cash dividend policy. See the "Project Level Financing" descriptions contained in "Item 4.B—Business—Our Operations" for a description of such restrictions.

- We and our board of directors have the authority to establish cash reserves for the prudent conduct of our business and for future cash dividends to our shareholders, and the establishment of or increase in those reserves could result in a reduction in cash dividends from levels we currently anticipate pursuant to our stated cash dividend policy. These reserves may account for the fact that our project-level cash flows may vary from year to year based on, among other things, changes in prices under offtake agreements, operational costs and other project contracts, compliance with the terms of project debt including debt repayment schedules, the transition to market or recontracted pricing following the expiration of offtake agreements, working capital requirements and the operating performance of the assets. Our board of directors may increase reserves to account for the seasonality that has historically existed in our assets' cash flows and the variances in the pattern and frequency of distributions to us from our assets during the year. Furthermore, our board of directors may increase reserves in light of the uncertainty associated with Abengoa's financial condition to account for potential costs that we may incur or limitations that may be imposed upon us as a result of cross-defaults under our project financing arrangements associated with Abengoa.

- We may lack sufficient cash to pay dividends to our shareholders due to cash flow shortfalls attributable to a number of operational, commercial or other factors, including low availability, unexpected operating interruptions, legal liabilities, costs associated with governmental regulation, changes in governmental subsidies, changes in regulation, as well as increases in our operating and/or general and administrative expenses, including existing contracts with Abengoa and its subsidiaries, principal and interest payments on our and our subsidiaries' outstanding debt, income tax expenses, working capital requirements or anticipated cash needs at our project-level subsidiaries. See "Item 3.D—Risk Factors" for more information on the risks to which our business is subject.

- We may pay cash to our shareholders via capital reduction in lieu of dividends in some years.

- Our project companies' cash distributions to us (in the form of dividends or other forms of cash distributions such as shareholder loan repayments) and, as a result, our ability to pay or grow our dividends are dependent upon the performance of our subsidiaries and their ability to distribute cash to us. The ability of our project-level subsidiaries to make cash distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable corporation laws and other laws and regulations.

- Our board of directors may, by resolution, amend the cash dividend policy at any time. Our board of directors may elect to change the amount of dividends, suspend any dividend or decide to pay no dividends even if there is ample cash available for distribution.

Our Ability to Grow our Business and Dividend

We intend to grow our business primarily through the improvement of existing assets and the acquisition of contracted power generation assets, electric transmission lines and other infrastructure assets, which, we believe will facilitate the growth of our cash available for distribution and enable us to increase our dividend per share over time. Our approved policy is to distribute a very high portion of our cash available for distribution as a dividend. However, the final determination of the amount of cash dividends to be paid to our shareholders will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that our board of directors deems relevant.

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. If external financing is not available to us on acceptable terms, our board of directors may decide to finance acquisitions with cash from operations, which would reduce or even eliminate our cash available for distribution and, in turn, impair our ability to pay dividends to our shareholders. To the extent we issue additional shares to fund growth capital expenditures, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense, which in turn may impact our cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

B. Significant Changes

There have been no significant changes since the date of the Annual Consolidated Financial Statements included in this annual report.

ITEM 9. THE OFFER AND LISTING.

A. Offering and Listing Details.

Our ordinary shares trade on the NASDAQ Global Select Market under the symbol "ABY." The following table sets forth, for the periods indicated, the high and low intraday sales price per ordinary share as reported by the NASDAQ Global Select Market since the date of our IPO.

	Price per Share	
	High	Low
	(Amounts in U.S. dollars)	
Most recent six months:		
February 2016 (through February 26, 2016)	17.37	13.11
January 2016	18.62	16.62
December 2015	19.29	14.15
November 2015	21.06	14.48
October 2015	21.10	16.55
September 2015	22.54	16.40
Year ended December 31, 2015:		
Fourth quarter	21.10	14.15
Third quarter	32.30	16.40
Second quarter	38.80	31.32
First quarter	35.00	26.57
Year ended December 31, 2014:		
Fourth quarter	35.76	21.00
Third quarter	40.98	33.87
Second quarter (from June 12, 2014)(1)	40.61	35.00

Note:—

(1) Our ordinary shares were admitted to trading on the NASDAQ Global Select Market following the consummation of our IPO on June 12, 2014. There was no public market for our ordinary shares before our IPO.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares are traded on the NASDAQ Global Select Market under the symbol “ABY.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION.

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information called for by this item has been reported previously in our Registration Statement on Form F-3 (File No. 333-205433), filed with the SEC on July 2, 2015, as amended, under the heading “Description of Share Capital” and is incorporated by reference into this annual report.

C. Material Contracts

See “Item 4.B—Business Overview,” “Item 5.B—Liquidity—Liquidity and Capital Resources—Financing Arrangements” and “Item 7.B—Related Party Transactions.”

D. Exchange Controls

See “Item 5.A—Operating Results—Factors Affecting Our Results of Operations—Regulation.”

E. Taxation

The following is a discussion of the material UK and U.S. federal income tax consequences of acquiring, owning and disposing of shares in Abengoa Yield to the persons addressed therein. Insofar as it expresses legal conclusions with respect to matters of UK tax law and U.S. federal income tax law, it is the opinion of Linklaters LLP.

Material UK Tax Considerations

The following is a general summary of material UK tax considerations relating to the ownership and disposal of Abengoa Yield shares. The comments set out below are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) as at the date of this summary, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply to you only if you are a “U.S. Holder” (as defined in the section below entitled “Material U.S. Federal Income Tax Considerations” and if:

- you hold Abengoa Yield shares as an investment for tax purposes, as capital assets and you are the absolute beneficial owner thereof for UK tax purposes;
- you are an individual, you are not resident in the United Kingdom for UK tax purposes and do not hold Abengoa Yield shares for the purposes of a trade, profession, or vocation that you carry on in the United Kingdom through a branch or agency, or if you are a corporation, you are not resident in the UK for UK tax purposes and do not hold the securities for the purpose of a trade carried on in the United Kingdom through a permanent establishment in the United Kingdom; and
- you are not domiciled in the UK for UK inheritance tax purposes.

This summary does not address all possible tax consequences relating to an investment in the shares. Certain categories of shareholders, including those falling outside the category described above, those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with us and those for whom the shares are employment-related securities may be subject to special rules and this summary does not apply to such shareholders and any general statements made in this disclosure do not take them into account.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under UK tax law.

UK Taxation of Dividends

We will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend in respect of our shares to a U.S. Holder.

U.S. Holders who hold their shares as an investment and not in connection with any trade carried on by them will not be subject to United Kingdom tax in respect of any dividends.

UK Taxation of Capital Gains

An individual holder who is a U.S. Holder will not be liable to UK capital gains tax on capital gains realized on the disposal of his or her Abengoa Yield shares unless such holder carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency in the United Kingdom to which the shares are attributable.

A corporate holder of shares that is a U.S. Holder will not be liable for UK corporation tax on chargeable gains realized on the disposal of its Abengoa Yield shares unless it carries on a trade in the United Kingdom through a permanent establishment to which the shares are attributable.

An individual holder of shares who is temporarily a non-UK resident for UK tax purposes will, in certain circumstances, become liable to UK tax on capital gains in respect of gains realized while he or she was not resident in the UK

UK Inheritance Tax

Abengoa Yield shares which are registered on the main Abengoa Yield share register are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in Abengoa Yield bringing them within the charge to inheritance tax.

However, Abengoa Yield shares held by an individual whose domicile is determined to be the United States for the purposes of the United States-United Kingdom Double Taxation Convention relating to estate and gift taxes (the "U.S.-UK Estate Tax Treaty") and who is not for such purposes a national of the UK will not, provided any U.S. federal estate or gift tax chargeable has been paid, be subject to UK inheritance tax on the individual's death or on a lifetime transfer of the Abengoa Yield shares except in certain cases where the Abengoa Yield shares (i) are comprised in a settlement (unless, at the time of the settlement, the settlor was domiciled in the United States and was not a national of the UK), (ii) are part of the business property of a UK permanent establishment or an enterprise, or (iii) pertain to a UK fixed base of an individual used for the performance of independent personal services. In such cases, the U.S.-UK Estate Tax Treaty generally provides a credit against U.S. federal tax liability for the amount of any tax paid in the UK in a case where the Abengoa Yield shares are subject both to UK inheritance tax and to U.S. federal estate or gift tax.

Stamp Duty and Stamp Duty Reserve Tax

The stamp duty and stamp duty reserve tax, or SDRT, treatment of the issue and transfer of, and the agreement to transfer, Abengoa Yield shares outside a depositary receipt system or a clearance service are discussed in the paragraphs under 'General' below. The stamp duty and SDRT treatment of such transactions in relation to such systems are discussed in the paragraphs under "Depositary Receipt Systems and Clearance Services" below.

General

An agreement to transfer Abengoa Yield shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Abengoa Yield shares will generally be subject to stamp duty at the rate of 0.5% of the consideration given for the transfer (rounded up to the next £5). The purchaser normally pays the stamp duty.

If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Depositary Receipt Systems and Clearance Services

Following the ECJ decision in C-569/07 HSBC Holdings Plc, Vidacos Nominees Limited v The Commissioners of Her Majesty's Revenue & Customs and the First-tier Tax Tribunal decision in HSBC Holdings Plc and The Bank of New York Mellon Corporation v The Commissioners of Her Majesty's Revenue & Customs, HM Revenue & Customs has confirmed that 1.5% SDRT is no longer payable when new shares are issued to a clearance service or depositary receipt system.

Where Abengoa Yield shares are transferred (i) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the shares.

There is an exception from the 1.5% charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HM Revenue & Customs. In these circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer of our shares into such an account and on subsequent agreements to transfer such shares within such account. It is our understanding that DTC has not made an election under section 97A(1) of the Finance Act of 1986.

Any liability for stamp duty or SDRT in respect of any other transfer into a clearance service or depositary receipt system, or in respect of a transfer within any clearance service or depositary receipt system, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

Material U.S. Federal Income Tax Considerations

The following is a summary of material U.S. federal income tax consequences of the acquisition, ownership and disposition of shares by U.S. Holders (as defined below). This summary is based upon U.S. federal income tax laws (including the IRC, final, temporary and proposed Treasury regulations, rulings, judicial decisions and administrative pronouncements) all as of the date hereof and all of which are subject to changes in wording or administrative or judicial interpretation occurring after the date hereof, possibly with retroactive effect.

As used herein, the term “U.S. Holder” means a beneficial owner of shares:

(a) that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes;

(b) that holds the shares as capital assets for U.S. federal income tax purposes; and

(c) that owns, directly, indirectly or by attribution, less than 5% of the voting stock of Abengoa Yield.

This summary does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of shares by particular investors, and does not address state, local, foreign or other tax laws. This summary does not address all of the U.S. federal income tax considerations that may apply to U.S. Holders that are subject to special tax rules, such as U.S. citizens or lawful permanent residents of the United States living abroad, insurance companies, tax-exempt organizations, certain financial institutions, persons subject to the alternative minimum tax or the net investment income tax, dealers and certain traders in securities or currencies, persons holding shares as part of a straddle, hedging, conversion or other integrated transaction, partners in entities classified as partnerships for U.S. federal income tax purposes, persons holding shares through an individual retirement account or other tax-deferred account, persons whose functional currency is not the U.S. dollar or persons that carry on a trade, business or vocation in the United Kingdom through a branch, agency or permanent establishment to which the shares are attributable. Such U.S. holders may be subject to U.S. federal income tax consequences different from those set forth below.

If an entity classified as a partnership for U.S. federal income tax purposes holds shares, the U.S. federal income tax treatment of a partner in such an entity generally will depend upon the status of the partner and the activities of the partnership. An entity treated as a partnership for U.S. federal income tax purposes that holds shares and its partners are urged to consult their own tax advisors regarding the specific U.S. federal income tax consequences to the partnership and its partners of acquiring, owning and disposing of the shares.

This discussion assumes that Abengoa Yield is not, has not been during the prior taxable year, and will not become a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, as discussed below under "—Passive foreign investment company rules."

Potential investors in shares should consult their own tax advisors concerning the specific U.S. federal, state and local tax consequences of the ownership and disposition of shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Taxation of distributions on the shares

Distributions received by a U.S. Holder on shares generally will constitute dividends to the extent paid out of Abengoa Yield's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Abengoa Yield intends to annually calculate its earnings and profits in accordance with U.S. federal income tax principles. If distributions exceed Abengoa Yield's current and accumulated earnings and profits, such excess distributions will constitute a non-taxable return of capital to the extent of the U.S. Holder's tax basis in its shares and will result in a reduction of such tax basis. To the extent such excess exceeds a U.S. Holder's tax basis in the shares, such excess will generally be taxed as capital gain.

Subject to certain exceptions for short-term and hedged positions, dividends received by certain non-corporate U.S. Holders of shares generally will be subject to U.S. federal income taxation at rates lower than those applicable to other ordinary income if the dividends are "qualified dividend income." Distributions received by a U.S. Holder on shares will be qualified dividend income if: (i) shares are readily tradable on an established securities market in the United States (such as NASDAQ Global Select Market, where our shares are listed) and (ii) Abengoa Yield was not, for the year prior to the year in which the dividends are paid, and is not, for the year in which the dividends are paid, a PFIC. As discussed below under "—Passive foreign investment company rules," although there can be no assurance that Abengoa Yield will not be considered a PFIC for any taxable year, Abengoa Yield does not believe that it was a PFIC for its 2015 taxable year and does not expect to be a PFIC for its current taxable year or in the foreseeable future. Non-corporate U.S. Holders should consult their own tax advisors to determine whether they are subject to any special rules that limit their ability to be taxed at these favorable rates. Corporate U.S. Holders will not be entitled to claim the dividends-received deduction with respect to dividends paid by Abengoa Yield. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend.

Taxation upon sale or other disposition of shares

A U.S. Holder generally will recognize U.S. source capital gain or loss on the sale or other disposition of shares, which will generally be long-term capital gain or loss if the U.S. Holder has owned shares for more than one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between such U.S. Holder's adjusted tax basis in the shares sold or otherwise disposed of and the amount realized on the sale or other disposition. Net long-term capital gain recognized by certain non-corporate U.S. Holders will be taxed at a lower rate than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Passive foreign investment company rules

If Abengoa Yield were a PFIC for any taxable year during which a U.S. Holder held shares, certain adverse U.S. federal income tax consequences may apply to the U.S. Holder. Abengoa Yield does not believe that it was a PFIC for its 2015 taxable year and does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, PFIC status depends on the composition of a company's income and assets and the fair market value of its assets (including, among others, less than 25% owned equity investments) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Abengoa Yield will not be considered a PFIC for any taxable year.

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For purposes of the PFIC rules, "passive income" includes, among other things, certain foreign currency gains, certain rents and the excess of gains over losses from certain commodities transactions. Gains from commodities transactions, however, are generally excluded from the definition of passive income if such gains are active business gains from the sale of commodities and the foreign corporation's commodities meet specified criteria. The law is unclear as to what constitutes "active business gains" and there are also other uncertainties regarding the criteria that commodities must meet. Accordingly, there can be no assurance that Abengoa Yield is not, was not for its 2015 taxable year, or will not become a PFIC or that changes in the management or ownership structure of Abengoa Yield or its assets, including as a result of any acquisitions pursuant to the ROFO Agreement and the Call Option Agreement, will not impact the determination of Abengoa Yield's PFIC status.

If Abengoa Yield were a PFIC for any taxable year during which a U.S. Holder held shares, gain recognized by a U.S. Holder on a sale or other disposition of the shares would generally be allocated ratably over the U.S. Holder's holding period for the shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before Abengoa Yield became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to U.S. federal income tax at the highest rate in effect in that year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting U.S. federal income tax liability. The same treatment would generally apply to any distribution in respect of shares to the extent the distribution exceeds 125% of the average of the annual distributions on shares received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the shares.

In addition, if Abengoa Yield were a PFIC for a taxable year in which it pays a dividend or in the prior taxable year, the favorable dividend rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

U.S. Holders should consult their own tax advisors regarding the PFIC rules.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S. financial intermediaries generally are subject to information reporting and to backup withholding unless the U.S. Holder is a corporation or other exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals may be required to report information relating to their ownership of an interest in certain foreign financial assets, including stock and securities of a non-U.S. person (such as Abengoa Yield), subject to exceptions (including an exception for stock and securities held through a U.S. financial institution). Other U.S. Holders may be subject to similar rules in the future. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to the shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We have filed this annual report on Form 20-F with the SEC under the Securities Exchange Act of 1934, as amended. Statements made in this annual report as to the contents of any document referred to are not necessarily complete. With respect to each such document filed as an exhibit to this annual report, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

We are subject to the informational requirements of the Exchange Act and file reports and other information with the SEC. Reports and other information which we filed with the SEC, including this annual report on Form 20-F, may be inspected and copied at the public reference room of the SEC at 450 Fifth Street N.W. Washington D.C. 20549.

You can also obtain copies of this annual report on Form 20-F by mail from the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549, at prescribed rates. Additionally, copies of this material may be obtained from the SEC's Internet site at http://www.sec.gov. The Commission's telephone number is 1-800-SEC-0330.

I. Subsidiaries Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Quantitative and Qualitative Disclosure about Market Risk

Our activities are undertaken through our segments and are exposed to market risk, credit risk and liquidity risk. Risk is managed by our Risk Management and Finance Department in accordance with mandatory internal management rules. The internal management rules provide written policies for the management of overall risk, as well as for specific areas, such as exchange rate risk, interest rate risk, credit risk, liquidity risk, use of hedging instruments and derivatives and the investment of excess cash.

Market risk

We are exposed to market risk, such as movement in foreign exchange rates and interest rates. All of these market risks arise in the normal course of business and we do not carry out speculative operations. For the purpose of managing these risks, we use a series of swaps and options on interest rates. None of the derivative contracts signed has an unlimited lose exposure.

Foreign exchange rate risk

The main cash flows from our subsidiaries are cash collections arising from long-term contracts with clients and debt payments arising from project finance repayment. Given that financing of the projects is always denominated in the same currency in which the contract with the client is signed, a natural hedge exists for our main operations.

On May 12, 2015, we entered into a Currency Swap Agreement with Abengoa which provides for a fixed exchange rate for the cash available for distribution from Spanish assets. The distributions from the Spanish assets are paid in euros and the Currency Swap Agreement provides for a fixed exchange rate at which euros will be converted into U.S. dollars. Any amounts to be paid to us by Abengoa as a result of the Currency Swap Agreement are based on an amount in relation to the dividends received by Abengoa as a shareholder of us. The Currency Swap Agreement has a five-year term.

In the event that the exchange rate of the euro rises by 10% against the U.S. Dollar as of December 31, 2015, with the rest of the variables remaining constant, the cash received from these assets would not be affected.

Interest rate risk

Interest rate risks arise mainly from our financial liabilities at variable interest rate (less than 10% of our total project debt financing). We use interest rate swaps and interest rate options (caps) to mitigate interest rate risk.

As a result, the notional amounts hedged as of December 31, 2015, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

- project debt in U.S. dollars: between 75% and 100% of the notional amount, maturities until 2043 and average guaranteed interest rates of between 2.52% and 6.88%.
- project debt in euros: between 75% and 100% of the notional amount, maturities until 2030 and average guaranteed interest rates of between 3.20% and 4.87%.

In connection with our interest rate derivative positions, the most significant impact on our consolidated financial statements are derived from the changes in EURIBOR or LIBOR, which represents the reference interest rate for the majority of our debt.

In relation to our interest rate swaps positions, an increase in EURIBOR or LIBOR above the contracted fixed interest rate would create an increase in our financial expense which would be positively mitigated by our hedges, reducing our financial expense to our contracted fixed interest rate. However, an increase in EURIBOR or LIBOR that does not exceed the contracted fixed interest rate would not be offset by our derivative position and would result in a net financial loss recognized in our consolidated income statement. Conversely, a decrease in EURIBOR or LIBOR below the contracted fixed interest rate would result in lower interest expense on our variable rate debt, which would be offset by a negative impact from the mark-to-market of our hedges, increasing our financial expense up to our contracted fixed interest rate, thus likely resulting in a neutral effect.

In relation to our interest rate options positions, an increase in EURIBOR or LIBOR above the strike price would result in higher interest expenses, which would be positively mitigated by our hedges, reducing our financial expense to our capped interest rate, whereas a decrease of EURIBOR or LIBOR below the strike price would result in lower interest expenses.

In addition to the above, our results of operations can be affected by changes in interest rates with respect to the unhedged portion of our indebtedness that bears interest at floating rates.

In the event that EURIBOR and LIBOR had risen by 25 basis points as of December 31, 2014, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $1,795,000 (a loss of $271,000 in 2014 and a loss of $195,000 in 2013) and an increase in hedging reserves of $41.7 million ($24.2 million in 2014 and $16.3 million in 2013). The increase in hedging reserves would be mainly due to an increase in the fair value of interest rate swaps designated as hedges.

Credit risk

We consider that we have limited credit risk with clients as revenues are derived from PPAs and other revenue contracted agreements with electric utilities and state-owned entities.

The following table shows the maturity detail of trade receivables as of December 31, 2015, 2014 and 2013:

	Balance as of December 31,		
	2015	**2014**	**2013**
		($ in millions)	
Maturity			
Up to 3 months	$ 126.8	$ 78.5	$ 26.6
Between 3 and 6 months	—	—	—
Total	**$ 126.8**	**$ 78.5**	**$ 26.6**

Liquidity risk

The objective of our financing and liquidity policy is to ensure that we maintain sufficient funds to meet our financial obligations as they fall due.

Project finance borrowing permits us to finance projects through project debt and thereby insulate the rest of our assets from such credit exposure. We incur project finance debt on a project-by-project basis.

The repayment profile of each project is established on the basis of the projected cash flow generation of the business. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates the liquidity risk significantly.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES.

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES.

None of these events occurred in any of the years ended December 31, 2015, 2014 and 2013:

(1) a material default in the payment of principal, interest, a sinking or purchase fund installment, or

(2) any other material default not cured within 30 days, relating to indebtedness of you or any of your significant subsidiaries, and if the amount of the indebtedness exceeds 5% of your total assets on a consolidated basis, identify the indebtedness and state the nature of the default. If the default falls under paragraph A.1 above, state the amount of the default and the total arrearage on the date you file this report.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS.

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15 (e) under the Exchange Act) as of December 31, 2015. There are inherent limitations to the effectiveness of any control system, including disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives.

Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded, that our disclosure controls and procedures are effective in providing reasonable assurance that information relating to the Company, including its consolidated subsidiaries, required to be disclosed in reports that it files under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to the management, including principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

The management is responsible for establishing and maintaining effective internal control over financial reporting. This system is designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). Based on this assessment, management concluded that, as of December 31, 2015, its internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2015 has been audited by Deloitte S.L., an independent registered public accounting firm, as stated in their report which follows below.

Attestation report of the Independent Registered Public Accounting Firm

The report of Deloitte, S.L., our Independent Registered Public Accounting Firm, on our internal control over financial reporting is included herein at page F-2 of our Consolidated Financial Statements.

Changes in internal controls over financial reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT.

See "Item 6.C—Board Practices—Audit Committee." Our board of directors has determined that Mr. Daniel Villalba qualifies as an "audit committee financial expert" under applicable SEC rules.

ITEM 16B. CODE OF ETHICS.

Our Board of Directors has adopted a code of conduct for our employees, officers and directors to govern their relations with current and potential customers, fellow employees, competitors, government and self-regulatory agencies, the media, and anyone else with whom the Company has contact. Our code of conduct is publicly available on our website at www.atlanticayield.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table provides information on the aggregate fees billed by our principal accountants, Deloitte, S.L. and Deloitte LLP, or by other firms to Abengoa Yield, classified by type of service rendered in 2015:

	Deloitte	Other Auditors	Total
		($ in thousands)	
Audit Fees	1,279	23	1,302
Audit-Related Fees	619	—	619
Tax Fees	—	1,269	1,269
All Other Fees	78	314	392
Total	**1,976**	**1,606**	**3,582**

The following table provides information on the aggregate fees billed by our principal accountants, Deloitte, S.L., or by other firms to Abengoa Yield, classified by type of service rendered in 2014, since our inception:

	Deloitte	Other Auditors	Total
		($ in thousands)	
Audit Fees	1,228	—	1,228
Audit-Related Fees	53	—	53
Tax Fees	63	400	463
All Other Fees	176	191	367
Total	**1,520**	**591**	**2,111**

Audit Fees are the aggregate fees billed for professional services in connection with the audit of our Annual Consolidated Financial Statements, quarterly reviews of our interim financial statements and statutory audits of our subsidiaries' financial statements under the rules of England and Wales and the countries in which our subsidiaries are organized. Also included are services that can only be provided by our auditor, such as audits of non-recurring transactions, consents, comfort letters, attestation services and any audit services required for SEC or other regulatory filings.

Audit-Related Fees are fees charged for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, and are not restricted to those that can only be provided by the auditor signing the audit report. This category comprises fees billed advisory services associated with our financial reporting process and assistance with training of personnel in financial related subjects.

The Audit Committee approved all of the services provided by Deloitte, S.L. and by other member firms of Deloitte.

Tax Fees are fees billed for tax compliance, tax review and tax advice on actual or contemplated transactions.

All Other Fees comprises fees billed in relation to financial advisory services, internal control advisory, issuance of comfort letters in connection with capital markets transactions and other services which cannot be comprised under other categories.

Audit Committee's Policy on Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Auditor

Subject to the approval of the independent auditor by our shareholders, the Audit Committee has the sole authority to appoint, retain or replace the independent auditor. The Audit Committee is also directly responsible for the compensation and oversight of the work of the independent auditor. These policies generally provide that we will not engage our independent auditors to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee. The Audit Committee's pre-approval policy, which covers audit and non-audit services provided to us or to any of our subsidiaries, is as follows:

- The Audit Committee shall review and approve in advance the annual plan and scope of work of the independent external auditor, including staffing of the audit, and shall (i) review with the independent external auditor any audit-related concerns and management's response and (ii) confirm that any examination is performed in accordance with the relevant accounting standards;

- The Audit Committee shall pre-approve all audit services and all permitted non-audit services (including the fees and terms thereof) to be performed for us by the independent auditors, to the extent required by law. The Audit Committee may delegate to one or more Committee members the authority to grant pre-approvals for audit and permitted non-audit services to be performed for us by the independent auditor, provided that decisions of such members to grant pre-approvals shall be presented to the full Audit Committee at its next regularly scheduled meeting;

- The list of audit services and all permitted non-audit services (including the fees and terms thereof) to be performed for us by the independent auditors pre-approved by the Audit Committee, considering that these services clearly allowed from the point of independence is the following:

  - Audit services, including audit of financial statements, limited reviews, comfort letters, other verification works requested by regulator or supervisors;

  - Audit-related services, including due diligence services, verification of corporate social responsibility report, accounting or internal control advisory and preparation courses on these topics;

  - Tax services;

  - Other specific services, such as evaluation of the design, implementation and operation of a financial information system or control over financial reporting; and

  - Courses or seminars.

Only for information purpose, all audit and non-audit services will be reported to the Audit Committee on a quarterly basis;

Any other service shall be pre-approved by the Audit Committee. However, when for reasons of urgency, it is necessary to start the provision of services prior to the next meeting of the Audit Committee, the Chairman of the Committee is authorized to provide such approval which shall be shall be communicated to the Audit Committee subsequently.

In accordance with the above pre-approval policy, all audit and permitted non-audit services performed for us by our principal accountants, or any of its affiliates, were approved by the Audit Committee of our board of directors, who concluded that the provision of such services by the independent accountants was compatible with the maintenance of that firm's independence in the conduct of its auditing functions: an auditor may not function in the role of management; an auditor may not audit his or her own work; and an auditor may not serve in an advocacy role for his or her client.

The Audit Committee approved 100% of the services provided by Deloitte, S.L., including audit services, audit-related services, and all Other Fees for the year 2015.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES.

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE.

Under the U.S. federal securities laws and the NASDAQ rules we are a "foreign private issuer." The foreign private issuer exemption will permit us to follow home country corporate governance practices instead of certain of NASDAQ's requirements. A foreign private issuer that elects to follow a home country practice instead of NASDAQ's requirements must submit to NASDAQ a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. Specifically, as a foreign private issuer, we are not required to have: (i) a majority of independent directors, (ii) a nominating/corporate governance committee composed entirely of independent directors, (iii) a compensation committee composed entirely of independent directors or (iv) an annual performance evaluation of the nominating/corporate governance and compensation committees. Therefore, as a foreign private issuer, we will not be required to have a majority of independent directors, our Appointments and Remuneration Committee will not need to consist entirely of independent directors and such committees will not be required to be subject to annual performance evaluations; accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the applicable NASDAQ rules. Additionally, the foreign private issuer exemption exempts us from the requirement of having regularly scheduled meetings at which only independent directors are present.

These exemptions do not modify the independence requirements for the audit committee, and we currently comply with the requirements of the Sarbanes-Oxley Act and the NASDAQ rules.

ITEM 16H. MINE SAFETY DISCLOSURE.

Not applicable.

PART III.

ITEM 17. FINANCIAL STATEMENTS.

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS.

Our Annual Consolidated Financial Statements are included at the end of this annual report.

ITEM 19. EXHIBITS.

The following exhibits are filed as part of this annual report:

Exhibit No.	Description
1.1	Articles of Association of Abengoa Yield plc (incorporated by reference to Exhibit 3.1 to Abengoa Yield plc's Registration Statement on Form F-3 filed with the SEC on July 2, 2015 – SEC File No. 333-205433).
4.1	Amended and Restated Right of First Offer Agreement by and between Abengoa Yield plc and Abengoa, S.A., dated December 9, 2014 (incorporated by reference to Exhibit 10.1 to Abengoa Yield plc's Registration Statement on Form F-1 filed with the SEC on December 11, 2014 – SEC File No. 333-200848).
4.2	Executive Services Agreement by and between Abengoa Yield plc and Abengoa Concessions, S.L. (incorporated by reference to Exhibit 10.2 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).
4.3	Support Services Agreement by and between Abengoa Yield plc and Abengoa Concessions, S.L. (incorporated by reference to Exhibit 10.3 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).
4.4	Financial Support Agreement by and between Abengoa Yield plc and Abengoa, S.A. (incorporated by reference to Exhibit 10.4 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).
4.5	Trademark License Agreement by and between Abengoa Yield plc and Abengoa, S.A. (incorporated by reference to Exhibit 10.5 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).
4.6	Amended Deed between Abengoa Yield plc and Abengoa Concessions Investments Limited.
4.7	Amended and Restated Shareholders Agreement by and among Abengoa Construcao Brasil Ltd., Sociedad Inversora Lineas de Brasil S.L., Abengoa Concessions, S.L. and Abengoa Concessao Brasil Holding, S.A.
4.8	Operation and Maintenance Agreement between Abengoa Solar Espana, S.A. and Solaben Electricidad Dos, S.A., dated December 10, 2012 (incorporated by reference to Exhibit 10.8 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).
4.9	Operation and Maintenance Agreement between Abengoa Solar Espana, S.A. and Solaben Electricidad Tres, S.A., dated December 10, 2012 (incorporated by reference to Exhibit 10.9 to Abengoa Yield plc's draft registration statement on Form F-1 submitted to the SEC on February 28, 2014 – SEC File No. 377-00503).

Exhibit No.	Description
4.10	Indenture dated November 17, 2014, by and among Abengoa Yield plc, as issuer, Abengoa Concessions Peru, S.A., Abengoa Solar US Holdings Inc. and Abengoa Solar Holdings USA Inc., as guarantors, The Bank of New York Mellon, as trustee, registrar, paying agent and transfer agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent and Luxembourg transfer agent, relating to the issuance and sale by Abengoa Yield plc of $255,000,000 aggregate principal amount of 7.000% Senior Notes due 2019 (incorporated by reference to Exhibit 10.10 to Abengoa Yield plc's Registration Statement on Form F-1 filed with the SEC on December 11, 2014 – SEC File No. 333-200848).
4.11	Form of Global Notes relating to the issuance and sale by Abengoa Yield plc of $255,000,000 aggregate principal amount of 7.000% Senior Notes due 2019 (incorporated by reference to Exhibit 10.11 to Abengoa Yield plc's Registration Statement on Form F-1 filed with the SEC on December 11, 2014 – SEC File No. 333-200848).
4.12	Call Option Agreement by and between Abengoa Yield plc and Abengoa, S.A., dated December 9, 2014 (incorporated by reference to Exhibit 10.12 to Abengoa Yield plc's Registration Statement on Form F-1 filed with the SEC on December 11, 2014 – SEC File No. 333-200848).
4.13	The Amended and Restated Credit and Guaranty agreement, dated June 26, 2015, among Abengoa Yield plc, the guarantors from time to time party thereto, HSBC Bank plc, HSBC Corporate Trust Company (UK) Limited, Bank of America, N.A., Banco Santander, S.A., Citigroup Global Markets Limited, RBC Capital Markets, Barclays Bank plc and UBS AG, London Branch.
8.1	Subsidiaries of Abengoa Yield plc.
12.1	Certification of Santiago Seage, Managing Director of Abengoa Yield plc, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of Francisco Martinez-Davis, Chief Financial Officer of Abengoa Yield plc, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1	Consent of Deloitte, S.L.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: March 1, 2016

ABENGOA YIELD PLC

By: /s/ Santiago Seage
Name: Santiago Seage
Title: Managing Director

ABENGOA YIELD PLC

By: /s/ Francisco Martinez-Davis
Name: Francisco Martinez-Davis
Title: Chief Financial Officer

ABENGOA YIELD PLC
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Abengoa Yield plc:

We have audited the accompanying consolidated statements of financial position of Abengoa Yield plc and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated income statements, the consolidated financial statements of comprehensive income (loss), the consolidated statements of changes in equity and the consolidated cash flow statements for each of the three years in the period ended December 31, 2015. These consolidated financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Abengoa Yield plc and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS-IASB").

We draw your attention to Note 1 to the consolidated financial statements where the Directors describe some uncertainties regarding the current situation of its main shareholder, Abengoa, S.A., and their potential effects, if any, over the accompanying consolidated financial statements as of December 31, 2015 of the Company. Management's plans to address those uncertainties are also described in Note 1.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the Company's internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2016 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte, S.L.
Seville, Spain

March 1, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Abengoa Yield plc:

We have audited the internal control over financial reporting of Abengoa Yield plc and subsidiaries (the "Company") as of December 31, 2015, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the consolidated financial statements as of and for the year ended December 31, 2015 of the Company and our report dated March 1, 2016, expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph referring to Note 1 to the consolidated financial statements where the Directors describe some uncertainties regarding the current situation of its main shareholder, Abengoa, S.A., and their potential effects, if any, over the accompanying consolidated financial statements as of December 31, 2015 of the Company and the Management's plans to address those uncertainties.

/s/ Deloitte, S.L.
Seville, Spain

March 1, 2016

Consolidated statements of financial position as of December 31, 2015 and 2014

Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2015	As of December 31, 2014
Assets			
Non-current assets			
Contracted concessional assets	6	9,300,897	6,725,178
Investments carried under the equity method	7	56,181	5,711
Other receivables accounts	8	89,050	368,964
Derivative assets	8&9	4,741	4,597
Financial investments	8	93,791	373,561
Deferred tax assets	18	191,314	124,210
Total non-current assets		**9,642,183**	**7,228,660**
Current assets			
Inventories		14,913	22,068
Trade receivables	11	126,844	78,521
Credits and other receivables	11	70,464	51,175
Clients and other receivables	8&11	197,308	129,696
Financial investments	8	221,358	229,417
Cash and cash equivalents	8&12	514,712	354,154
Total current assets		**948,291**	**735,335**
Total assets		**10,590,474**	**7,963,995**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated statements of financial position as of December 31, 2015 and 2014

Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2015	As of December 31, 2014
Equity and liabilities			
Equity attributable to the Company			
Share capital	13	10,022	8,000
Parent company reserves	13	2,313,855	1,790,135
Other reserves		24,831	(15,539)
Accumulated currency translation differences		(109,582)	(28,963)
Retained earnings	13	(356,524)	(2,031)
Non-controlling interest	13	140,899	88,029
Total equity		**2,023,501**	**1,839,631**
Non-current liabilities			
Long-term corporate debt	14	661,341	376,160
Borrowings		2,763,814	2,970,984
Notes and bonds		810,650	520,893
Long-term project debt	15	3,574,464	3,491,877
Grants and other liabilities	16	1,646,748	1,367,601
Related parties	10	126,860	77,961
Derivative liabilities	9	385,095	168,931
Deferred tax liabilities	18	79,654	60,818
Total non-current liabilities		**6,474,162**	**5,543,348**
Current liabilities			
Short-term corporate debt	14	3,153	2,255
Borrowings		1,870,691	323,250
Notes and bonds		25,514	7,939
Short-term project debt	15	1,896,205	331,189
Trade payables and other current liabilities	17	178,217	231,132
Income and other tax payables		15,236	16,440
Total current liabilities		**2,092,811**	**581,016**
Total equity and liabilities		**10,590,474**	**7,963,995**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated income statements for the years ended December 31, 2015, 2014 and 2013

Amounts in thousands of U.S. dollars

	Note (1)	For the twelve-month period ended December 31,		
		2015	2014	2013
Revenue	4	790,881	362,693	210,907
Other operating income	20	68,857	79,913	379,644
Raw materials and consumables used		(23,243)	(9,462)	(6,172)
Employee benefit expenses		(5,848)	(1,664)	(2,446)
Depreciation, amortization, and impairment charges	6	(261,301)	(125,480)	(46,943)
Other operating expenses	20	(224,828)	(132,657)	(423,404)
Operating profit		344,518	173,343	111,586
Financial income	21	3,464	4,911	1,153
Financial expense	21	(333,921)	(210,252)	(123,784)
Net exchange differences		3,852	2,054	(895)
Other financial income/(expense), net	21	(200,153)	5,861	(1,693)
Financial expense, net		(526,758)	(197,426)	(125,219)
Share of profit/(loss) of associates carried under the equity method		7,844	(769)	13
Profit/(loss) before income tax		(174,396)	(24,852)	(13,620)
Income tax	18	(23,790)	(4,413)	11,762
Profit/(loss) for the year		(198,186)	(29,265)	(1,858)
Loss/(profit) attributable to non-controlling interests		(10,819)	(2,347)	(1,559)
Profit/(loss) for the year attributable to the Company		(209,005)	(31,612)	(3,417)
Less: Predecessor Loss prior to Initial Public Offering on June 13, 2014		-	(28,233)	
Net profit/(loss) attributable to Abengoa Yield Plc. Subsequent to Initial Public Offering	22	-	(3,379)	
Weighted average number of ordinary shares outstanding (thousands)	22	92,795	80,000	
Basis earnings per share (U.S. dollar per share)(*)	22	(2.25)	(0.04)	

(*) Earnings per share has been calculated for the period subsequent to the initial public offering, considering Net profit/(loss) attributable to equity holders of Abengoa Yield plc. generated after the initial public offering divided by the number of shares outstanding.

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

The consolidated income statements include the following income / (expense) items arising from transactions with related parties:

	For the twelve-month period ended December 31,		
	2015	2014	2013
Sales	44,260	25,673	11,925
Construction costs	-	(38,565)	(364,715)
Services rendered	523	2,343	2,804
Services received	(106,737)	(41,961)	(27,072)
Financial income	1,466	4,415	468
Financial expenses	(1,968)	(9,544)	(11,209)

Consolidated financial statements of comprehensive income for the years ended December 31, 2015, 2014 and 2013

Amounts in thousands of U.S. dollars

		For the twelve months ended December 31,		
	Note (1)	2015	2014	2013
Profit/(loss) for the year		(198,186)	(29,265)	(1,858)
Items that may be subject to transfer to income statement				
Change in fair value of cash flow hedges and available for sale financial assets		56	(117,423)	75,907
Currency translation differences		(91,405)	(51,226)	8,941
Tax effect		1,950	33,473	(22,494)
Net income/(expenses) recognized directly in equity		(89,399)	(135,176)	62,354
Cash flow hedges		55,841	29,859	27,513
Tax effect		(13,960)	(8,958)	(8,254)
Transfers to income statement		41,881	20,901	19,259
Other comprehensive income/(loss)		(47,518)	(114,275)	81,613
Total comprehensive income/(loss) for the year		(245,704)	(143,540)	79,755
Total comprehensive (income)/loss attributable to non-controlling interest		(3,550)	14,813	(9,947)
Total comprehensive income/(loss) attributable to the Company		(249,254)	(128,727)	69,808

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated statements of changes in equity for the years ended December 31, 2015, 2014 and 2013

Amounts in thousands of U.S. dollars

	Share Capital	Parent company reserves	Other reserves	Retained earnings (c)	Accumulated currency translation differences	Total equity attributable to the Company	Non-controlling interest	Total equity
Balance as of January 1, 2013	-	-	(103,547)	1,182,008	2,731	1,081,192	58,617	1,139,809
Profit/(loss) for the year after taxes	**-**	**-**	**-**	**(3,417)**	**-**	**(3,417)**	**1,559**	**(1,858)**
Change in fair value of cash flow hedges	-	-	95,242	-	-	95,242	8,178	103,420
Currency translation differences	-	-	-	-	6,278	6,278	2,663	8,941
Tax effect	-	-	(28,295)	-	-	(28,295)	(2,453)	(30,748)
Other comprehensive income	-	-	66,947	-	6,278	73,225	8,388	81,613
Total comprehensive income	-	-	66,947	(3,417)	6,278	69,808	9,947	79,755
Equity Contributions	-	-	-	66,919	-	66,919	715	67,634
Balance as of December 31, 2013 (a)	**-**	**-**	**(36,600)**	**1,245,510**	**9,009**	**1,217,919**	**69,279**	**1,287,198**
Balance as of January 1, 2014	**-**	**-**	**(36,600)**	**1,245,510**	**9,009**	**1,217,919**	**69,279**	**1,287,198**
Profit/(loss) for the six-month period after taxes	**-**	**-**	**-**	**(28,233)**	**-**	**(28,233)**	**410**	**(27,823)**
Change in fair value of cash flow hedges	-	-	(59,277)	-	-	(59,277)	(4,253)	(63,530)
Currency translation differences	-	-	-	-	(10,660)	(10,660)	(4,347)	(15,007)
Tax effect	-	-	17,325	-	-	17,325	1,276	18,601
Other comprehensive income	-	-	(41,952)	-	(10,660)	(52,612)	(7,324)	(59,936)
Total comprehensive income	-	-	(41,952)	(28,233)	(10,660)	(80,845)	(6,914)	(87,759)
Initial Public Offering and Asset Transfer	8,000	1,813,831	78,552	(1,195,862)	1,651	706,172	-	706,172
Balance as of June 30, 2014 (b)	8,000	1,813,831	-	**21,415**	-	**1,843,246**	**62,365**	**1,905,611**
Profit/(loss) for the six-month period after taxes	**-**	**-**	**-**	**(3,379)**	**-**	**(3,379)**	**1937**	**(1,442)**
Change in fair value of cash flow hedges and available for sale financial assets	-	-	(20,236)	-	-	(20,236)	(3,685)	(23,921)
Currency translation differences	-	-	-	-	(28,963)	(28,963)	(7,256)	(36,219)
Tax effect	-	-	4,697	-	-	4,697	1,105	5,802
Other comprehensive income (d)	-	-	(15,539)	-	(28,963)	(44,502)	(9,836)	(54,338)
Total comprehensive income	-	-	(15,539)	(3,379)	(28,963)	(47,881)	(7,899)	(55,780)
Asset acquisition under the Rofo (e)	**-**	**-**	**-**	**(20,067)**	**-**	**(20,067)**	**33,563**	**13,496**
Dividend distribution	**-**	**(23,696)**	**-**	**-**	**-**	**(23,696)**	**-**	**(23,696)**
Balance as of December 31, 2014 (b)	**8,000**	**1,790,135**	**(15,539)**	**(2,031)**	**(28,963)**	**1,751,602**	**88,029**	**1,839,631**

Balance as of January 1, 2015	8,000	1,790,135	(15,539)	(2,031)	(28,963)	1,751,602	88,029	1,839,631
Profit/(loss) for the year after taxes	-	-	-	(209,005)	-	(209,005)	10,819	(198,186)
Change in fair value of cash flow hedges and available for sale financial assets		-	51,215	-	-	51,215	4,682	55,897
Currency translation differences	-	-	-	-	(80,619)	(80,619)	(10,786)	(91,405)
Tax effect		-	(10,845)	-	-	(10,845)	(1,165)	(12,010)
Other comprehensive income	-	-	40,370	-	(80,619)	(40,249)	(7,269)	(47,518)
Total comprehensive income	-	-	40,370	(209,005)	(80,619)	(249,254)	3,550	(245,704)
Asset acquisition under the Rofo (e)	-	-	-	(145,488)	-	(145,488)	57,627	(87,861)
Dividend distribution	-	(137,995)	-	-	-	(137,995)	(8,307)	(146,302)
Capital Increase	2,022	661,715	-	-	-	663,737	-	663,737
Balance as of December 31, 2015	**10,022**	**2,313,855**	**24,831**	**(356,524)**	**(109,582)**	**1,882,602**	**140,899**	**2,023,501**

(a) The combined statement of changes in equity for the twelve-month period ended December 31, 2013 represents the changes in the combined equity of the assets that were transferred to Abengoa Yield plc in the Asset Transfer.

(b) The consolidated statement of changes in equity for the six-month period ended June 30, 2014 and for the twelve-month period ended December 31, 2014 represents the changes in the consolidated equity of Abengoa Yield plc and its subsidiaries since January 1, 2014.

(c) Loss for the six-month period after taxes amounting to ($3,379) thousands, includes the result of the Company after the Initial Public Offering up to the end of December 31, 2014. Loss attributable to the parent company for the twelve-month period ended December 31, 2014 amounting to ($31,612) thousand is included within Retained Earnings.

(d) These amounts account for the impact in other comprehensive income of the consolidated statements for the six-month period ended December 31, 2014.

(e) See Note 5 for further details.

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated cash flow statements for the years ended December 31, 2015, 2014 and 2013

Amounts in thousands of U.S. dollars

	Note (1)	For the year ended 2015	2014	2013
I. Profit/(loss) for the year		**$ (198,186)**	**$ (29,265)**	**$ (1,858)**
Non-monetary adjustments				
Depreciation, amortization and impairment charges	6	261,301	125,480	46,943
Financial (income)/expenses		553,300	206,294	95,117
Fair value (gains)/losses on derivative financial instruments		(4,292)	2,386	8,272
Shares of (profits)/losses from associates		(7,844)	769	(13)
Income tax	18	23,790	4,413	(11,762)
Changes in consolidation and other non-monetary items		(91,410)	(48,793)	(46,168)
II. Profit for the year adjusted by non monetary items		**$ 536,659**	**$ 261,284**	**$ 90,531**
Variations in working capital				
Inventories		(1,198)	379	(5,244)
Clients and other receivables		14,845	(5,981)	10,622
Trade payables and other current liabilities		9,994	(117,199)	(45,110)
Financial investments and other current assets/liabilities		49,420	54,810	48,945
III. Variations in working capital		**$ 73,061**	**$ (67,991)**	**$ 9,213**
Income tax received/(paid)		522	(428)	(73)
Interest received		1,600	256	640
Interest paid		(312,357)	(149,513)	(62,923)
A. Net cash provided by/(used in) operating activities		**$ 299,485**	**$ 43,608**	**$ 37,388**
Investments in entities under the equity method		4,417	(44,524)	(240,639)
Investments in contracted concessional assets		(106,007)	(56,960)	(401,678)
Other non-current assets/liabilities		5,714	(21,339)	(52,250)
Acquisitions of subsidiaries		(833,974)	(222,345)	—
B. Net cash used in investing activities		**$ (929,850)**	**$ (345,168)**	**$ (694,567)**
Proceeds from Project & Corporate debt		459,366	1,350,689	1,139,671
Repayment of Project & Corporate debt		(175,389)	(1,665,433)	(667,784)
Dividends paid to company´s shareholders		(137,166)	(23,696)	—
Proceeds from related parties and other		—	(39,035)	442,986
Proceeds from IPO		—	681,916	—
Proceeds from capital increase		664,120	—	—
C. Net cash provided by/(used in) financing activities		**$ 810,931**	**$ 304,441**	**$ 914,873**
Net increase/(decrease) in cash and cash equivalents		**$ 180,566**	**$ 2,881**	**$ 257,694**
Cash, cash equivalents and bank overdrafts at beginning of the year	12	354,154	357,664	97,499
Translation differences cash or cash equivalent		(20,008)	(6,391)	2,471
Cash and cash equivalents at end of the year	12	**$ 514,712**	**$ 354,154**	**$ 357,664**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

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(1) The Appendices are an integral part of the notes to the consolidated financial statements.

Note 1.- Nature of the business

Abengoa Yield plc ('Atlantica Yield' or the Company) was incorporated in England and Wales as a private limited company on December 17, 2013 by Abengoa, S.A. ('Abengoa') under the name Abengoa Yield Limited. On March 19, 2014, Abengoa Yield plc was re-registered as a public limited company, under the name Abengoa Yield plc.

Abengoa Yield plc is a total return company that owns, manages, and acquires renewable energy, conventional power, electric transmission lines, and water assets focused on North America (the United States and Mexico), South America (Peru, Chile, Brazil and Uruguay), and EMEA (Spain, Algeria and South Africa).

The Company's largest shareholder is Abengoa, which, based on the most recent public information, currently owns a 41.86 % stake in Atlantica Yield.

On June 18, 2014, Atlantica Yield closed its initial public offering issuing 24,850,000 ordinary shares. The shares were offered at a price of $29 per share, resulting in gross proceeds to the Company of $720,650 thousand. The underwriters further purchased 3,727,500 additional shares from the selling shareholder, a subsidiary wholly owned by Abengoa, at the public offering price less fees and commissions to cover over-allotments ("greenshoe") driving the total proceeds of the offering to $828,748 thousand.

Prior to the consummation of this offering, Abengoa contributed, through a series of transactions, which we refer to collectively as the "Asset Transfer," ten concessional assets described below, certain holding companies and a preferred equity investment in Abengoa Concessoes Brasil Holding ("ACBH"), which is a subsidiary of Abengoa engaged in the development, construction, investment and management of contracted concessions in Brazil, comprised mostly of transmission lines. As consideration for the Asset Transfer, Abengoa received a 64.28% interest in Atlantica Yield and $655.3 million in cash, corresponding to the net proceeds of the initial public offering less $30 million retained by Atlantica Yield for liquidity purposes.

Atlantica Yield's shares began trading on the NASDAQ Global Select Market under the symbol "ABY" on June 13, 2014.

Since its initial public offering, the Company has acquired the following assets from Abengoa:

- On November 18, 2014, the Company completed the acquisition of Solacor 1/2 through a 30-year usufruct rights contract over the related shares (which included the option to purchase such shares for one euro during a four-year term.This option was executed on December 17, 2015); on December 4, 2014, the Company completed the acquisition of PS10/20; and on December 29, 2014, the Company completed the acquisition of Cadonal. Solacor 1/2 is a 100 MW solar complex located in Spain, PS 10/20 is a 31 MW solar complex located in Spain and Cadonal is a 50 MW wind farm located in Uruguay.

- On February 3, 2015, the Company completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda, two desalination plants in Algeria with an aggregate capacity of 10.5 million cubic feet per day. On February 23, 2015, the Company completed the acquisition of a 29.6% stake in Helioenergy 1/2, a solar power asset in Spain with a capacity of 100 MW.

- On May 13, 2015 and May 14, 2015, the Company completed the acquisition of Helios 1/2 a 100 MW solar complex and Solnova 1/3/4 a 150 MW solar complex respectively, both in Spain. On May 25, 2015 the Company completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2.

- On June 25, 2015, the Company completed the acquisition of ATN2 an 81 miles transmission line in Peru from Abengoa and Sigma, a third-party financial investor in the project.

- On July 30, 2015, the Company completed the acquisition of Kaxu a 100 MW solar plant in South Africa.

- On September 30, 2015, the Company completed the acquisition of Solaben 1/6 a 100 MW solar complex in Spain.

- The following table provides an overview of the concessional assets the Company owned as of December 31, 2015 (excluding the exchangeable preferred equity investment in ACBH):

Assets	Type	Ownership	Location	Currency(7)	Capacity (Gross)	Counterparty Credit Ratings(8)	COD	Contract Years Left
Solana	Renewable (Solar)	100% Class B(1)	Arizona (USA)	USD	280 MW	A-/A2/A	4Q 2013	28
Mojave	Renewable (Solar)	100%	California (USA)	USD	280 MW	BBB/Baa1/BBB+	4Q 2014	24
Solaben 2 & 3	Renewable (Solar)	70%(2)	Spain	Euro	2x50 MW	BBB+/Baa2/BBB+	2Q 2012 & 4Q 2012	22&21
Solacor 1 & 2	Renewable (Solar)	74%(3)	Spain	Euro	2x50 MW	BBB+/Baa2/BBB+	2Q 2012 & 4Q 2012	21
PS10/PS20	Renewable (Solar)	100%	Spain	Euro	31 MW	BBB+/Baa2/BBB+	1Q 2007 & 2Q 2009	16&18
Helioenergy 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	BBB+/Baa2/BBB+	3Q 2011& 4Q 2011	22
Helios 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	BBB+/Baa2/BBB+	2Q 2012& 3Q 2012	21&22
Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	BBB+/Baa2/BBB+	2Q 2010 & 2Q 2010& 3Q 2010	19&19&20
Solaben 1 & 6	Renewable (Solar)	100%	Spain	Euro	2x50 MW	BBB+/Baa2/BBB+	3Q 2013	23
Kaxu	Renewable (Solar)	51%(4)	South Africa	Rand	100 MW	BBB-/Baa2/BBB(9)	1Q 2015	19
Palmatir	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB-/Baa2/BBB-(10)	2Q 2014	18
Cadonal	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB-/Baa2/BBB-(10)	4Q 2014	19
ACT	Conventional Power	100%	Mexico	USD	300 MW	BBB+/Baa1/ BBB+	2Q 2013	17
ATN	Transmission line	100%	Peru	USD	362 miles	BBB+/A3/BBB+	1Q 2011	25
ATS	Transmission line	100%	Peru	USD	569 miles	BBB+/A3/BBB+	1Q 2014	28
ATN 2	Transmission line	100%	Peru	USD	81 miles	Not rated	2Q 2015	17
Quadra 1	Transmission line	100%	Chile	USD	43 miles	Not rated	2Q 2014	19
Quadra 2	Transmission line	100%	Chile	USD	38 miles	Not rated	1Q 2014	19
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB+/Baa2/BBB+	4Q 2007	22
Skikda	Water	34.2%(5)	Argelia	USD	3.5 M ft3/day	Not rated	1Q 2009	18
Honaine	Water	25.5%(6)	Argelia	USD	7 M ft3/ day	Not rated	3Q 2012	22

(1) On September 30, 2013, Liberty Interactive Corporation invested $300 million in Class A membership interests in exchange for a share of the dividends and taxable loss generated by Solana. As a result of the agreement, Liberty Interactive Corporation will receive 54.06% of both dividends and taxable loss generated during a period of approximately five years; such percentage will decrease to 24.05% thereafter.
(2) Itochu Corporation, a Japanese trading company, holds 30% of the shares in each of Solaben 2 and Solaben 3. The Company held a 30-year right of usufruct over the remaining shares of Solaben 2 and Solaben 3 and a call option to purchase such shares for one euro during a four-year term. This option was executed on December 17, 2015.
(3) JGC Corporation, a Japanese engineering company, held 26% of the shares in each of Solacor 1 and Solacor 2 as of December 31, 2015. The Company held a 30-year right of usufruct over the remaining shares of Solacor 1 and Solacor 2 and a call option to purchase such shares for one euro during a four-year term. This option was executed on December 17, 2015. The Company also agreed to purchase 13% of the shares in each of Solacor 1 and Solacor 2 from JGC Corporation and closed this transaction in January 2016.
(4) Kaxu is owned by Abengoa Yield, Plc (51%), Industrial Development Corporation of South Africa (29%) and Kaxu Community Trust (20%).
(5) Algerian Energy Company, SPA owns 49% of Skikda and Sadyt (Sociedad Anónima Depuración y Tratamientos) owns the remaining 16.83%.
(6) Algerian Energy Company, SPA owns 49% of Honaine and Sadyt (Sociedad Anónima Depuración y Tratamientos) owns the remaining 25.5%.
(7) Certain contracts denominated in U.S. dollars are payable in local currency.
(8) Reflects the counterparty's credit ratings issued by Standard & Poor's Ratings Services, or S&P, Moody's Investors Service Inc., or Moody's, and Fitch Ratings Ltd, or Fitch.
(9) Refers to the credit rating of the Republic of South Africa. The offtaker is Eskom, which is a state-owned utility company in South Africa.
(10) Refers to the credit rating of Uruguay, as UTE (Administración Nacional de Usinas y Transmisoras Eléctricas) is unrated.

In addition to the assets listed above, the Company owns an exchangeable preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, consisting mostly of electric transmission lines.

All the project companies included in these consolidated financial statements have signed with the grantor of the concession contracts of construction, operation and maintenance and they subcontract the construction of the contracted assets to Abengoa. Given that these projects (except for Palmucho, PS10 and PS20) are included within the scope of International Financial Reporting Interpretations Committee 12 ("IFRIC 12"), and given that some of them were included in the consolidated financial statements during their construction phase, the Company recorded income and cost attributable to the construction in the consolidated income statement in 2014 and 2013. Construction revenue is recorded within "Other operating income" according to the percentage of completion method as established by International Accounting Standards 11 ("IAS 11"). Construction cost, which is fully contracted with related parties, is recorded within "Other operating expense".

Our sponsor Abengoa has reported that on November 27, 2015, it filed a communication pursuant to article 5 bis of the Spanish Insolvency Law 22/2003 with the Mercantile Court of Seville nº 2. The filing by Abengoa was intended to initiate a process to try to reach an agreement with its main financial creditors, aimed to ensure the right framework to carry out such negotiations and provide Abengoa with financial stability in the short and medium term. The Mercantile Court published a decree to admit the filing of the communication on December 15, 2015 and set a deadline of March 28, 2016 for Abengoa to reach an agreement with its main financial creditors.

Abengoa reported that on January 25, 2016, its board of directors approved a viability plan that defined the structure of the future business activity. In accordance with this plan, Abengoa will negotiate a debt restructuring with its creditors as well as necessary resources to be able to continue its activity and to operate in a competitive and sustainable manner in the future.

The financing arrangements of some of the project subsidiaries of the Company (Solana, Mojave, Kaxu and Cadonal) contain cross-default provisions related to Abengoa, such that debt defaults by Abengoa, subject to certain threshold amounts, could trigger defaults under such project financing arrangements. These cross-default provisions expire progressively over time, remaining in place until the termination of the obligations of Abengoa under such project financing arrangements. The Company is currently in discussions with the project finance lenders.

Although the Company does not expect the acceleration of debt to be declared by the credit entities, the project entities did not have contractually as of December 31, 2015 what International Accounting Standards define as an unconditional right to defer the settlement of the debt for at least twelve months after that date, as the cross-default provisions make that right not totally unconditional, and therefore the debt has been presented as current in these consolidated financial statements in accordance with International Accounting Standards 1 ("IAS 1"), "Presentation of Financial Statements". As a result of this reclassification, current liabilities in the consolidated statement of financial position are higher than current assets. In any case, due to the legal nature of our project financing in place and pursuant to the laws of each jurisdiction, the lenders of these agreements would, in any case, have recourse only against the specific project company (pledge over the shares of the special purpose vehicle, pledge over certain credit rights, mortgage over certain assets in certain jurisdictions, etc.) but do not have any recourse against Abengoa Yield plc or any other assets of the Company, since there is no further guarantee provided to the credit entities.

All the project financing arrangements except for ATN, ATS, Skikda and Honaine contain a covenant that Abengoa must own at least 35% of the Abengoa Yield plc shares. Abengoa currently owns 41.86% of the ordinary shares of the Company. In connection with various financing agreements, Abengoa has disclosed that 39,530,843 of its Abengoa Yield plc shares, representing approximately 39.5% of the outstanding shares of the Company, have been pledged as collateral. If Abengoa defaults on any of these financing arrangements, such lenders may foreclose on the pledged shares and, as a result, Abengoa could eventually own less than 35% of Abengoa Yield plc outstanding shares. As a result, the Company would be in breach of covenants under the applicable project financing arrangements. Waivers have been requested to all the parties of these project financing arrangements containing these covenants. Solaben 1&6 obtained the necessary waivers in February 2016. Similar waivers related to a minimum percentage of ownership of Abengoa in the Company have been obtained in the past and therefore the Management of the Company expects a similar outcome in this instance for the rest of the projects. In any case, due to the legal nature of our project financing in place and pursuant to the laws of each jurisdiction, the lenders of these agreements would have recourse only against the specific project company but do not have any recourse against Abengoa Yield plc or any other assets of the Company, since there is no further guarantee provided to the credit entities.

Both aspects previously explained could have an impact under the terms of the Credit Facility. The Credit Facility does not include cross-default provisions related to Abengoa. Nevertheless, the Company is required to comply with (i) a maintenance leverage ratio of the indebtedness at Abengoa Yield plc level to the cash available for distribution and (ii) an interest coverage ratio of cash available for distribution to debt service payments. A potential payment default in several of the project companies or potential restrictions to distributions from several of the project companies may trigger these covenants. The Credit Facility also includes a cross-default provision related to a default by the project subsidiaries of the Company in their financing arrangements, such that a payment default in one or more of the non-recourse subsidiaries of the Company representing more than 20% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default under the Credit Facility. In the remote scenario where sufficient waivers were not obtained in due time, the Company would undertake initiatives including, but not limited to, asset disposals or changes in the dividend policy.

Currently, the Company continues to rely on Abengoa for certain support services as well as for operation and maintenance services at most of our facilities. The Company is very advanced in the process of internalizing main support services, has launched a plan to separate its IT systems and is preparing plans to replace existing operation and maintenance suppliers if required.

On January 29, 2016, Abengoa informed the Company that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("reorganizaçao judiciaria") as a "Pedido de processamento conjunto", which means the substantial consolidation of the three main subsidiaries of Abengoa in Brazil, including ACBH (see Note 8).

These consolidated financial statements were approved by the Board of Directors on February 25, 2016. The Board of Directors decided to postpone the decision on the dividend corresponding to the fourth quarter of 2015 until the second quarter of 2016.

Note 2.- Significant accounting policies

2.1 Basis of preparation

These consolidated financial statements are presented in accordance with the IFRS as issued by the IASB.

For all periods prior to the initial public offering, the combined financial statements represent the combination of the assets that Atlantica Yield acquired and were prepared using Abengoa's historical basis in the assets and liabilities. For the purposes of the combined financial statements, the term "Atlantica Yield" represents the accounting predecessor, or the combination of the acquired businesses. The combined financial statements for periods prior to the initial public offering therefore include all revenues, expenses, assets, and liabilities attributed to the Predecessor. In addition, prior to the initial public offering, other operating expenses include an allocation of certain general and administrative services provided by Abengoa. The Company believes that by including the allocated costs, the combined condensed income statement includes a reasonable estimate of actual costs incurred to operate the business. However, such expenses may not be indicative of the actual level of expense that would have been incurred by the Predecessor if it had operated as an independent, publicly-traded company during the periods prior to the Offering or of the costs expected to be incurred in the future. In the opinion of management, the inter-company eliminations and adjustments necessary for a fair presentation of the combined financial statements, in accordance with the IFRS as issued IASB have been made.

For all periods subsequent to the initial public offering, the accompanying audited consolidated financial statements represent the consolidated results of the Company and its subsidiaries.

The Company elected to account for the Asset Transfer and the assets acquisitions under the ROFO Agreement using the predecessor values, given that these were transactions between entities under common control. Any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entities as of the date of the transaction has been reflected as an adjustment to equity. In addition, the Company elected to incorporate the results of the entities transferred prior to the initial public offering as if the entities had always been consolidated and the transferred entities after the initial public offering from the acquisition date.

The consolidated financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency. Amounts included in these consolidated financial statements are all expressed in thousands of U.S. dollars, unless otherwise indicated.

Application of new accounting standards

a) During the year ended December 31, 2015, the Company has not applied in the preparation of the consolidated financial statements new standards, amendments or interpretations.

b) Standards, interpretations and amendments published by the IASB that will be effective for periods beginning on or after January 1, 2016:

- Annual Improvements to IFRSs 2012-2014 cycles. These improvements are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB, earlier applications is permitted.
- IAS 1 (Amendment) 'Presentation of Financial Statements'. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB, earlier applications is permitted.
- IFRS 14 'Regulatory Deferral Accounts'. This Standard will be effective from January 1, 2016 under IFRS-IASB, earlier applications is permitted.
- IFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-IASB, earlier applications is permitted.
- IFRS 15 'Revenues from contracts with Customers'. IFRS 15 is applicable for annual periods beginning on or after January 1, 2018 under IFRS-IASB, earlier application is permitted.
- IFRS 16 'Leases'. This Standard is applicable for annual periods beginning on or after January 1, 2019 under IFRS-IASB, earlier application is permitted.
- IAS 16 (Amendment) 'Property, Plant and Equipment' and IAS 38 'Intangible Assets', regarding acceptable methods of amortization and depreciation. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB, earlier application is permitted.
- IFRS 10 (Amendment) 'Consolidated financial statements, IFRS 12 'Disclosure of interests in Other Entities' and IAS 28 'Investments in associates and joint ventures' regarding the exemption from consolidation for investment entities. These amendments are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB, earlier application is permitted.
- IFRS 11 (Amendment) 'Joint Arrangements' regarding acquisition of an interest in a joint operation. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB, earlier application is permitted.
- IAS 16 'Property, Plant and Equipment' and 41 'Agriculture' (Amendment) regarding bearer plants. These amendments are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB,earlier application is permitted.

The Company is currently in the process of evaluating the impact on the consolidated financial statements derived from the application of the new standards and amendments that will be effective for annual periods beginning after December 31, 2015.

2.2. Principles to include and record companies in the consolidated financial statements

Companies included in these consolidated financial statements are accounted for as subsidiaries as long as Atlantica Yield has had control over them and are accounted for as investments under the equity method as long as Atlantica Yield has had significant influence over them, in the periods presented.

a) Controlled entities

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In order to evaluate the existence of control, the Company needs to distinguish two independent stages in these projects in terms of decision making process: the construction phase and the operation phase. In some of these projects such as Solana and Mojave solar plants in the United States, the Company has concluded that all the relevant decisions during the construction phase were subject to the approval of the Administration. As a result, the Company did not have control over these assets during this period and records these companies as investments under the equity method (see note 2.2 b) below). Once the Project´s construction phase is finished, the Company gains control over these companies which are then fully consolidated

The Company uses the acquisition method to account for business combinations of companies controlled by a third party. According to this method, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any contingent consideration is recognized at fair value at the acquisition date and subsequent changes in its fair value are recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Acquisition related costs are expensed as incurred. The Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets on an acquisition by acquisition basis.

Acquisitions of businesses to Abengoa were so far not considered business combinations, as Atlantica Yield was a subsidiary controlled by Abengoa. The assets acquired constituted an acquisition under common control by Abengoa and accordingly, were recorded using Abengoa's historical basis in the assets and liabilities of the Predecessor.

All assets and liabilities between entities of the group, equity, income, expenses, and cash flows relating to transactions between entities of the group are eliminated in full.

b) Investments accounted for under the equity method

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company share of the profit or loss and other comprehensive income of the associate.

Controlled entities and associates included in these financial statements as of December 31, 2015 and 2014 are set out in appendices.

2.3. Contracted concessional assets and price purchase agreements

Contracted concessional assets and price purchase agreements (PPAs) include fixed assets financed through project debt, related to service concession arrangements recorded in accordance with IFRIC 12, except for Palmucho, which is recorded in accordance with IAS 17 and PS10/PS20, which are recorded as tangible assets in accordance with IAS 16. The infrastructures accounted for by the Company as concessions are related to the activities concerning electric transmission lines, solar electricity generation plants, cogeneration plants and wind farms. The useful life of these assets is approximately the same as the length of the concession arrangement. The infrastructure used in a concession can be classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the agreement.

The application of IFRIC 12 requires extensive judgment in relation with, among other factors, (i) the identification of certain infrastructures and contractual agreements in the scope of IFRIC 12, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the timing and recognition of the revenue from construction and concessionary activity.

Under the terms of contractual arrangements within the scope of this interpretation, the operator shall recognize and measure revenue in accordance with IAS 11 and 18 for the services it performs. If the operator performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Consequently, even though construction is subcontracted to Abengoa, in accordance with the provisions of IFRIC 12, the Company recognizes and measures revenue and costs for providing construction services during the period of construction of the infrastructure in accordance with IAS 11 "Construction Contracts". Construction revenue is recorded within "Other operating income" and Construction cost, which is fully contracted with related parties, is recorded within "Other operating expenses". This applies in the same way to the two models.

a) Intangible asset

The Company recognizes an intangible asset to the extent that it receives a right to charge final customers for the use of the infrastructure. This intangible asset is subject to the provisions of IAS 38 and is amortized linearly, taking into account the estimated period of commercial operation of the infrastructure which coincides with the concession period.

Once the infrastructure is in operation, the treatment of income and expenses is as follows:

- Revenues from the updated annual revenue for the contracted concession, as well as operations and maintenance services are recognized in each period according to IAS 18 “Revenue”.
- Operating and maintenance costs and general overheads and administrative costs are recorded in accordance with the nature of the cost incurred (amount due) in each period.
- Financing costs are expensed as incurred.

b) Financial asset

The Company recognizes a financial asset when demand risk is assumed by the grantor, to the extent that the concession holder has an unconditional right to receive payments for the asset. This asset is recognized at the fair value of the construction services provided, considering upgrade services in accordance with IAS 11, if any.

The financial asset is subsequently recorded at amortized cost calculated according to the effective interest method. Revenue from operations and maintenance services is recognized in each period according to IAS 18 “Revenue”. The remuneration of managing and operating the asset resulting from the valuation at amortized cost is also recorded in revenue.

Financing costs are expensed as incurred.

c) Property, plant and equipment

Property, plant and equipment includes property, plant and equipment of companies or project companies. Property, plant and equipment is measured at historical cost, including all expenses directly attributable to the acquisition, less depreciation and impairment losses, with the exception of land, which is presented net of any impairment losses.

Once the infrastructure is in operation, the treatment of income and expenses is the same as the one described above for intangible asset.

2.4. Borrowing costs

Interest costs incurred in the construction of any qualifying asset are capitalized over the period required to complete and prepare the asset for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its internal use or sale, which is considered to be more than one year. Remaining borrowing costs are expensed in the period in which they are incurred.

2.5 Asset impairment

Atlantica Yield reviews its contracted concessional assets to identify any indicators of impairment at least annually.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, defined as the present value of the estimated future cash flows to be generated by the asset. In the event that the asset does not generate cash flows independently of other assets, the Company calculates the recoverable amount of the Cash Generating Unit (‘CGU’) to which the asset belongs.

When the carrying amount of the CGU to which these assets belong is lower than its recoverable amount, the assets are impaired.

Assumptions used to calculate value in use include a discount rate, growth rate and projections considering real data based in the contracts terms and projected changes in both selling prices and costs. The discount rate is estimated by Management, to reflect both changes in the value of money over time and the risks associated with the specific CGU.

For contracted concessional assets, with a defined useful life and with a specific financial structure, cash flow projections until the end of the project are considered and no terminal value is assumed.

Contracted concessional assets have a contractual structure that permits the Company to estimate quite accurately the costs of the project (both in the construction and in the operations periods) and revenue during the life of the project.

Projections take into account real data based on the contract terms and fundamental assumptions based on specific reports prepared by experts, assumptions on demand and assumptions on production. Additionally, assumptions on macro-economic conditions are taken into account, such as inflation rates, future interest rates, etc. and sensitivity analyses are performed over all major assumptions which can have a significant impact in the value of the asset.

Cash flow projections of CGUs are calculated in the functional currency of those CGUs and are discounted using rates that take into consideration the risk corresponding to each specific country and currency.

Taking into account that in most CGUs the specific financial structure is linked to the financial structure of the projects that are part of those CGUs, the discount rate used to calculate the present value of cash-flow projections is based on the weighted average cost of capital (WACC) for the type of asset, adjusted, if necessary, in accordance with the business of the specific activity and with the risk associated with the country where the project is performed.

In any case, sensitivity analyses are performed, especially in relation with the discount rate used and fair value changes in the main business variables, in order to ensure that possible changes in the estimates of these items do not impact the possible recovery of recognized assets.

Accordingly, the following table provides a summary of the discount rates used (WACC) and growth rates to calculate the recoverable amount for CGUs with the operating segment to which it pertains:

Operating segment	Discount rate		Growth Rate
Europe	5% - 6	%	0%
North America	3% - 5	%	0%
South America	5% - 6	%	0%

In the event that the recoverable amount of an asset is lower than its carrying amount, an impairment charge for the difference would be recorded in the income statement under the item “Depreciation, amortization and impairment charges”.

Pursuant to IAS 36, an impairment loss is recognized if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate.

2.6 Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, not listed on an active market.

In accordance with IFRIC 12, certain assets under concessions qualify as financial assets and are recorded as is described in Note 2.3.

Pursuant to IAS 36, an impairment loss is recognized if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate.

Loans and accounts receivable are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost in accordance with the effective interest rate method. Interest calculated using the effective interest rate method is recognized under other financial income within financial income.

2.7. Derivative financial instruments and hedging activities

Derivatives are recorded at fair value. The Company applies hedge accounting to all hedging derivatives that qualify to be accounted for as hedges under IFRS-IASB.

When hedge accounting is applied, hedging strategy and risk management objectives are documented at inception, as well as the relationship between hedging instruments and hedged items. Effectiveness of the hedging relationship needs to be assessed on an ongoing basis. Effectiveness tests are performed prospectively and retrospectively at inception and at each reporting date, following the dollar offset method.

Atlantica Yield applies cash flow hedging. Under this method, the effective portion of changes in fair value of derivatives designated as cash flow hedges are recorded temporarily in equity and are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Any ineffective portion of the hedged transaction is recorded in the consolidated income statement as it occurs.

When interest rate options are designated as hedging instruments, the intrinsic value and time value of the financial hedge instrument are separated. Changes in intrinsic value which are highly effective are recorded in equity and subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Changes in time value are recorded as financial income or expense, together with any ineffectiveness.

When the hedging instrument matures or is sold, or when it no longer meets the requirements to apply hedge accounting, accumulated gains and losses recorded in equity remain as such until the forecast transaction is ultimately recognized in the income statement. However, if it becomes unlikely that the forecast transaction will actually take place, the accumulated gains and losses in equity are recognized immediately in the income statement.

2.8. Fair value estimates

Financial instruments measured at fair value are presented in accordance with the following level classification based on the nature of the inputs used for the calculation of fair value:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value is measured based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value is measured based on unobservable inputs for the asset or liability.

In the event that prices cannot be observed, the management shall make its best estimate of the price that the market would otherwise establish based on proprietary internal models which, in the majority of cases, use data based on observable market parameters as significant inputs (Level 2) but occasionally use market data that is not observed as significant inputs (Level 3). Different techniques can be used to make this estimate, including extrapolation of observable market data. The best indication of the initial fair value of a financial instrument is the price of the transaction, except when the value of the instrument can be obtained from other transactions carried out in the market with the same or similar instruments, or valued using a valuation technique in which the variables used only include observable market data, mainly interest rates. Differences between the transaction price and the fair value based on valuation techniques that use data that is not observed in the market, are not initially recognized in the income statement.

a) Level 2 valuation

All derivatives are classified as level 2. Atlantica Yield derivatives correspond mainly to the interest rate swaps designated as cash flow hedges.

Description of the valuation method

Interest rate swap valuations are made by valuing the swap part of the contract and valuing the credit risk. The methodology used by the market and applied by Atlantica Yield to value interest rate swaps is to discount the expected future cash flows according to the parameters of the contract. Variable interest rates, which are needed to estimate future cash flows, are calculated using the curve for the corresponding currency and extracting the implicit rates for each of the reference dates in the contract. These estimated flows are discounted with the swap zero curve for the reference period of the contract.

The effect of the credit risk on the valuation of the interest rate swaps depends on the future settlement. If the settlement is favorable for the Company, the counterparty credit spread will be incorporated to quantify the probability of default at maturity. If the expected settlement is negative for the Company, its own credit risk will be applied to the final settlement.

Classic models for valuing interest rate swaps use deterministic valuation of the future of variable rates, based on future outlooks. When quantifying credit risk, this model is limited by considering only the risk for the current paying party, ignoring the fact that the derivative could change sign at maturity. A payer and receiver swaption model is proposed for these cases. This enables the associated risk in each swap position to be reflected. Thus, the model shows each agent's exposure, on each payment date, as the value of entering into the 'tail' of the swap, i.e. the live part of the swap.

Variables (Inputs)

Interest rate derivative valuation models use the corresponding interest rate curves for the relevant currency and underlying reference in order to estimate the future cash flows and to discount them. Market prices for deposits, futures contracts and interest rate swaps are used to construct these curves. Interest rate options (caps and floors) also use the volatility of the reference interest rate curve.

To estimate the credit risk of the counterparty, the credit default swap (CDS) spreads curve is obtained in the market for important individual issuers. For less liquid issuers, the spreads curve is estimated using comparable CDSs or based on the country curve. To estimate proprietary credit risk, prices of debt issues in the market and CDSs for the sector and geographic location are used.

The fair value of the financial instruments that results from the aforementioned internal models takes into account, among other factors, the terms and conditions of the contracts and observable market data, such as interest rates, credit risk and volatility. The valuation models do not include significant levels of subjectivity, since these methodologies can be adjusted and calibrated, as appropriate, using the internal calculation of fair value and subsequently compared to the corresponding actively traded price. However, valuation adjustments may be necessary when the listed market prices are not available for comparison purposes.

b) Level 3 valuation

Level 3 includes the preferred equity investment in ACBH.

Fair value of this instrument was calculated by taking as the main reference the value of the investment, which is obtained by considering expected cash-flows from the preferred equity instrument discounted at a rate appropriate for the sector in which the Company is operating. Valuation was obtained from internal models. This valuation could vary where other models and assumptions made on the principle variables had been used, however the fair value of the asset as well as the results generated by this financial instrument are considered reasonable.

Detailed information on fair values is included in Note 8.

2.9. Clients and other receivables

Clients and other receivables are amounts due from customers for sales in the normal course of business. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less allowance for doubtful accounts. Trade receivables due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

An allowance for doubtful accounts is recorded when there is objective evidence that the Company will not be able to recover all amounts due as per the original terms of the receivables.

2.10. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in bank and other highly-liquid current investments with an original maturity of three months or less which are held for the purpose of meeting short-term cash commitments.

2.11. Grants

Grants are recognized at fair value when it is considered that there is a reasonable assurance that the grant will be received and that the necessary qualifying conditions, as agreed with the entity assigning the grant, will be adequately complied with.

Grants are recorded as liabilities in the consolidated statement of financial position and are recognized in “Other operating income” in the consolidated income statement based on the period necessary to match them with the costs they intend to compensate.

In addition, as described in Note 2.12 below, grants correspond also to loans with interest rates below market rates, for the initial difference between the fair value of the loan and the proceeds received.

2.12. Loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost and any difference between the proceeds initially received (net of transaction costs incurred in obtaining such proceeds) and the repayment value is recognized in the consolidated income statement over the duration of the borrowing using the effective interest rate method.

Loans with interest rates below market rates are initially recognized at fair value in liabilities and the difference between proceeds received from the loan and its fair value is initially recorded within “Grants and Other liabilities” in the consolidated statement of financial position, and subsequently recorded in “Other operating income” in the consolidated income statement when the costs financed with the loan are expensed.

2.13. Bonds and notes

The Company initially recognizes ordinary notes at fair value, net of issuance costs incurred. Subsequently, notes are measured at amortized cost until settlement upon maturity. Any other difference between the proceeds obtained (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the term of the debt using the effective interest rate method.

2.14. Income taxes

Current income tax expense is calculated on the basis of the tax laws in force as of the date of the consolidated statement of financial position in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred income tax is calculated in accordance with the liability method, based upon the temporary differences arising between the carrying amount of assets and liabilities and their tax base. Deferred income tax is determined using tax rates and regulations which are expected to apply at the time when the deferred tax is realized.

Deferred tax assets are recognized only when it is probable that sufficient future taxable profit will be available to use deferred tax assets.

2.15. Trade payables and other liabilities

Trade payables are obligations arising from purchases of goods and services in the ordinary course of business and are recognized initially at fair value and are subsequently measured at their amortized cost using the effective interest method. Other liabilities are obligations not arising in the normal course of business and which are not treated as financing transactions. Advances received from customers are recognized as “Trade payables and other current liabilities”.

2.16. Foreign currency transactions

The consolidated financial statements are presented in U.S. dollars, which is Atlantica Yield functional and reporting currency. Financial statements of each subsidiary within the Company are measured in the currency of the principal economic environment in which the subsidiary operates, which is the subsidiary’s functional currency.

Transactions denominated in a currency different from the subsidiary’s functional currency are translated into the subsidiary’s functional currency applying the exchange rates in force at the time of the transactions. Foreign currency gains and losses that result from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency at the year-end rates are recognized in the consolidated income statement, unless they are deferred in equity, as occurs with cash flow hedges and net investment in foreign operations hedges.

Assets and liabilities of subsidiaries with a functional currency different from the Company’s reporting currency are translated to U.S. dollars at the exchange rate in force at the closing date of the financial statements. Income and expenses are translated into U.S. dollars using the average annual exchange rate, which does not differ significantly from using the exchange rates of the dates of each transaction. The difference between equity translated at the historical exchange rate and the net financial position that results from translating the assets and liabilities at the closing rate is recorded in equity under the heading “Accumulated currency translation differences”.

Results of companies carried under the equity method are translated at the average annual exchange rate.

2.17. Equity

The Company has recyclable balances in its equity, corresponding mainly to hedge reserves and translation differences arising from currency conversion in the preparation of these consolidated financial statements. These balances have been presented separately in Equity.

Non-controlling interest represents interest from other partners in entities included in these consolidated financial statements which are not fully owned by Atlantica Yield as of the dates presented.

Parent company reserves together with the Share capital represent the Parent’s net investment in the entities included in these consolidated financial statements.

2.18. Provisions and contingencies

Provisions are recognized when:

- there is a present obligation, either legal or constructive, as a result of past events;
- it is more likely than not that there will be a future outflow of resources to settle the obligation; and
- the amount has been reliably estimated.

Provisions are initially measured at the present value of the expected outflows required to settle the obligation and subsequently valued at amortized cost following the effective interest method. The balance of Provisions disclosed in the Notes reflects management's best estimate of the potential exposure as of the date of preparation of the consolidated financial statements.

Contingent liabilities are possible obligations, existing obligations with low probability of a future outflow of economic resources and existing obligations where the future outflow cannot be reliably estimated. Contingences are not recognized in the consolidated statements of financial position unless they have been acquired in a business combination.

Some companies included in the group have dismantling provisions, which are intended to cover future expenditures related to the dismantlement of the plants and it will be likely to be settled with an outflow of resources in the long term (over 5 years).

Such provisions are accrued when the obligation for dismantling, removing and restoring the site on which the plant is located, is incurred, which is usually during the construction period. The provision is measured in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and is recorded as a liability under the heading "Grants and other liabilities" of the Financial Statements, and as part of the cost of the plant under the heading "Contracted concessional assets."

2.19. Use of estimates

Some of the accounting policies applied require the application of significant judgment by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on the historical experience, advice from experienced consultants, forecasts and other circumstances and expectations as of the close of the financial period. The assessment is considered in relation to the global economic situation of the industries and regions where the Company operates, taking into account future development of the businesses of the Company. By their nature, these judgments are subject to an inherent degree of uncertainty; therefore, actual results could materially differ from the estimates and assumptions used. In such cases, the carrying values of assets and liabilities are adjusted.

The most critical accounting policies, which reflect significant management estimates and judgment to determine amounts in these consolidated financial statements, are as follows:

- Contracted concessional agreements.
- Impairment of intangible assets.
- Assessment of control.
- Derivative financial instruments and fair value estimates.
- Income taxes and recoverable amount of deferred tax assets.

As of the date of preparation of these consolidated financial statements, no relevant changes in the estimates made are anticipated and, therefore, no significant changes in the value of the assets and liabilities recognized at December 31, 2015, are expected.

Although these estimates and assumptions are being made using all available facts and circumstances, it is possible that future events may require management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8, in the consolidated income statement of the year in which the change occurs.

Note 3.- Financial risk management

Atlantica Yield's activities are exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk is managed by the Company's Risk Management and Finance Department, which are responsible for identifying and evaluating financial risks quantifying them by project, region and company, in accordance with mandatory internal management rules. Written internal policies exist for global risk management, as well as for specific areas of risk. In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through internal audit procedures.

a) Market risk

The Company is exposed to market risk, such as movement in foreign exchange rates and interest rates. All of these market risks arise in the normal course of business and the Company does not carry out speculative operations. For the purpose of managing these risks, the Company uses a series of swaps and options on interest rates. None of the derivative contracts signed has an unlimited loss exposure.

- Interest rate risk

Interest rate risk arises when the Company's activities are exposed to changes in interest rates, which arises from financial liabilities at variable interest rates. The main interest rate exposure for the Company relates to the variable interest rate with reference to the Libor and Euribor. To minimize the interest rate risk, the Company primarily uses interest rate swaps and interest rate options (caps), which, in exchange for a fee, offer protection against an increase in interest rates. The Company does not use derivatives for speculative purposes.

As a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

1) Project debt in U.S. dollars: between 75% and 100% of the notional amount, maturities until 2043 average guaranteed interest rates of between 2.52% and 6.88%.

2) Project debt in Euros: between 75% and 100% of the notional amount, maturities until 2030 and average guaranteed interest rates of between 3.20% and 4.87%.

In connection with the interest rate derivative positions of the Company, the most significant impacts on these consolidated financial statements are derived from the changes in EURIBOR or LIBOR, which represent the reference interest rate for the majority of the debt of the Company. In the event that Euribor and Libor had risen by 25 basis points as of December 31, 2015, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $ 1,795 thousand (a loss of $ 271 thousand in 2014) and an increase in hedging reserves of $41,702 thousand ($24,177 thousand in 2014). The increase in hedging reserves would be mainly due to an increase in the fair value of interest rate swaps designated as hedges.

A breakdown of the interest rates derivatives as of December 31, 2015 and 2014, is provided in Note 9.

- Currency risk

The main cash flows in the entities included in these consolidated financial statements are cash collections arising from long-term contracts with clients and debt payments arising from project finance repayment. Given that financing of the projects is always closed in the same currency in which the contract with client is signed, a natural hedge exists for the main operations of the Company.

In relation to the Spanish solar plants, on May 12, 2015, the Company entered into a currency swap agreement with Abengoa which provides for a fixed exchange rate for the cash available for distribution from the Company's Spanish assets. The distributions from the Spanish assets are paid in euros and the currency swap agreement provides for a fixed exchange rate at which euros will be converted into U.S. dollars. Therefore, in the event that the exchange rate of the Euro had risen by 10% against the US Dollar as of December 31, 2015, with the rest of the variables remaining constant, there would not be any effect in the cash distributions received from these assets.

b) Credit risk

The company considers that it has a limited credit risk with clients as revenues derive from power purchase agreements with electric utilities and state-owned entities. The Company has investment grade offtakers in all the assets except for Quadra 1&2, ATN2, Skikda and Honaine, which represent a very low percentage of the cash available for distribution on a run-rate basis.

c) Liquidity risk

Atlantica Yield's liquidity and financing policy is intended to ensure that the Company maintains sufficient funds to meet our financial obligations as they fall due.

Project finance borrowing permits the Company to finance the project through project debt and thereby insulate the rest of its assets from such credit exposure. The Company incurs in project-finance debt on a project-by-project basis.

The repayment profile of each project is established on the basis of the projected cash flow generation of the business. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates the liquidity risk significantly.

Note 4.- Financial information by segment

Atlantica Yield's segment structure reflects how management currently makes financial decisions and allocates resources. Its operating segments are based on the following geographies where the contracted concessional assets are located:

- North America
- South America
- EMEA

Based on the type of business, as of December 31, 2015 the Company had the following business sectors:

Renewable energy: Renewable energy assets include two Solar plants in the United States, Solana and Mojave, each with a gross capacity of 280 MW and located in Arizona and California, respectively. The Company owns seven solar platforms in Spain: Solacor 1 and 2 with a gross capacity of 100 MW, PS10 and PS20 with a gross capacity of 31 MW, Solaben 2 and 3 with a gross capacity of 100 MW, Helioenergy 1 and 2 with a gross capacity of 100 MW, Helios 1 and 2 with a gross capacity of 100 MW, Solnova 1, 3 and 4 with a gross capacity of 150 MW and Solaben 1 and 6 with a gross capacity of 100 MW. The Company also owns a Solar plant in South Africa, Kaxu with a gross capacity of 100 MW. Additionally, the Company owns two wind farms in Uruguay, Palmatir and Cadonal, with a gross capacity of 50 MW each.

Conventional power: Conventional power asset consists of ACT, a 300 MW cogeneration plant in Mexico, which is party to a 20-year take-or-pay contract with Pemex for the sale of electric power and steam.

Electric transmission lines: Electric transmission assets include (i) three lines in Peru, ATN, ATS and ATN2, spanning a total of 1,012 miles; and (ii) three lines in Chile, Quadra 1, Quadra 2 and Palmucho, spanning a total of 87 miles. In addition, the Company owns a preferred equity investment in ACBH, a subsidiary holding company of Abengoa that is engaged in the development, construction, investment and management of contracted concessions in Brazil, consisting mostly of electric transmission lines.

Water: Water assets include a minority interest in two desalination plants in Algeria, Honaine and Skikda with an aggregate capacity of 10.5 M ft3 per day.

Atlantica Yield's Chief Operating Decision Maker (CODM) assesses the performance and assignment of resources according to the identified operating segments. The CODM considers the revenues as a measure of the business activity and the Further Adjusted EBITDA as a measure of the performance of each segment. Further Adjusted EBITDA is calculated as profit/(loss) for the period attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in these consolidated financial statements, and dividends received from the preferred equity investment in ACBH. In order to assess performance of the business, the CODM receives reports of each reportable segment using revenues and Further Adjusted EBITDA. Net interest expense evolution is assessed on a consolidated basis. Financial expense and amortization are not taken into consideration by the CODM for the allocation of resources.

In the year ended December 31, 2015, Atlantica Yield had three customers with revenues representing more than 10% of the total revenues, i.e., two in the renewable energy and one in the conventional power business sectors.

a) The following tables show Revenues and Further Adjusted EBITDA by operating segments and business sectors for the years 2015, 2014 and 2013:

Geography	Revenue For the twelve-month period ended December 31, 2015	2014	2013	Further Adjusted EBITDA For the twelve-month period ended December 31, 2015	2014	2013
North America	$ 328,139	$ 195,508	$ 113,998	$ 279,559	$ 175,398	$ 96,712
South America	112,480	83,592	25,392	110,905	77,188	18,979
EMEA	350,262	83,593	71,517	233,754	55,437	42,838
Total	**$ 790,881**	**$ 362,693**	**$ 210,907**	**$ 624,218**	**$ 308,023**	**$ 158,529**

Business sectors	Revenue For the twelve-month period ended December 31, 2015	2014	2013	Further Adjusted EBITDA For the twelve-month period ended December 31, 2015	2014	2013
Renewable energy	$ 543,012	$ 170,673	$ 82,714	$ 413,933	$ 137,820	$ 55,797
Conventional power	138,717	118,765	102,801	107,671	101,896	83,277
Electric transmission lines	86,393	73,255	25,392	89,047	68,307	19,455
Water	22,759	—	—	13,567	—	—
Total	**$ 790,881**	**$ 362,693**	**$ 210,907**	**$ 624,218**	**$ 308,023**	**$ 158,529**

The reconciliation of segment Further Adjusted EBITDA with the profit/(loss) attributable to the parent company is as follows:

	For the twelve-month period ended December 31, 2015	2014	2013
Total segment Further Adjusted EBITDA	$ 624,219	$ 308,023	$ 158,529
Depreciation, amortization, and impairment charges	(261,301)	(125,480)	(46,943)
Financial expense, net	(526,758)	(197,426)	(125,219)
Dividend from exchangeable preferred equity investment in ACBH	(18,400)	(9,200)	—
Share in profits/(losses) associates under the equity method	7,844	(769)	13
Income tax	(23,790)	(4,413)	11,762
(Profit)/Loss attributable to non-controlling interests	(10,819)	(2,347)	(1,559)
Profit/(Loss) attributable to the parent company	**$ (209,005)**	**$ (31,612)**	**$ (3,417)**

b) The assets and liabilities by operating segments (and business sector) at the end of 2015 and 2014 are as follows:

Assets and liabilities by geography as of December 31, 2015:

	North America	South America	EMEA	Balance as of December 31, 2015
Assets allocated				
Contracted concessional assets	4,054,093	1,206,693	4,040,111	9,300,897
Investments carried under the equity method	-	-	56,181	56,181
Current financial investments	129,349	61,973	30,036	221,358
Cash and cash equivalents (project companies)	136,950	41,525	290,548	469,023
Subtotal allocated	**4,320,392**	**1,310,191**	**4,416,876**	**10,047,459**
Unallocated assets				
Other non-current assets				285,105
Other current assets (including cash and cash equivalents at holding company level)				257,910
Subtotal unallocated				**543,015**
Total assets				**10,590,474**

	North America	South America	EMEA	Balance as of December 31, 2015
Liabilities allocated				
Long-term and short-term project debt	1,891,597	888,304	2,690,769	5,470,670
Grants and other liabilities	1,611,724	799	34,225	1,646,748
Subtotal allocated	**3,503,321**	**889,103**	**2,724,994**	**7,117,418**
Unallocated liabilities				
Long-term and short-term corporate debt				664,494
Other non-current liabilities				591,608
Other current liabilities				193,453
Subtotal unallocated				**1,449,555**
Total liabilities				**8,566,973**
Equity unallocated				**2,023,501**
Total liabilities and equity unallocated				**3,473,056**
Total liabilities and equity				**10,590,474**

Assets and liabilities by geography as of December 31, 2014:

	North America	South America	Europe	Balance as of December 31, 2014
Assets allocated				
Contracted concessional assets	4,185,638	1,159,652	1,379,888	6,725,178
Investments carried under the equity method	—	—	5,711	5,711
Current financial investments	175,339	54,012	66	229,417
Cash and cash equivalents (project companies)	49,030	37,623	112,133	198,786
Subtotal allocated	**4,410,007**	**1,251,287**	**1,497,798**	**7,159,092**
Unallocated assets				
Other non-current assets				497,771
Other current assets (including cash and cash equivalents at holding company level)				307,132
Subtotal unallocated				**804,903**
Total assets				**7,963,995**

	North America	South America	EMEA	Balance as of December 31, 2014
Liabilities allocated				
Long-term and short-term non-recourse project financing	2,121,916	804,460	896,690	3,823,066
Grants and other liabilities	1,354,588	798	12,215	1,367,601
Subtotal allocated	**3,476,504**	**805,258**	**908,905**	**5,190,667**
Unallocated liabilities				
Long-term and short-term corporate debt				378,415
Other non-current liabilities				307,710
Other current liabilities				247,572
Subtotal unallocated				**933,697**
Total liabilities				**6,124,364**
Equity unallocated				**1,839,631**
Total liabilities and equity unallocated				**2,773,328**
Total liabilities and equity				**7,963,995**

Assets and liabilities by business sectors as of December 31, 2015:

	Renewable energy	Conventional power	Electric transmission lines	Water	Balance as of December 31, 2015
Assets allocated					
Contracted concessional assets	7,597,771	649,479	957,235	96,412	9,300,897
Investments carried under the equity method	14,064	-	-	42,117	56,181
Current financial investments	14,892	128,999	61,807	15,660	221,358
Cash and cash equivalents (project companies)	437,455	784	17,755	13,029	469,023
Subtotal allocated	**8,064,182**	**779,262**	**1,036,797**	**167,218**	**10,047,459**
Unallocated assets					
Other non-current assets					285,105
Other current assets (including cash and cash equivalents at holding company level)					257,910
Subtotal unallocated					**543,015**
Total assets					**10,590,474**

	Renewable energy	Conventional power	Electric transmission lines	Water	Balance as of December 31, 2015
Liabilities allocated					
Long-term and short-term project debt	4,108,166	617,082	697,922	47,500	5,470,670
Grants and other liabilities	1,646,637	111	-	-	1,646,748
Subtotal allocated	**5,754,803**	**617,193**	**697,922**	**47,500**	**7,117,418**
Unallocated liabilities					
Long-term and short-term corporate debt					664,494
Other non-current liabilities					591,608
Other current liabilities					193,453
Subtotal unallocated					**1,449,555**
Total liabilities					**8,566,973**
Equity unallocated					**2,023,501**
Total liabilities and equity unallocated					**3,473,056**
Total liabilities and equity					**10,590,474**

Assets and liabilities by business sectors as of December 31, 2014:

	Renewable energy	Conventional power	Electric transmission lines	Balance as of December 31, 2014
Assets allocated				
Contracted concessional assets	5,178,459	646,842	899,877	6,725,178
Investments carried under the equity method	5,711	—	—	5,711
Current financial investments	64,449	110,959	54,009	229,417
Cash and cash equivalents (project companies)	156,867	17,612	24,307	198,786
Subtotal allocated	**5,405,486**	**775,413**	**978,193**	**7,159,092**
Unallocated assets				
Other non-current assets				497,771
Other current assets (including cash and cash equivalents at holding company level)				307,132
Subtotal unallocated				**804,903**
Total assets				**7,963,995**

	Renewable energy	Conventional power	Electric transmission lines	Balance as of December 31, 2014
Liabilities allocated				
Long-term and short-term non-recourse project financing	2,579,221	625,135	618,710	3,823,066
Grants and other liabilities	1,367,601	-	-	1,367,601
Subtotal allocated	**3,946,822**	**625,135**	**618,710**	**5,190,667**
Unallocated liabilities				
Long-term and short-term corporate debt				378,415
Other non-current liabilities				307,710
Other current liabilities				247,572
Subtotal unallocated				**933,697**
Total liabilities				**6,124,364**
Equity unallocated				**1,839,631**
Total liabilities and equity unallocated				**2,773,328**
Total liabilities and equity				**7,963,995**

c) The amount of depreciation and amortization expense recognized for the years ended December 31, 2015, 2014 and 2013 are as follows:

	For the twelve-month period ended December 31,		
Depreciation and amortization by geography	**2015**	**2014**	**2013**
North America	(129,091)	(70,777)	(16,182)
South America	(41,274)	(31,990)	(10,853)
EMEA	(90,936)	(22,713)	(19,908)
Total	**(261,301)**	**(125,480)**	**(46,943)**

Depreciation and amortization by business sectors	For the twelve-month period ended December 31, 2015	2014	2013
Renewable energy	(232,699)	(98,107)	(36,090)
Electric transmission lines	(28,602)	(27,373)	(10,853)
Total	**(261,301)**	**(125,480)**	**(46,943)**

Note 5.- Changes in the scope of the consolidated financial statements

For the year ended December 31, 2015

On February 3, 2015, the Company completed the acquisition of a 25.5% stake in Honaine and a 34.2% stake in Skikda and on February 23, 2015, the Company completed the acquisition of a 29.6% stake in Helioenergy 1/2. Total purchase price paid for these assets amounted to $94 million.

On May 13, 2015 and May 14, 2015, the Company completed the acquisition of Helios 1/2, a 100 MW solar complex, and Solnova 1/3/4, a 150 MW solar complex, respectively, both in Spain. On May 25, 2015 the Company completed the acquisition of the remaining 70.4% stake in Helioenergy 1/2, a 100 MW solar complex in Spain. On July 30, 2015, the Company completed the acquisition of Kaxu, a 100 MW solar plant in South Africa. Total purchase price paid for these assets amounted to $682 million.

On June 25, 2015, the Company completed the acquisition of ATN2, an 81-mile transmission line in Peru. On September 30, 2015, the Company completed the acquisition of Solaben 1/6, a 100 MW solar complex in Spain. The total purchase price paid for these assets amounted to $359 million.

The Company has significant influence over Honaine therefore it is accounted for using the equity method as per IAS 28 *Investments in Associates* in these consolidated financial statements.

Under IFRS 10, *Consolidated Financial Statements* the Company has control over the rest of the assets acquired during the year 2015 and therefore they are fully consolidated in these consolidated financial statements. Given that Atlantica Yield was a subsidiary controlled by Abengoa when these acquisitions were closed, these assets constituted an acquisition under common control by Abengoa and accordingly, they were recorded using Abengoa's historical basis in the assets and liabilities of the predecessor. The difference between the cash paid and historical value of the net assets was recorded in equity. Results of operations of the assets acquired have been recorded in Atlantica Yield's consolidated income statement since the date of the acquisition.

Impact of changes in the scope in the consolidated financial statements

The amount of assets and liabilities integrated at the effective acquisition date for the aggregated change in scope is shown in the following table:

	Asset Acquisition under ROFO Agreement
Concessional assets (Note 6)	3,140,457
Investments carried under the equity method (Note 7)	51,527
Deferred tax asset (Note 18)	107,227
Other non-current assets	10,137
Current assets	428,935
Project debt long term (Note 15)	(2,087,362)
Deferred tax liabilities (Note 18)	(9,589)
Project debt short term (Note 15)	(102,012)
Other current and non-current liabilities	(491,768)
Asset acquisition under Rofo - purchase price	(1,135,413)
Non-controlling interests	(57,627)
Net result of the asset acquisition	**(145,488)**

Had the Asset acquisition under ROFO Agreement performed during 2015 been consolidated from January 1, 2015, the consolidated statement of comprehensive income would have included additional revenue of $162 million and additional loss after tax of $25.8 million.

For the year ended December 31, 2014.

Mojave Solar LLC

On December 1, 2014, Mojave Solar, LLC, the Company that holds the assets in Mojave, which was recorded under the equity method during its construction period, entered into operation and started to be fully consolidated once control over this company was gained.

The Company reassesses whether or not it controls an investee when facts and circumstances indicate that there are changes to the elements that determine control (power over the investee, exposure to variable returns of the investee and ability to use its power to affect its returns). The Company concluded that during the construction phase of Mojave plant all the relevant decisions were subject to the control and approval of the Administration. As a result, the Company did not have control over these assets during this period. IFRS 10 (B80) establishes that control requires a continuous assessment and that the Company shall reassess if it controls on investee if facts and circumstances indicate that there are changes to the elements of control. Once the Project´s construction phase was finished, the decision making process changed such that the Company makes decisions about the relevant activities of the investee, the investee was controlled and it started to be fully consolidated.

As during the construction period the assets were included in the investee's accounts under the scope of IFRIC 12, the book value of the combined assets and liabilities is the same as its fair value.

First asset acquisition under the ROFO agreement

On September 22, 2014, the Company entered into an agreement with Abengoa, subject to financing and negotiations of definitive documentation and certain other conditions, to acquire the First Dropdown Assets. On November 18, 2014, the Company completed the acquisition of Solacor 1/2 through a 30-year usufruct rights contract over the related shares (which includes the option to purchase such shares for one euro during a four-year term); on December 4, 2014, the Company completed the acquisition of PS10/20; and on December 29, 2014, the Company completed the acquisition of Cadonal. The total aggregate consideration for the First Dropdown Assets was $312 million. Solacor 1/2 are Solar assets located in Spain with a capacity of 100 MW, PS 10/20 are Solar assets located in Spain with a capacity of 31 MW and Cadonal is a 50 MW wind farm located in Uruguay.

Given that Atlantica Yield was a subsidiary controlled by Abengoa when these acquisitions were closed, the assets acquired constituted an acquisition under common control by Abengoa and accordingly, were recorded using Abengoa's historical basis in the assets and liabilities of the Predecessor. The difference between the cash proceeds and historical value of the net assets was recorded in equity. Results of operations of the assets acquired have been recorded in Atlantica Yield's consolidated income statement since the date of the acquisition.

Impact of changes in the scope in the consolidated financial statements

The amount of assets and liabilities integrated at the effective acquisition date for the aggregated change in scope is shown in the following table:

	Total	First asset acquisition under ROFO Agreement	Mojave
Concession assets (Note 6)	2,583,946	1,010,030	1,573,916
Amortization (Note 6)	(108,191)	(108,191)	—
Deferred tax asset (Note 18)	20,230	20,230	—
Other non-current assets	21,837	1,555	20,282
Current assets	144,734	138,692	6,042
Project debt long term (Note 15)	(1,401,107)	(592,115)	(808,992)
Deferred tax liabilities (Note 18)	(2,526)	(2,526)	—
Project debt short term (Note 15)	(39,445)	(28,284)	(11,161)
Other current and non-current liabilities	(468,349)	(113,630)	(354,719)
Book value of previously held interest for Mojave (Note 7)	(425,368)	—	(425,368)
First asset acquisition under Rofo - purchase price	(312,265)	(312,265)	—
Non-controlling interests	(33,563)	(33,563)	—
Net result of the asset acquisition	**(20,067)**	**(20,067)**	**—**

Had the first asset acquisition under ROFO Agreement performed during 2014 been consolidated from January 1, 2014, the consolidated statement of comprehensive income would have included additional revenue of $97 million and additional profit of $13 million. Mojave Solar LLC impact would have been nil.

Note 6.- Contracted concessional assets

a) The following table shows the movements of contracted concessional assets included in the heading "Contracted Concessional assets" for 2015:

Cost	
Total as of January 1, 2015	7,025,576
Additions	13,426
Translation differences	(326,557)
Change in the scope of the consolidated financial statements (Note 5)	3,430,362)
Reclassification and other movements	(16,784)
Total as of December 31, 2015	**10,126,023**

Accumulated amortization	
Total as of January 1, 2015	(300,398)
Additions	(261,301)
Change in the scope of the consolidated financial statements (Note 5)	(289,905)
Translation differences	26,478
Total accum. Amort. As of December 31, 2015	(825,126)
Net balance at December 31, 2015	**9,300,897**

During 2015 contracted concessional assets increased mainly due to the asset acquisition under Rofo agreement ($3,140 million).

No losses from impairment of 'Contracted concessional assets' were recorded during 2015.

The decrease included in "Reclassification and other movements" is mainly due to the reclassification from the long to the short term, of the current portion of the contracted concessional financial assets.

Contracted concessional assets include fixed assets financed through project debt, related to service concession arrangements recorded in accordance with IFRIC 12, except for Palmucho, which is recorded in accordance with IAS 17, and PS10&20, which are recorded as property plant and equipment in accordance with IAS 16. As of December 31, 2015, contracted concessional financial assets amount to $933,949 thousand ($750,546 thousand as of December 31, 2014).

b) The following table shows the movements of contracted concessional assets included in the heading 'Contracted concessional assets' for 2014:

Cost	
Total as of January 1, 2014	4,492,286
Additions	50,799
Translation differences	(86,095)
Change in the scope of the consolidated financial statements (Note 5)	2,583,946
Reclassification and other movements	(15,360)
Total as of December 31, 2014	**7,025,576**

Accumulated amortization	
Total as of January 1, 2014	(74,166)
Additions	(125,480)
Change in the scope of the consolidated financial statements (Note 5)	(108,191)
Translation differences	7,439
Total accum. Amort. As of December 31, 2014	(300,398)
Net balance at December 31, 2014	**6,725,178**

During 2014 contracted concessional assets increased mainly due to the first asset acquisition under Rofo ($1,010 million) and the full consolidation of Mojave Solar LLC ($1,574 million), once control over the company was gained with the entry into operation of the plant (see Note 5).

In addition, contracted concessional assets increased due to the construction of contracted concessions which have entered into operation in 2014, mainly electric transmission lines in Peru, Palmatir and Quadra 2. No losses from impairment of 'Contracted concessional assets in projects' were recorded during 2014.

The decrease included in "Reclassification and other movements" is mainly due to the reclassification from the long to the short term, of the current portion of the contracted concessional financial assets.

For further details of projects to the application of IFRIC 12, please see Appendix III.

Note 7.- Investments carried under the equity method

The table below shows the breakdown and the movement of the investments held in associates for 2015 and 2014:

Investments in associates	2015	2014
Initial balance	5,711	387,324
Capital contributions	-	44,524
Change in the scope of the consolidated financial statements (Note 5)	51,528	(425,368)
Share of (loss)/profit	7,844	(769)
Dividend distribution	(4,845)	-
Currency translation differences	(4,057)	-
Final balance	**56,181**	**5,711**

The increase in 2015 is mainly due to the entrance of Geida Tlemcem, S.L., which owns 51% of Honaine desalination plant. Investment carried under the equity method also increased for the investment held by Kaxu Solar One (Pty) Ltd. in Pectonex, R.F. and the investment held by Solaben 1&6 in Evacuación Valdecaballeros, S.L.

The decrease in 2014 is due to the entity Mojave Solar, LLC, which was fully consolidated since the plant entered into operation in December 2014.

The tables below show a breakdown of assets, revenues and profit and loss as well as other information of interest for the years 2015 and 2014 for the associated companies:

Company	% Shares	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Operating profit/ (loss)	Net profit/ (loss)	Investment under the equity method
Evacuación Valdecaballeros, S.L.	57.12	20.765	2.102	295	322	604	(689)	(534)	10.475
Myah Bahr Honaine, S.P.A. (*)	25.50	201.997	73.965	116.610	11.945	52.767	39.336	15.607	42.117
Pectonex, R.F. Proprietary Limited	50.00	3.776	-	-	-	-	(189)	(189)	3.589
As of December 31, 2015		**226.538**	**76.067**	**116.905**	**12.267**	**53.371**	**38.458**	**14.884**	**56.181**

	% Shares	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Operating profit/ (loss)	Net profit/ (loss)	Investment under the equity method
Evacuacion Valdecaballeros, S.L.	28.56	$ 24,513	$ 2,137	$ 310	$ 1,108	$ 536	$ (868)	$ (651)	$ 5,711
As of December 31, 2014		**$ 24,513**	**$ 2,137**	**$ 310**	**$ 1,108**	**$ 536**	**$ (868)**	**$ (651)**	**$ 5,711**

None of the associated companies referred to above is a listed company.

(*) Myah Bahr Honaine, S.P.A., the project entity, is 51% owned by Geida Tlemcen, S.L. which is accounted for using the equity method in these consolidated statements.

Note 8.- Financial instruments by category

Financial instruments are primarily deposits, derivatives, trade and other receivables and loans. Financial instruments by category (current and non-current), reconciled with the statement of financial position as of December 31, 2015 and 2014 are as follows:

	Notes	Loans and receivables / payables	Available for sale financial assets	Hedging derivatives	Balance as of December 31, 2015
Derivative assets	9	-	-	4,741	4,741
Preferred equity in ACBH		-	52,564	-	52,564
Other financial accounts receivables		257,844	-	-	257,844
Clients and other receivables	11	197,308	-	-	197,308
Cash and cash equivalents	12	514,712	-	-	514,712
Total financial assets		**969,864**	**52,564**	**4,741**	**1,027,169**
Corporate debt	14	664,494	-	-	664,494
Project debt	15	5,470,670	-	-	5,470,670
Related parties	10	126,860	-	-	126,860
Trade and other current liabilities	17	178,217	-	-	178,217
Derivative liabilities	9	-	-	385,095	385,095
Total financial liabilities		**6,440,241**	**-**	**385,095**	**6,825,335**

	Notes	Loans and receivables / payables	Available for sale financial assets	Hedging derivatives	Balance as of December 31, 2014
Derivative assets	9	-	-	4,597	4,597
Preferred equity in ACBH		-	263,000	-	263,000
Financial accounts receivables		335,381	-	-	335,381
Clients and other receivables	11	129,696	-	-	129,696
Cash and cash equivalents	12	354,154	-	-	354,154
Total financial assets		**819,231**	**263,000**	**4,597**	**1,086,828**
Corporate debt	14	378,415	-	-	378,415
Project debt	15	3,823,066	-	-	3,823,066
Related parties	10	77,961	-	-	77,961
Trade and other current liabilities	17	231,132	-	-	231,132
Derivative liabilities	9	-	-	168,931	168,931
Total financial liabilities		4,510,574	-	168,931	**4,679,505**

As of December 31, 2015 and 2014, all the financial instruments measured at fair value have been classified as Level 2, except for the preferred equity investment in ACBH, classified as Level 3.

The preferred equity investment in ACBH is an available for sale financial asset that gives the following rights:

- During the five-year period commencing on July 1, 2014, Atlantica Yield has the right to receive, in four quarterly installments, a preferred dividend of $18,400 thousand per year. Until December 31, 2015, the Company received the dividend corresponding to 1.5 years and the portion corresponding to 3.5 years is pending to be received;

- Following the initial five-year period, Atlantica Yield has the option to (i) remain as preferred equity holder receiving the first $18,400 thousand in dividends per year that ACBH is able to distribute or (ii) exchange the preferred equity for ordinary shares of specific project companies owned by ACBH.

Given that Atlantica Yield has a right to receive a quarterly dividend from July 2014 and for the following five years; the Company initially recorded an account receivable corresponding to the present value of the dividend receivable in the first five years, with a credit to deferred income, in "Grants and other liabilities". Income was recorded progressively from July 2014, as dividend was collected.

The valuation method used to calculate the initial fair value of the preferred equity investment in ACBH was discounting the $18.4 million annual dividend, using a discount rate of 7%.

On January 29, 2016, Abengoa informed the Company that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law ("*reorganizaçao judiciaria*"). The Company is currently assessing the potential impact of this event together with external advisors. Given that this process will likely negatively affect the value of the preferred equity investment and considering the high degree of uncertainty on its final outcome, the Company has recorded an impairment of this preferred equity investment for a total amount of $210 million. This amount has been recorded in "Other financial income/(expense), net" in the consolidated income statement for the year ended December 31, 2015. The valuation method used to calculate the value on the preferred equity investment in ACBH has been discounting the originally expected cash-flows from the instrument using a discount rate of 35%, based on the yields of bonds issued in Brazil by comparable companies with a rating indicating distress.

In addition, the Company de-recognised the account receivable corresponding to the dividend receivable in the remaining 3.5 years, amounting to $64.4 million, with a corresponding debit to the deferred income recorded in "Grants and other liabilities".

Other financial accounts receivables include the short-term portion of contracted concessional assets (see Note 6).

Note 9.- Derivative financial instruments

The breakdowns of the fair value amount of the derivative financial instruments as of December 31, 2015 and 2014 are as follows:

	Balance as of December 31, 2015		Balance as of December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives - cash flow hedge	4,741	385,095	4,597	168,931

The derivatives are primarily interest rate cash-flow hedges. All are classified as non-current assets or non-current liabilities, as they hedge long-term financing agreements. All derivatives are classified as Level 2 (see Note 2).

On May 12, 2015, the Company entered into a currency swap agreement with Abengoa which provides for a fixed exchange rate for the cash available for distribution from the Company's Spanish assets. The distributions from the Spanish assets are paid in euros and the currency swap agreement provides for a fixed exchange rate at which euros will be converted into U.S. dollars. The currency swap agreement has a five-year term, and is valued by comparing the contracted exchange rate and the future exchange rate in the valuation scenario at the maturities dates. The instrument is valued by calculating the cash flow that would be obtained or paid by theoretically closing out the position and then discounting that amount.

As stated in Note 3 to these consolidated financial statements, the general policy is to hedge variable interest rates of financing agreements purchasing call options (caps) in exchange of a premium to fix the maximum interest rate cost and contracting floating to fixed interest rate swaps.

As a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, can be diverse:

- Project debt in Euros: the Company hedge between 75% and 100% of the notional amount, maturities until 2030 and average guaranteed interest rates of between 3.20 % and 4.87%.

- Project debt in U.S. dollars: the Company hedge between 75% and 100% of the notional amount, including maturities until 2043 and average guaranteed interest rates of between 2.52% and 6.88%.

The table below shows a breakdown of the maturities of notional amounts of interest rate derivatives designated as cash flow hedges as of December 31, 2015 and 2014.

Notionals	**Balance as of December 31, 2015**		**Balance as of December 31, 2014**	
	Cap	Swap	Cap	Swap
Up to 1 year	22,320	72,184	18,505	28,122
Between 1 and 2 years	25,018	77,193	19,833	39,923
Between 2 and 3 years	26,741	201,186	21,333	41,135
Subsequent years	441,766	1,611,035	245,797	751,350
Total	**$ 515,845**	**$ 1,961,598**	**$ 305,468**	**$ 860,530**

The table below shows a breakdown of the maturity of the fair values of interest rate derivatives designated as cash flow hedges as of December 31, 2015 and 2014. The net position of the fair value of caps and swaps for each year end reconciles with the net position of derivative assets and derivative liabilities in the consolidated statement of financial position:

Fair value	**Balance as of December 31, 2015**		**Balance as of December 31, 2015**	
	Cap	Swap	Cap	Swap
Up to 1 year	185	(15,741)	170	(5,388)
Between 1 and 2 years	201	(16,508)	185	(7,110)
Between 2 and 3 years	218	(16,580)	202	(7,320)
Subsequent years	4,137	(336,266)	4,040	(149,113)
Total	**$ 4,741**	**(385,095)**	**$ 4,597**	**(168,931)**

Derivative liabilities included in these consolidated financial statements increase is primarily due to the asset acquisition under the ROFO Agreement (see Note 5).

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the consolidated income statement is a loss of $55,841 thousand (loss of $27,473 thousand in 2014 and a loss of $28,027 thousand in 2013). Additionally, the net amount of the time value component of the cash flow derivatives fair value recognized in the consolidated income statement for the year 2015 and the consolidated income statement for the years 2014 and 2013 has been a gain of $4,234 thousand, a loss of $2,386 thousand and a gain of $513 thousand respectively.

The after-tax result accumulated in equity in connection with derivatives designated as cash flow hedges at the years ended December 31, 2015 and 2014, amount to a $24,831 thousand gain and a $15,539 thousand loss respectively.

Note 10.- Related parties

During the normal course of business, the Company has historically conducted operations with related parties consisting mainly of Abengoa´s subsidiaries, mainly through loan contracts and advisory services. The transactions were completed at market rates.

During the period prior to the initial public offering, certain consolidated entities entered into one-year contractual arrangements with Abengoa from which the Company received certain administrative services. Such services included general services related to supporting functions such as financing, human resources management, and administration. The fee incurred by the operating companies was based on anticipated annual sales.

In addition, other operating expenses included in 2014 an allocation of certain general and administrative services provided by Abengoa. Allocated costs included general and administrative costs deemed allocable to the Company. Measurement of allocated costs was based principally on time devoted to the Company by employees of Abengoa. The Company believed that including the allocated costs, the combined statements of operations included a reasonable estimate of actual costs incurred to operate the business.

At the date of the initial offering, the Company entered into a series of agreements to receive management, general and administrative services from Abengoa (the Support Services Agreement and Executive Service Agreement), and corresponding fees have been properly accounted for as other operating expenses from this date onwards. The Executive Service Agreement was canceled in February 2015. During the year 2015 some employees of Abengoa delivering services under the Support Services Agreement have been transferred to entities within the consolidation perimeter of Atlantica Yield.

Main part of the project entities included in these consolidated financial statements receive operation and maintenance services from related parties. Furthermore, some of these entities received engineering, procurement, construction services from related parties for those concessions which were still under construction during the year 2014.

Details of balances with related parties as of December 31, 2015 and 2014 are as follows:

	Balance as of December 31, 2015	Balance as of December 31, 2014
Credit receivables (current)	12,653	29,876
Total current receivables with related parties	**12,653**	**29,876**
Credit receivables (non-current)	52,774	327,400
Total non-current receivables with related parties	**52,774**	**327,400**
Trade payables (current)	73,813	104,556
Total current payables with related parties	**73,813**	**104,556**
Trade payables (non- current)	-	21,685
Credit payables (non-current)	126,860	56,276
Total non-current payables with related parties	**126,860**	**77,961**

Receivables with related parties primarily corresponded to the preferred equity investment in ACBH and its corresponding dividend as of December 31, 2014, for $327, 400 thousand as non-current and $18,400 thousand as current. The instrument was impaired and its fair value amounts to $52,565 thousand as of December 31, 2015, classified as non-current (see Note 8).

Credit payables (non-current) primarily relate to payables of projects companies with partners accounted for as non-controlling interests in these consolidated financial statements.

The transactions carried out by entities included in these consolidated financial statements with Abengoa and with subsidiaries of Abengoa not included in the consolidated group during the twelve-month periods ended December 31, 2015, 2014 and 2013 have been as follows:

	For the twelve-month period ended December 31,		
	2015	2014	2013
Sales	44,260	25,673	11,925
Construction costs	-	(38,565)	(364,715)
Services rendered	523	2,343	2,804
Services received	(106,737)	(41,961)	(27,072)
Financial income	1,466	4,415	468
Financial expenses	(1,968)	(9,544)	(11,209)

Services received include operation and maintenance services received by some plants, the fee incurred by some plants under the services agreement with Abengoa, and general and administrative services as explained above. Sales relate to sale of energy by Spanish Solar plants, which were sometimes made through an Abengoa´s company acting as an agent for the plant. This service provided by Abengoa was canceled in December 2015. Financial expenses during the twelve-month periods ended December 2014 and 2013 primarily relate to interest expenses on debt with related parties that were capitalized prior to the IPO.

Construction costs include construction work subcontracted to Abengoa for the construction of the assets, which is recorded in these consolidated financial statements due to the fact that contracted concessional assets are included in the consolidated financial statements during the construction phase, according to IFRIC 12.

In addition, the Company entered into a Financial Support Agreement under which Abengoa agreed to facilitate a new $50,000 thousand revolving credit line and maintain any guarantees and letters of credit that have been provided by it on behalf of or for the benefit of Atlantica Yield and its affiliates for a period of five years. As of December 31, 2015, the total amount of the credit line has remained undrawn since the IPO.

Note 11.- Clients and other receivable

Clients and other receivable as of December 31, 2015 and 2014, consist of the following:

	Balance as of December 31, 2015	Balance as of December 31, 2014
Trade receivables	126,844	78,521
Tax receivables	42,322	36,080
Other accounts receivable	28,142	15,095
Total	**197,308**	**129,696**

As of December 31, 2015 and 2014, the fair value of clients and other accounts receivable does not differ significantly from its carrying value. The increase in clients and other receivables is primarily due to the asset acquisition under Rofo Agreement. (See Note 5).

Trade receivables according to foreign currency as of December 31, 2015 and 2014, are as follows:

	Balance as of December 31, 2015	Balance as of December 31, 2014
Euro	74,535	45,435
Rand	6,208	-
Other	6,646	7,714
Total	**87,389**	**53,149**

The following table shows the maturity of Trade receivables as of December 31, 2015 and 2014:

	Balance as of December 31, 2015	Balance as of December 31, 2014
Up to 3 months	126,844	78,521
Total	**126,844**	**78,521**

Note 12.- Cash and cash equivalents

The following table shows the detail of Cash and cash equivalents as of December 31, 2015 and 2014:

	Balance as of December 31, 2015	Balance as of December 31,2014
Cash at bank and on hand	514,712	350,854
Bank deposits	-	3,300
Total	**514,712**	**354,154**

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

Currency	Balance as of December 31, 2015	Balance as of December 31, 2014
U.S. dollar	219,172	226,226
Euro	251,778	113,948
Peruvian sol	1,553	7,840
Chilean Peso	3,057	6,099
South African Rand	25,962	-
Others	13,190	41
Total	**514,712**	**354,154**

Note 13.- Equity

As of December 31, 2015, the share capital of the Company amounts to $10,021,726 represented by 100,217,260 ordinary shares completely subscribed and disbursed with a nominal value of $0.10 each, all in the same class and series. Each share grants one voting right.

On June 18, 2014 Atlantica Yield closed its initial public offering issuing 24,850,000 ordinary shares. The shares were offered at a price of $29 per share and as a result the Company raised $720,650 thousand of gross proceeds. The Company recorded $2,485 thousand as Share Capital and $682,810 thousand as Additional Paid in Capital, included in the Parent company reserves of the consolidated statement of financial position as of December 31, 2015, corresponding to the total net proceeds of the offering. The underwriters further purchased 3,727,500 additional shares from the selling shareholder, a subsidiary wholly owned by Abengoa, at the public offering price less fees and commissions to cover over-allotments ("greenshoe") driving the total proceeds of the offering to $828,748 thousand.

Atlantica Yield's shares began trading on the NASDAQ Global Select Market under the symbol "ABY" on June 13, 2014.

On January 22, 2015, Abengoa closed an underwritten public offering and sale in the United States of 10,580,000 of ordinary shares of the Company for total proceeds of $327,980,000 (or $31 per share). As a result of such offering, Abengoa reduced its stake in the Company from 64.3% to 51.1% of its shares.

On May 14, 2015 Atlantica Yield issued 20,217,260 new shares at $33.14 per share, which was based on a 3% discount versus the May 7, 2015 closing price. Abengoa subscribed for 51% of the newly-issued shares and maintained its previous stake in Atlantica Yield. The proceeds were primarily used to finance asset acquisitions in May and June 2015.

On July 14, 2015, Abengoa sold 2,000,000 shares of Atlantica Yield under Rule 144, reducing its stake to 49.1%.

As of the date hereof, Abengoa has delivered an aggregate of 7,197,362 Ordinary Shares to holders that exercised their option to exchange Exchangeable Notes and Abengoa expects to deliver an additional 359,836 Ordinary Shares on the applicable settlement dates to certain holders of the Exchangeable Notes that have delivered a notice to exchange. As of December 31, 2015, there were 54,918.73 Ordinary Shares subject to delivery to holders of the Exchangeable Notes upon exchange of the outstanding Exchangeable Notes. These operations reduced Abengoa´s Stake to 41.86%.

On February 23, 2015, the Board of Directors of the Company declared a quarterly dividend corresponding to the fourth quarter of 2014 amounting to $0.2592 per share. The dividend was paid on March 16, 2015. On May 8, 2015, the Board of Directors of the Company declared a quarterly dividend corresponding to the first quarter of 2015 amounting to $0.34 per share. The dividend was paid on June 15, 2015. On July 29, 2015, the Board of Directors of the Company declared a quarterly dividend corresponding to the second quarter of 2015 amounting to $0.40 per share. The dividend was paid on September 15, 2015. On November 5, 2015, the Board of Directors of the Company declared a quarterly dividend corresponding to the third quarter of 2015 amounting to $0.43 per share. The dividend was paid on December 16, 2015 except for $9 million corresponding to Abengoa which were retained under the parent support agreement.

Parent company reserves as of December 31, 2015 are made up of share premium account and distributable reserves.

Retained earnings include results attributable to the Parent company and impact of the Asset Transfer of the assets acquisition under the ROFO agreement in equity recorded in accordance with the Predecessor accounting principle.

Non-controlling interests fully relate to interests held by JGC Corporation in Solacor 1 and Solacor 2, by Itochu Corporation in Solaben 2 and Solaben 3, Algerian Energy Company, SPA and Sadyt for Skikda and Honaine and Industrial Development Corporation of South Africa (IDC) and Kaxu Community Trust in Kaxu Solar One (Pty) Ltd.

In addition, as of December 31, 2015, there was no treasury stock and there have been no transactions with treasury stock during the period then ended.

Note 14.- Corporate debt

The breakdown of the corporate debt as of December 31, 2015 and 2014 is as follows:

	Balance as of December 31, 2015	Balance as of December 31, 2014
Non-current		
Credit Facilities with financial entities	409,665	123,400
Notes and Bonds	251,676	252,760
Total Non-current	**661,341**	**376,160**

	Balance as of December 31, 2015	Balance as of December 31, 2014
Current		
Credit Facilities with financial entities	624	103
Notes and Bonds	2,529	2,152
Total Current	**3,153**	**2,255**

Current corporate debt fully relates to the accrued interest of the Notes and Credit Facility as of December 31, 2015 and 2014.

The repayment schedule for the Corporate debt, at the end of 2015 is as follows:

	2016	2017	2018	2019	Total
Credit Facilities with financial entities	624	286,484	123,181	—	410,289
Notes and Bonds	2,529	—	—	251,676	254,205
	3,153	286,484	123,181	251,676	664,494

On November 17, 2014, the Company issued the Senior Notes due 2019 in an aggregate principal amount of $255,000 thousand (the "2019 Notes"). The 2019 Notes accrue annual interest of 7.00% payable semi-annually beginning on May 15, 2015 until their maturity date of November 15, 2019.

On December 3, 2014, the Company entered into a credit facility of up to $125,000 thousand with Banco Santander, S.A., Bank of America, N.A., Citigroup Global Markets Limited, HSBC Bank plc and RBC Capital Markets, as joint lead arrangers and joint bookrunners (the "Credit Facility"). On December 22, 2014, the Company drew down $125,000 thousand under the Credit Facility. Loans under the Credit Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.75% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus 1/2 of 1.00%, (ii) the U.S. prime rate and (iii) LIBOR plus 1.00%, in any case, plus 1.75%. Loans under the Credit Facility will mature on the fourth anniversary of the closing date of the Credit Facility. Loans prepaid by the Company under the Credit Facility may be reborrowed. The Credit Facility is secured by pledges of the shares of the guarantors which the Company owns.

On June 26, 2015, the Company increased its existing $125 million Credit Facility with a revolver tranche B for an amount of $290,000 thousand (the "Credit Facility Tranche B). On September 9, 2015, Credit Facility Tranche B was fully drawn down and the proceeds were used for the acquisition of Solaben 1/6. Loans under the Tranche B Facility accrue interest at a rate per annum equal to: (A) for Eurodollar rate loans, LIBOR plus 2.50% and (B) for base rate loans, 1.50%. Loans under the Credit Facility Tranche B will mature in December 2017. Tranche B of the Credit Facility was signed for a total amount of $290 million with Bank of America, N.A., as global coordinator and documentation agent and Barclays Bank plc and UBS AG, London Branch as joint lead arrangers and joint bookrunners.

Note 15.- Project debt

The main purpose of the Company is the long-term ownership and management of contracted concessional assets, such as renewable energy, conventional power, electric transmission line assets and water, which are financed through project debt. This note shows the project debt linked to the contracted concessional assets included in note 6 of these consolidated financial statements.

Project debt is generally used to finance contracted assets, exclusively using as guarantee the assets and cash flows of the company or group of companies carrying out the activities financed. In most of the cases, the assets and/or contracts are set up as guarantee to ensure the repayment of the related financing.

Compared with corporate debt, project debt has certain key advantages, including a greater leverage period permitted and a clearly defined risk profile.

The movements for 2015 and 2014 of project debt have been as follows:

	Project debt - long term	Project debt - short term	Total
Balance as of December 31, 2014	3,491,877	331,189	3,823,066
Increases	72,406	370,720	443,126
Decreases (reimbursement)	-	(772,886)	(772,886)
Currency translation differences	(201,958)	(10,052)	(212,010)
Reclassifications	(1,875,223)	1,875,223	-
Changes in the scope of the consolidated financial statements (Note 5)	2,087,362	102,012	2,189,374
Balance as of December 31, 2015	**3,574,464**	**1,896,206**	**5,470,670**

The increase in Project debt – short term is the result of:

- A decrease for the repayment of the short term tranche of the loan with the federal financing Bank by Mojave Solar LLC debt amounting to $334 million on October 2015;

- A reclassification of the entire debt of Solana, Mojave, Kaxu and Cadonal projects from long term to short term as of December 31, 2015 as a result of the cross-default provisions related to Abengoa further to the Insolvency Proceeding filed by Abengoa on November 25, 2015. Although the Company does not expect the acceleration of debt to be declared by the credit entities, the project entities did not have contractually as of December 31, 2015 an unconditional right to defer the settlement of the debt for at least twelve months after that date, and therefore the debt has been presented as current in these consolidated financial statements in accordance with International Accounting Standards 1 (“IAS 1”), “Presentation of Financial Statements”.

	Project debt - long term	Project debt - short term	Total
Balance as of December 31, 2013	2,842,338	52,312	2,894,650
Increases	501,335	89,390	590,725
Decreases (reimbursement)	(896,848)	(139,086)	(1,035,934)
Currency translation differences	(65,036)	(1,891)	(66,927)
Reclassifications	(291,019)	291,019	-
Changes in the scope of the consolidated financial statements (Note 5)	1,401,107	39,445	1,440,552
Balance as of December 31, 2014	**3,491,877**	**331,189**	**3,823,066**

During 2014, the increase in Project debt was mainly due to the ATS bond issuance of $ 432 million on April 8, 2014, at a fixed coupon and with semi-annual amortization until April 2043, to refinance its then existing project finance debt. In addition, Project debt increased due to the full consolidation of Mojave Solar, LLC, and increase of $820 million resulting from the business combination of the plant in December 2014 and to the First asset acquisition under the Rofo agreement which represented an increase of $620 million. (see Note 5).

The decrease was mainly due to the repayment of the short term tranche of the loan with the Federal Financing Bank by Arizona Solar One debt amounting to $451.3 million and to the repayment of the former project finance debt of ATS $333 million, both in April 2014.

Reclassifications from long term to short term primarily relates to the Short term tranche of the loan with the Federal Financing Bank due by Mojave in December 2014.

The repayment schedule for Project debt in accordance with the financing arrangements, at the end of 2015 is as follows and is consistent with the projected cash flows of the related projects.

2016		2017	2018	2019	2020	Subsequent years	Total
Interest Repayment	**Nominal repayment**						
20,716	175,011	191,030	209,612	229,949	247,902	4,396,449	5,470,670

The Company did not enter in any new project debt in 2015. In 2014 the only new project debt was ATS for $432 million.

Current and non-current loans with credit entities include amounts in foreign currencies for a total of $2,960,769 thousand as of December 31, 2015 ($896,690 thousand as of December 31, 2014).

The equivalent in U.S. dollars of the most significant foreign-currency-denominated debts held by the Company is as follows:

Currency	Balance as of December 31, 2015	Balance as of December 31, 2014
Euro	2,268,923	896,690
Argelian Dinar	47,500	-
Rand	374,346	-
Total	**2,690,769**	**896,690**

All of the Company's financing agreements have a carrying amount close to its fair value.

Note 16.- Grants and other liabilities

	Balances as of December 31, 2015	Balances as of December 31, 2014
Grants	1,354,967	1,043,837
Other liabilities	291,781	259,364
Deferred Income	—	64,400
Grant and other non-current liabilities	**1,646,748**	**1,367,601**

As of December 31, 2015, the amount recorded in Grants corresponds mainly to the ITC Grant awarded by the U.S. Department of the Treasury for Solana and Mojave for a total amount of $834 million, which was mainly used to fully repay the Solana and Mojave short-term tranche of the loan with the Federal Financing Bank. The amount recorded in Grants as a liability is progressively recorded as other income over the useful life of the asset.

The remaining balance of the "Grants" account corresponds to loans with interest rates below market rates for Solana and Mojave for a total amount of $517 million ($549 million as of December 31, 2014). Loans with the Federal Financing Bank guaranteed by the Department of Energy for these projects bear interest at a rate below market rates for these types of projects and terms. The difference between proceeds received from these loans and its fair value, is initially recorded as "Grants" in the consolidated statement of financial position, and subsequently recorded in "Other operating income" starting at the entry into operation of the plants. The increase in Grants was primarily due to the ITC Grant receivable recognized for the Mojave project for $360 million.

Other liabilities mainly relates to the investment from Liberty Interactive Corporation ('Liberty') made on October 2, 2013 for an amount of $300 million. The investment was made in class A shares of Arizona Solar Holding, the holding of Solana Solar plant in the United States. Such investment was made in a tax equity partnership which permits the partners to have certain tax benefits such as accelerated depreciation and ITC.

According to the stipulations of IAS 32 and in spite of the fact that the investment of Liberty Interactive Corporation ('Liberty') is in shares, it does not qualify as equity and has been classified as a liability as of December 31, 2015 and 2014, the non-current portion of the liability is recorded in Grants and other liabilities for an amount of $247 million and its current portion is recorded in other current liabilities for the remaining amount (see Note 17). This liability has been initially valued at fair value, calculated as the present value of expected cash-flows during the useful life of the concession, and will be measured at amortized cost in accordance with the effective interest method.

Deferred income as of December 31, 2014 corresponded to the long-term portion of the deferred income from the dividend receivable from the preferred equity investment in ACBH (see Note 8).

Note 17.- Trade payables and other current liabilities

Trade payable and other current liabilities as of December 31, 2015 and 2014 are as follows:

Item	Balance as of December 31, 2015	Balance as of December 31, 2014
Trade accounts payable	110,495	54,074
Down payments from clients	6,398	5,274
Deferred Income	—	18,400
Suppliers of concessional assets current	17,582	81,052
Liberty (see Note 16)	21,515	63,652
Other accounts payable	22,227	8,680
Total	**178,217**	**231,132**

Decrease in Suppliers of concessional assets primarily relates to Mojave, which COD took place on December 1, 2014. Trade accounts payables mainly relate to the operating and maintenance of the plants and its increase is primarily due to asset acquisitions under the ROFO Agreement (see Note 5).

Deferred income as of December 31, 2014 corresponded to the short-term portion of the deferred income related to the dividend receivable from the preferred equity investment in ACBH (see Note 8).

Nominal values of Trade payable and other current liabilities are considered to approximately equal to fair values and the effect of discounting them is not significant.

Note 18.- Income Tax

All the companies included in the Company file income taxes according to the tax regulations in force in each country on an individual basis or under consolidation tax regulations.

The consolidated income tax has been calculated as an aggregation of income tax expenses/income of each individual company. In order to calculate the taxable income of the consolidated entities individually, the accounting result is adjusted for temporary and permanent differences, recording the corresponding deferred tax assets and liabilities. At each consolidated income statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Income tax payable is the result of applying the applicable tax rate in force to each tax-paying entity, in accordance with the tax laws in force in the country in which the entity is registered. Additionally, tax deductions and credits are available to certain entities, primarily relating to inter-company trades and tax treaties between various countries to prevent double taxation.

As of December 31, 2015 and 2014, the analysis of deferred tax assets and deferred tax liabilities is as follows:

Concept	Balance as of December 31, 2015	Balance as of December 31, 2014
Tax credits for tax loss carryforwards	82,290	55,887
Temporary differences derivatives financial instruments	108,055	59,307
Other temporary differences	969	9,016
Total deferred tax assets	**191,314**	**124,210**

Concept	Balance as of December 31, 2015	Balance as of December 31, 2014
Temporary differences tax amortization	13,106	52,342
Other temporary differences	66,548	8,476
Total deferred tax liabilities	**79,654**	**60,818**

Most of the tax credits for net operating loss carryforwards correspond to Solana, Mojave, Peru and solar plants in Spain.

Temporary differences for derivatives financial instruments are mainly due to ACT ($25 million) and solar plants in Spain ($79 million).

In relation to tax loss carryforwards and deductions pending to be used recorded as deferred tax assets, the entities evaluate its recoverability projecting forecasted taxable income for the upcoming years and taking into account their tax planning strategy. Deferred tax liabilities reversals are also considered in these projections, as well as any limitation established by tax regulations in force in each tax jurisdiction.

The movements in deferred tax assets and liabilities during the years ended December 31, 2015 and 2014 were as follows:

Deferred tax assets	Amount
As of January 1, 2014	**52,784**
Increase/decrease through the consolidated income statement	20,295
Increase/decrease through other consolidated comprehensive income (equity)	29,409
Other movements	1,492
Change in the scope of the consolidated financial statements (Note 5)	20,230
As of December 31, 2014	**124,210**
Increase/decrease through the consolidated income statement	(22,525)
Increase/decrease through other consolidated comprehensive income (equity)	(12,032)
Other movements	(5,566)
Change in the scope of the consolidated financial statements (Note 5)	107,227
As of December 31, 2015	**191,314**

Deferred tax liabilities	Amount
As of January 1, 2014	21,839
Increase/decrease through the consolidated income statement	23,633
Increase/decrease through other consolidated comprehensive income (equity)	13,005
Other movements	(185)
Change in the scope of the consolidated financial statements (Note 5)	2,526
As of December 31, 2014	**60,818**
Increase/decrease through the consolidated income statement	(917)
Increase/decrease through other consolidated comprehensive income (equity)	(22)
Other movements	10,186
Change in the scope of the consolidated financial statements (Note 5)	9,589
As of December 31, 2015	**79,654**

Details regarding income tax for the years ended December 31, 2015 and 2014 are as follows:

Item	For the twelve-month period ended December 31, 2015	For the twelve-month period ended December 31, 2014
Current tax	(2,182)	(1,075)
Deferred tax	(21,608)	(3,338)
Total income tax benefit/(expense)	**(23,790)**	**(4,413)**

The reconciliation between the theoretical income tax resulting from applying an average statutory tax rate to income before income tax and the actual income tax expense recognized in the consolidated income statements for the years ended December 31, 2015 and 2014, are as follows:

Concept	For the twelve-month period ended December 31, 2015	For the twelve-month period ended December 31, 2014
Consolidated (loss) before taxes	(174,396)	(24,852)
Average statutory tax rate	30%	30%
Corporate income tax at average statutory tax rate	**52,319**	**7,456**
Income tax of associates, net	2,341	(231)
Differences in foreign tax rates	(2,389)	(76)
Permanent differences	(19,456)	(4,587)
Incentives, deductions, and tax losses carryforwards	(58,039)	(249)
Change in Spanish corporate income tax	884	1,608
Other non-taxable income/(expense)	550	(8,334)
Corporate income tax	(23,790)	(4,413)

Permanent differences are mainly due to inflationary effects in ACT (Mexico). Incentives, deductions, and tax losses carryforwards include the impact of not recognizing deferred tax assets on the impairment charge of the preferred equity investment in ACBH ($63.1 million).

On November 28, 2014, certain laws were published in the official state gazette (BOE) to reform the Spanish tax system which include changing the general tax rate to 28% in 2015 and to 25% in 2016 (from 30% in 2014), among other measures. The impact of the change in the new income tax rate has resulted in a $0.9 million reduction in the deferred income tax expense recorded in the profit and loss statement in 2015 ($1.6 million in 2014).

Note 19.- Third-party guarantees and commitments

Third-party guarantees

At the close of 2015 the overall sum of Bank Bond and Surety Insurance directly deposited by the Company as a guarantee to third parties (clients, financial entities and other third parties) amounted to $27,638 thousand attributed to operations of technical nature ($17,573 thousand as of December 31, 2014).

Contractual obligations

The following table shows the breakdown of the third-party commitments and contractual obligations as of December 31, 2015 and 2014:

2015	Total	2016	2017 and 2018	2019 and 2020	Subsequent
Corporate debt	664,494	3,153	409,665	251,677	—
Loans with credit institutions (project debt)*	4,634,505	170,213	356,328	430,153	3,677,812
Notes and bonds (project debt)	836,164	25,514	44,314	47,699	718,638
Purchase commitments	4,158,576	169,951	320,287	344,338	3,323,999
Accrued interest estimate during the useful life of loans*	3,761,305	338,543	667,427	594,263	2,161,072

* According to contracted maturities.

2014	Total	2015	2016 and 2017	2018 and 2019	Subsequent
Corporate debt	378,415	2,255	—	376,160	—
Loans with credit institutions (project debt)	3,294,234	323,250	209,039	244,986	2,516,959
Notes and bonds (project debt)	528,832	7,939	9,263	13,585	498,045
Purchase commitments	1,813,080	79,509	148,357	152,256	1,432,958
Accrued interest estimate during the useful life of loans	2,233,750	180,756	350,553	308,430	1,394,011

Note 20.- Other operating income and expenses

The table below shows the detail of Other Operating Income and Expenses for the years ended December 31, 2015, 2014 and 2013:

Other Operating income	For the twelve-month period ended December 31, 2015	For the twelve-month period ended December 31, 2014	For the twelve-month period ended December 31, 2013
Grants	67,859	35,261	10,118
Income from various services	998	6,087	4,811
Income from subcontracted construction services for assets and concessions	—	38,565	364,715
Total	**68,857**	**79,913**	**379,644**

Other Operating expenses	For the twelve-month period ended December 31, 2015	For the twelve-month period ended December 31, 2014	For the twelve-month period ended December 31, 2013
Leases and fees	(3,865)	(1,827)	(1,850)
Repairs and maintenance	(24,735)	(10,262)	(12,753)
Independent professional services	(104,513)	(38,063)	(25,078)
Transportation	(113)	(114)	(437)
Supplies	(18,001)	(7,589)	(3,322)
Other external services	(24,431)	(10,164)	(5,479)
Levies and duties	(32,352)	(14,226)	(6,605)
Other expenses	(16,818)	(11,847)	(3,165)
Construction costs	—	(38,565)	(364,715)
Total	**(224,828)**	**(132,657)**	**(423,404)**

As certain assets owned by the Company were under construction and subcontracted to related parties in 2014 and 2013, the Company recorded income from construction services as “Other operating income” in accordance with IFRIC 12. The corresponding costs of construction were recorded within “Other operating expenses.” These amounts reflect the construction progress of the assets and concessions during these years. The decrease noted in 2014 was primarily due to the completion of construction of ATS in this year. There were no plants under construction during 2015.

The increase in grants is related to the ITC cash grant of Mojave, which was received in September 2015 and to the implicit grant recorded for accounting purposes in relation to the FFB Loans in Solana and Mojave projects with interest rates below market rates (See Note 16).

The increase in operating expenses is mainly due to acquisitions under Rofo agreement in 2014 and 2015, and to a lower extent, to the commencement of operations of Mojave in the last quarter of 2014. This increase was partially offset by the decrease in construction costs from $38.6 million in 2014 to nil in 2015, due to the completion of construction of ATS, Quadra 1, Quadra 2 and Palmatir.

Independent professional services are mainly related to the Operating and Maintenance costs of the plants.

Until the date of the initial public offering of the Company, other operating expenses include an allocation of certain general and administrative services provided by Abengoa for the period prior to the offering. The Company believes that by including the allocated costs, the consolidated income statement for this period includes a reasonable estimate of actual costs incurred to operate the business. These general and administrative services amount to $3.8 million in 2014 and $3.5 million in 2013.

Note 21.- Financial Income and expenses

The following table sets forth our financial income and expenses for the years ended December 31, 2015, 2014 and 2013:

	For the twelve-month period ended December 31,		
Financial income	**2015**	**2014**	**2013**
Interest income from loans and credits	933	4,075	640
Interest rates benefits derivatives: cash flow hedges	2,531	836	513
Total	**3,464**	**4,911**	**1,153**

	For the twelve-month period ended December 31,		
Financial expenses	**2015**	**2014**	**2013**
Expenses due to interest:			
- Loans from credit entities	(197,929)	(117,743)	(78,644)
- Other debts	(81,853)	(61,814)	(17,112)
Interest rates losses derivatives: cash flow hedges	(54,139)	(30,695)	(28,027)
Total	**(333,921)**	**(210,252)**	**(123,783)**

Financial expenses increased in 2015 mainly due to the asset acquisitions under the ROFO Agreement and the interest expense from loans and credits associated with projects that have entered into operation during 2014. Interest is capitalized for the Company´s intangible concession assets during the construction period and begins to be expensed upon commercial operation. Interests from other debts are primarily interest on the notes issued by ATS, ATN, Abengoa Yield plc and interest related to the investment from Liberty (see Note 16). Losses from interest rate derivatives designated as cash flow hedges correspond mainly to transfers from equity to financial expense when the hedged item is impacting the consolidated condensed income statement.

Other net financial income and expenses

The following table sets out Other net financial income and expenses fot the years ended December 31, 2015, 2014 and 2013:

	For the twelve-month period ended December 31,		
Other financial income / (expenses)	**2015**	**2014**	**2013**
Dividend from ACBH (Brazil)	18,400	9,200	-
Other financial income	1,520	549	618
Impairment preferred equity investment in ACBH (see Note 8)	(210,435)	-	-
Other financial losses	(9,638)	(3,888)	(2,311)
Total	**(200,153)**	**5,861**	**(1,693)**

Other financial losses mainly include guarantees and letters of credit, wire transfers and other bank fees and other minor financial expenses.

Note 22.- Earnings per share

Basic earnings per share for the year 2015 has been calculated by dividing the profit/(loss) attributable to equity holders of the company by the number of shares outstanding. Diluted earnings per share equals basic earnings per share for the period presented. Basic earnings per share is only presented for periods subsequent to the initial public offering.

Item	**For the twelve-month period ended December 31, 2015**	**Period from July 1, 2014, to December 31, 2014**
Profit/(loss) from continuing operations attributable to Abengoa Yield Plc.	(209,005)	(3,379)
Profit/(loss) from discontinuing operations attributable to Abengoa Yield Plc.	-	-
Average number of ordinary shares outstanding (thousands) - basic and diluted	**92,795**	**80,000**
Earnings per share from continuing operations (US dollar per share) - basic and diluted	(2.25)	(0.04)
Earnings per share from discontinuing operations (US dollar per share) - basic and diluted	-	-
Earnings per share from profit for the period (US dollar per share) - basic and diluted	**(2.25)**	**(0.04)**

Note 23.- Other information

23.1 Restricted Net assets

Certain of the consolidated entities are restricted from remitting certain funds to Abengoa Yield plc in the form of cash dividends or loans by a variety of regulations, contractual or statutory requirements. These restrictions are related to standard requirements to maintain debt service coverage ratios. Also for certain project finance entities that just reached COD, no dividends may be distributed during first months of operation. For the purposes of a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3) ‘General Notes to Financial Statements’, this restriction has also been considered in the cases of Solana, Mojave, Cadonal and Kaxu projects, as a result of the cross-default provisions related to Abengoa included in the financing arrangements of these projects. These cross-default provisions expire progressively over time, remaining in place until the termination of the obligations of Abengoa under such project financing arrangements. The Company is currently in discussions with the project finance lenders about developments at Abengoa. At December 31, 2015, the accumulated amount of the temporary restrictions for the whole restricted term of these affiliates was $979 million, including the entire amount of net assets of Solana, Mojave, Cadonal and Kaxu. The Company expects in the future to extract cash from the entities and to pay dividends to their shareholders. Excluding consideration of the cross-default provisions of Solana, Mojave, Cadonal and Kaxu, the accumulated amount of restrictions amounts to $237 million.

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3) ‘General Notes to Financial Statements’ and rule 5-04 (c) ‘what schedules are to be filed’ and concluded the restricted net assets exceed 25% of the consolidated net assets of the Company as of December 31, 2015. Therefore the separate financial statements of Abengoa Yield, Plc. should be presented (see Appendix V (Schedule I) for details).

23.2 Subsequent events

On January 7, 2016, the Company closed the acquisition of 13% of the shares of Solacor 1/2 from JGC Corporation, which reduced their ownership in Solacor 1/2 to 13%.

On January 29, 2016, Abengoa informed the Company that several indirect subsidiaries of Abengoa in Brazil, including ACBH, have initiated an insolvency procedure under Brazilian law (“reorganizaçao judiciaria”). The Company is currently assessing the potential impact of this event together with external advisors.

Appendices

Appendix I

Entities included in the Company as subsidiaries as of December 31, 2015

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V.	ACT	Santa Barbara. (Mexico)	100.00	(2)
ABY Concessions Infrastructures, S.LU...	ACIN	Sevilla (Spain)	100.00	(5)
Abengoa Concessions Perú, S.A.	ACP	Lima (Peru)	100.00	(5)
Abengoa Solar Holdings USA Inc.	ABSA	Arizona (United States)	100.00	(5)
ABY South Africa (Pty) Ltd	ASA	Pretoria (South Africa)	100.00	(5)
Abengoa Solar US Holdings Inc.	ABSU	Arizona (United States)	100.00	(5)
Abengoa Transmisión Norte S.A.	ATN	Lima (Peru)	100.00	(1)
Abengoa Transmisión Sur, S.A.	ATS	Lima (Peru)	100.00	(1)
ACT Holdings, S.A. de C.V.	ACT Holding	México D.F. (Mexico)	100.00	(5)
Aguas de Skikda S.P.A.	Skikda	Dely Ibrahim (Argelia)	51.00	(4)
Arizona Solar One, LLC.	ASO	Colorado (United States)	100,00	(3)
ASO Holdings Company, LLC.	ASOH	Colorado (United States)	100.00*	(5)
ATN 2, S.A.	ATN 2	Lima (Peru)	100.00	(1)
Cadonal, S.A.	Cadonal	Montevideo (Uruguay)	100.00	(3)
Carpio Solar Inversiones, S.A.	Carpio	Sevilla (Spain)	100.00	(5)
Ecija Solar Inversiones, S.A.	ESI	Sevilla (Spain)	100.00	(5)
Extremadura Equity Investments Sárl. .	EEI	Luxemburgo (Luxemburgo)	100.00	(5)
Geida Skikda, S.L.	Geida Skikda	Madrid (Spain)	67.00	(5)
Helioenergy Electricidad Uno, S.A.	Helioenergy 1	Sevilla (Spain)	100.00	(3)
Helioenergy Electricidad Dos, S.A.	Helioenergy 2	Sevilla (Spain)	100.00	(3)
Helios I Hyperion Energy Investments, S.L.	Helios 1	Sevilla (Spain)	100.00	(3)
Helios II Hyperion Energy Investments, S.L.	Helios 2	Sevilla (Spain)	100.00	(3)
Holding de Energía Eólica S.A.	HE	Montevideo (Uruguay)	100.00	(5)
Hypesol Energy Holding, S.L.	Hypesol	Sevilla (Spain)	100.00	(5)
Kaxu Solar One (Pty) Ltd.	KSO	Gauteng (South Africa)	100.00	(3)
Logrosán Equity Investments Sárl. .	LEI	Luxemburgo (Luxemburgo)	100.00	(5)
Logrosán Solar Inversiones, S.A.	Logrosan	Sevilla (Spain)	100.00	(5)
Logrosán Solar Inversiones Dos, S.L.	Logrosan 2	Sevilla (Spain)	100.00	(5)
Mojave Solar Holdings, LLC. .	MSH	Colorado (United States)	100.00	(5)
Mojave Solar LLC.	Mojave	Arizona (United States)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (Uruguay)	100.00	(3)
Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
Sanlucar Solar, S.A.	PS-10	Sevilla (Spain)	100.00	(3)
Solaben Electricidad Uno.	Solaben 1	Caceres (Spain)	100.00	(3)
Solaben Electricidad Dos.	Solaben 2	Caceres (Spain)	70.00	(3)
Solaben Electricidad Tres.	Solaben 3	Caceres (Spain)	70.00	(3)
Solaben Electricidad Seis.	Solaben 6	Caceres (Spain)	100.00	(3)
Solaben Luxembourg S.A.	SL	Luxemburgo (Luxemburgo)	100.00	(5)
Solacor Electricidad Uno, S.A.	Solacor 1	Sevilla (Spain)	74.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Sevilla (Spain)	74.00	(3)
ABY Servicios Corporativos S.A.	ABYSC	Sevilla (Spain)	100.00	(5)
Solar Processes, S.A.	PS-20	Sevilla (Spain)	100.00	(3)
Solnova Solar Inversiones, S.A.	SSI	Seville (Spain)	100.00	(5)
Solnova Electricidad, S.A.	Solnova 1	Seville (Spain)	100.00	(3)
Solnova Electricidad Tres, S.A.	Solnova 3	Seville (Spain)	100.00	(3)
Solnova Electricidad Cuatro, S.A.	Solnova 4	Seville (Spain)	100.00	(3)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (CL)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (CL)	100.00	(1)

(1) Business sector: Electric transmission lines
(2) Business sector: Conventional power
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company
* 100% of Class A shares held by Liberty Media (US tax equity investor, non-related party).

The Appendices are an integral part of the notes to the financial statements.

Appendices

Appendix I

Entities included in the Company as subsidiaries as of December 31, 2014

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V	ACT	Santa Barbara. (MX)	100.00	(2)
ABY Concessions Infrastructures, S.LU.	ACIN	Sevilla (ES)	100.00	(5)
Abengoa Concessions Perú, S.A.	ACP	Lima (PE)	100.00	(1)
Abengoa Solar Holdings USA Inc.	ABSA	Arizona (US)	100.00	(5)
Abengoa Solar US Holdings Inc.	ABSU	Arizona (US)	100.00	(5)
Abengoa Transmisión Norte S.A.	ATN	Lima (PE)	100.00	(1)
Abengoa Transmisión Sur, S.A.	ATS	Lima (PE)	100.00	(1)
ACT Holdings, S.A. de C.V.	ACT Holding	México D.F. (MX)	100.00	(5)
Arizona Solar One, LLC	ASO	Colorado (US)	100.00	(3)
ASO Holdings Company, LLC	ASOH	Colorado (US)	100.00*	(5)
Cadonal, S.A.	Cadonal	Montevideo (UY)	100.00	(3)
Carpio Solar Inversiones, S.A.	Carpio	Sevilla (ES)	100.00	(5)
Holding de Energía Eólica S.A.	HE	Montevideo (UY)	100.00	(5)
Logrosán Solar Inversiones, S.A.	Logrosan	Sevilla (ES)	100.00	(5)
Mojave Solar Holdings, LLC.	MSH	Colorado (US)	100.00	(5)
Mojave Solar LLC	Mojave	Arizona (US)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (UY)	100.00	(3)
Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
Sanlucar Solar, S.A.	PS-10	Sevilla (ES)	100.00	(3)
Solaben Electricidad Dos	Solaben 2	Caceres(ES)	70.00	(3)
Solaben Electricidad Tres	Solaben 3	Caceres(ES)	70.00	(3)
Solacor Electricidad Uno, S.A.	Solacor 1	Sevilla (ES)	74.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Sevilla (ES)	74.00	(3)
Solar de Receptores de Andalucía, S.A.	SRA	Sevilla (ES)	100.00	(3)
Solar Processes, S.A	PS-20	Sevilla (ES)	100.00	(3)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (CL)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (CL)	100.00	(1)

(1) Business sector: Electric transmission lines
(2) Business sector: Conventional power
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company
* 100% of Class A shares held by Liberty Media (US tax equity investor, non-related party).

The Appendices are an integral part of the notes to the financial statements.

Appendices

Appendix II

Investments recorded under the equity method as of December 31, 2015

Company name	Project name	Registered address	% of nominal share	Business
Evacuacion Valdecaballeros, S.L.	Valdecaballeros	Caceres (Spain)	57.2	(3)
Geida Tlemcen S.L.	Geida Tlemcen	Madrid (Spain)	50.0	(4)
Pectonex R.L.	Pectonex	Pretoria (South Africa)	50.0	(3)

Investments recorded under the equity method as of December 31, 2014

Company name	Project name	Registered address	% of nominal share	Business
Evacuacion Valdecaballeros, S.L.	Valdecaballeros	Caceres (Spain)	28.6	(3)

(1) Business sector: Electric transmission lines
(2) Business sector: Conventional power
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company

The Appendices are an integral part of the notes to the consolidated financial statements.

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2015 and 2014

Description of the Arrangements

Solana

Solana is a 250 MW net (280 MW gross) solar electric generation facility located in Maricopa County, Arizona, approximately 70 miles southwest of Phoenix. Arizona Solar One LLC, or Arizona Solar, owns the Solana project. Solana includes a 22-mile 230kV transmission line and a molten salt thermal energy storage system. The construction of Solana commenced in December 2010 and Solana reached COD on October 9, 2013.

Solana has a 30-year, PPA with Arizona Public Service, or APS, approved by the Arizona Corporation Commission (ACC). The PPA provides for the sale of electricity at a fixed price per MWh with annual increases of 1.84% per year. The PPA includes limitations on the amount and condition of the energy that is received by APS with minimum and maximum thresholds for delivery capacity that must not be breached.

Mojave

Mojave is a 250 MW net (280 MW gross) solar electric generation facility located in San Bernardino County, California, approximately 100 miles northeast of Los Angeles. Abengoa commenced construction of Mojave in September 2011 and Mojave reached COD on December 1, 2014.

Mojave has a 25-year, PPA with Pacific Gas & Electric Company, or PG&E, approved by the California Public Utilities Commission (CPUC). The PPA will begin on COD. The PPA provides for the sale of electricity at a fixed base price per MWh without any indexation mechanism, including limitations on the amount and condition of the energy that is received by PG&E with minimum and maximum thresholds for delivery capacity that must not be breached.

Palmatir

Palmatir is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Palmatir has 25 wind turbines and each turbine has a nominal capacity of 2 MW. UTE (Administracion Nacional de Usinas y Transmisiones Electricas), Uruguay's state-owned electricity company, has agreed to purchase all energy produced by Palmatir pursuant to a 20-year PPA.

Palmatir reached COD in May 2014. The wind farm is located in Tacuarembo, 170 miles north of the city of Montevideo.

Palmatir signed a PPA with UTE on September 14, 2011 for 100% of the electricity produced, approved by URSEA (Unidad Reguladora de Servicios de Energia y Agua). UTE will pay a fixed-price tariff per MWh under the PPA, which is denominated in U.S. dollars and will be partially adjusted in January of each year according to a formula based on inflation.

Cadonal

Cadonal is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Cadonal has 25 wind turbines and each turbine has a nominal capacity of 2 MW each. UTE (Administracion Nacional de Usinas y Trasmisiones Electricas), Uruguay´s state-owned electricity company, has agreed to purchase all energy produced by Cadonal pursuant to a 20-year PPA.

Cadonal reached COD in December 2014. The wind farm is located in Flores, 105 miles north of the city of Montevideo.

Cadonal signed a PPA with UTE on December 28, 2012 for 100% of the electricity produced, approved by URSEA (Unidad Reguladora de Servicios de Energia y Agua). UTE will pay a fixed tariff under the PPA per MWh under the PPA, which is denominated in U.S. dollars and will be adjusted every January considering both US and Uruguay´s inflation indexes and the exchange rate between Uruguayan pesos and U.S. dollars.

Solaben 2 & Solaben 3

The Solaben 2 and Solaben 3 are two 50 MW Concentrating Solar Power facilities and are part of Abengoa's Extremadura Solar Complex. The Extremadura Solar Complex consists of four Concentrating Solar Power plants (Solaben 1, Solaben 2, Solaben 3 and Solaben 6), and is located in the municipality of Logrosan, Spain. Abengoa commenced construction of Solaben 2 and Solaben 3 in August 2010. Solaben 2 reached COD in June 2012 and Solaben 3 reached COD in October 2012. Solaben Electricidad Dos, S.A., or SE2, owns Solaben 2 and Solaben Electricidad Tres, S.A., or SE3, owns Solaben 3.

Renewable energy plants in Spain, like Solaben 2 and Solaben 3, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Solaben 2 and Solaben 3 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comision Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator.

Solacor 1 & Solacor 2

The Solacor 1 and Solacor 2 are two 100 MW Concentrating Solar Power facilities and are part of Abengoa's El Carpio Solar Complex, located in the municipality of El Carpio, Spain. The Carpio Solar Complex consists in a conventional parabolic trough Concentrating Solar Power system to generate electricity. Abengoa commenced construction of Solacor 1 and Solacor 2 in September 2010. The COD was reached in two phases, the first one, Solacor 1, was reached in January 2012 and the second one, Solacor 2, was reached in March 2012. JGC Corporation holds 26% of Solacor 1 & Solacor 2, a Japanese engineering company.

Renewable energy plants in Spain, like Solacor 1 and Solacor 2, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Solacor 1 and Solacor 2 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comision Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator.

ACT

The ACT plant is a gas-fired cogeneration facility with a rated capacity of approximately 300 MW and between 550 and 800 metric tons per hour of steam. The plant includes a substation and an approximately 52 mile and 115-kilowatt transmission line.

On September 18, 2009, Abengoa Cogeneracion Tabasco entered into the Pemex Conversion Services Agreement, or the Pemex CSA, with Petroleos Mexicanos, or Pemex. Pemex is a state-owned oil and gas company supervised by the Comision Reguladora de Energía (CRE), the Mexican state agency that regulates the energy industry. The Pemex CSA has a term of 20 years from the in-service date and will expire on March 31, 2033.

According to the Pemex CSA, ACT must provide, in exchange for a fixed price with escalation adjustments, services including the supply and transformation of natural gas and water into thermal energy and electricity. Part of the electricity is to be supplied directly to a Pemex facility nearby, allowing the Comision Federal de Electricidad (CFE) to supply less electricity to that facility. Approximately 90% of the electricity must be injected into the Mexican electricity network to be used by retail and industrial end customers of CFE in the region. Pemex is then entitled to receive an equivalent amount of energy in more than 1,000 of their facilities in other parts of the country from CFE, following an adjustment mechanism under the supervision of CFE.

The Pemex CSA is denominated in U.S. dollars. The price is a fixed tariff and will be adjusted annually, part of it according to inflation and part according to a mechanism agreed in the contract that on average over the life of the contract reflects expected inflation. The components of the price structure and yearly adjustment mechanisms were prepared by Pemex and provided to bidders as part of the request for proposal documents.

ATN

Abengoa Transmision Norte, or the ATN Project, in Peru is part of the SGT (Sistema Garantizado de Transmision), which includes all transmission line concessions allocated by a bidding process by the government and is comprised of the following facilities:

(i) the approximately 356 mile, 220kV line from Carhuamayo-Paragsha-Conococha-Kiman-Ayllu-Cajamarca Norte;

(ii) the 4.3 mile, 138kV link between the existing Huallanca substation and Kiman Ayllu substations;

(iii) the 1.9 mile, 138kV link between the 138kV Carhuamayo substation and the 220kV Carhuamayo substation;

(iv) the new Conococha and Kiman Ayllu substations; and

(v) the expansion of the Cajamarca Norte, 220kV Carhuamayo, 138kV Carhuamayo and 220kV Paragsha substations.

Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government, granted ATN a concession to construct, develop, own, operate and maintain the ATN Project. The initial concession agreement became effective on May 22, 2008 and will expire 30 years after COD of the first tranche of the line, which took place in January 2011. ATN is obliged to provide the service of transmission of electric energy through the operation and maintenance of the electric transmission line, according to the terms of the contract and the applicable law.

The laws and regulations of Peru establish the key parameters of the concession contract, the price indexation mechanism, the rights and obligations of the operator and the procedures that have to be followed in order to fix the applicable tariff, which occurs through a regulated bidding process. Once the bidding process is complete and the operator is granted the concession, the pricing of the power transmission service is established in the concession agreement. ATN has a 30-year concession agreement with a fixed-price tariff base denominated in U.S. dollars that is adjusted annually after COD of each line, in accordance with the U.S. Finished Goods Less Food and Energy Index published by the U.S. Department of Labor.

ATS

The Abengoa Transmision Sur, or ATS Project, in Peru is part of the Guaranteed Transmission System, or (Sistema Garantizado de Transmisión) which includes all transmission line concessions allocated by a bidding process by the government, and is comprised of:

(i) one 500kV electric transmission line and two short 220kV electric transmission lines, which are linked to existing substations;

(ii) three new 500kV substations; and

(iii) three existing substations (two existing 220kV substations and one existing 550/220kV substation), through the development of new transformers, line reactors, series reactive compensation and shunt reactions in some substations.

Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government, granted ATS a concession to construct, develop, own, operate and maintain the ATS Project. The initial concession agreement became effective on July 22, 2010 and will expire 30 years after COD, which took place in January 2014. ATS is obliged to provide the service of transmission of electric energy through the operation and maintenance of the electric transmission line, according to the terms of the contract and the applicable law.

The laws and regulations of Peru establish the key parameters of the concession contract, the price indexation mechanism, the rights and obligations of the operator and the procedure that has to be followed in order to fix the applicable tariff, which occurs through a regulated bidding process. Once the bidding process is complete and the operator is granted the concession, the pricing of the power transmission service is established in the concession agreement. ATS has a 30-year concession agreement with fixed-price tariff base denominated in U.S. dollars that is adjusted annually after COD of each line, in accordance with the U.S. Finished Goods Less Food and Energy Index published by the U.S. Department of Labor.

Quadra 1 & Quadra 2

Transmisora Mejillones, or Quadra 1, is a 49-mile transmission line project and Tranmisora Baquedano, or Quadra 2, is a 32-mile transmission line project, each connected to the Sierra Gorda substations.

Both projects have concession agreements with Sierra Gorda SCM. The agreements are denominated in U.S. dollars and are indexed mainly to CPI. The concession agreements each have a 21-year term that began on COD, which took place in April 2014 and March 2014 for Quadra 1 and Quadra 2, respectively.

Quadra 1 and Quadra 2 belong to the Northern Interconnected System (SING), one of the two interconnected systems into which the Chilean electricity market is divided and structured for both technical and regulatory purposes.

As part of the SING, Quadra 1 and Quadra 2 and the service they provide are regulated by several regulatory bodies, in particular: the Superintendent’s office of Electricity and Fuels (Superintendencia de Electricidad y Combustibles, SEC), the Economic Local Dispatch Center (Centro de Despacho Economico de Cargas, CDEC), the National Board of Energy (Comision Nacional de Energia, CNE) and the National Environmental Board (Comision Nacional de Medio Ambiente, CONAMA) and other environmental regulatory bodies.

In all these concession arrangements, the operator has all the rights necessary to manage, operate and maintain the assets and the obligation to provide the services defined above, which are clearly defined in each concession contract and in the applicable regulations in each country.

Helioenergy 1&2

The Helioenergy 1/2 project is located in Ecija, Spain. Abengoa started the construction of Helioenergy in 2010, and reached COD in 2012. Since COD, the projects have obtained good generation results achieving systematically year after year results aligned or above the target productions defined.

Helioenergy relies on a Conventional parabolic trough Concentrating Solar Power system to generate electricity. Helioenergy evacuates its electricity through an aerial underground line 220 kV from the substation of the plant to a 220 kV line that ends in SET Villanueva del Rey (owned by Red Eléctrica de España), where the connection point of the plant is located.

.Renewable energy plants in Spain, like Helionergy 1 and Helionergy 2, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Helionergy 1 and Helionergy 2 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comision Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator.

Helios 1&2

The Helios 1/2 project is a 100 MW Concentrating Solar Power facility known as Plataforma Solar Castilla la Mancha, located in the municipality of Arenas de San Juan, Puerto Lápice and Villarta de San Juan, Spain. Helios 1 COD was reached in 2Q 2012, Helios 2 COD was reached in 3Q 2012. Since COD, the projects have obtained good generation results aligned or above the production targets.

Helios 1/2 relies on a Conventional parabolic trough Concentrating Solar Power system to generate electricity. The technology is identical to the one used at Solaben 2/3 and Solacor 1/2.

Renewable energy plants in Spain, like Helios 1 and Helios 2, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Helios 1 and Helios 2 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comision Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator.

Solnova 1, 3&4

The Solnova 1/3/4 project is a 150 MW Concentrating Solar Power facility, part of the Sanlucar Solar Platform, located in the municipality of Sanlucar la Mayor, Spain. Solnova 1 COD was reached in 2Q 2010, Solnova 3 COD was reached in 2Q 2010 and Solnova 4 COD was reached in 3Q 2010. Since COD, the projects have obtained good generation results achieving results aligned with the target production numbers.

Solnova 1/3/4 relies on a Conventional parabolic trough Concentrating Solar Power system to generate electricity. The technology is identical to the one used at Solaben 2/3 and Solacor 1/2.

Solnova 1/3/4 evacuates its electricity through an aerial-underground line 66 kV from the substation of the plant to a 220 kV line that ends in SET Casaquemada, where the connection point of the plant is located.

Renewable energy plants in Spain, like Solnova 1, Solnova 3 and Solnova 4, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Solnova 1, Solnova 3 and Solnova 4 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comision Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator

Honaine

The Honaine project is a water desalination plant located in Taffsout, Algeria, near three important cities: Oran, to the northeast, and Sidi Bel Abbés and Tlemcen, to the southeast. Myah Bahr Honaine Spa, or MBH, is the vehicle incorporated in Algeria for the purposes of owning the Honaine project. Algerian Energy Company, SPA, or AEC, owns 49% and Sociedad Anonima Depuracion y Tratamientos, or Sadyt, a subsidiary of Sacyr, S.A., owns the remaining 25.5% of the Honaine project.

AEC is the Algerian agency in charge of delivering Algeria's large-scale desalination program. It is a joint venture set up in 2001 between the national oil and gas company, Sonatrach, and the national gas and electricity company, Sonelgaz. Each of Sonatrach and Sonelgaz owns 50% of AEC.

The technology selected for the Honaine plant is currently the most commonly used in this kind of project. It consists of desalination using membranes by reverse osmosis. Honaine has a capacity of seven M ft3 per day of desalinated water and it is under operation since July 2012. The project represents approximately 9.0% of Algeria's total desalination capacity and serves a population of 1.0 million.

The water purchase agreement is a U.S. dollar indexed 30-year take-or-pay contract with Sonatrach / Algérienne des Eaux, or ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

Skikda

The Skikda project is a water desalination plant located in Skikda, Algeria. Skikda is located 510 km east of Alger. Aguas de Skikda, or ADS, is the vehicle incorporated in Algeria for the purposes of owning the Skikda project. AEC owns 49% and Sadyt owns the remaining 16.83% of the Skikda project.

AEC is the Algerian agency in charge of delivering Algeria's large-scale desalination program. It is a joint venture set up in 2001 between the national oil and gas company, Sonatrach, and the national gas and electricity company, Sonelgaz. Each of Sonatrach and Sonelgaz owns 50% of AEC.

The technology selected for the Skikda plant is currently the most commonly used in this kind of project. It consists of the use of membranes to obtain desalinated water by reverse osmosis. Skikda has a capacity of 3.5 M ft3 per day of desalinated water and is in operation since February 2009. The project represents approximately 4.5% of Algeria's total desalination capacity and serves a population of 0.5 million.

The water purchase agreement is a U.S. dollar indexed 30-year take-or-pay contract with Sonatrach / ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

ATN 2

ATN 2, in Peru, is part of the Complementary Transmission System, or Sistema Complementario de Transmision, SCT, and is comprised of the following facilities:

(i) The approximately 130km, 220kV line from SE Cotaruse to Las Bambas;

(ii) The connection to the gate of Las Bambas Substation

(iii) The expansion of the Cotaruse 220kV substation (works assigned to Consorcio Transmantaro)

The Client is Las Bambas Mining Company, a company owned by a partnership conformed by a subsidiary of China Minmetals Corporation (62.5%), a wholly owned subsidiary of Guoxin International Investment Co. Ltd (22.5%) and CITIC Metal Co. Ltd (15.0%). China Minmetals Corporation is the fifth largest metals company included in the Fortune Global 500 list.

Abengoa started the permitting phase of ATN2 Project in May 2011; construction is already completed and completed formalities for COD during July 2015.

The ATN2 Project has a 18-year contract period, after that, ATN2 assets will remain as property of the SPV and therefore it is likely a new contract could be negotiated. The ATN2 Project has a fixed-price tariff base denominated in U.S. dollars, partially adjusted annually in accordance with the U.S. Finished Goods Less Food and Energy Index as published by the U.S. Department of Labor. The receipt of the tariff base is independent from the effective utilization of the transmission lines and substations related to the ATN2 Project. The tariff base is intended to provide the ATN2 Project with consistent and predictable monthly revenues sufficient to cover the ATN2 Project's operating costs and debt service and to earn an equity return. Peruvian law requires the existence of a definitive concession agreement to perform electricity transmission activities where the transmission facilities cross public land or land owned by third parties. On May 31, 2014, the Ministry of Energy granted the project a definitive concession agreement to the transmission lines of the ATN2 Project.

Kaxu

Kaxu Solar One, or Kaxu, is a 100MW solar Conventional Parabolic Trough Project located in Paulputs in the Nothern Cape Province of South Africa, aproximatly 30 km north east of the small town of Pofadder. Atlantica Yield, through Abengoa Solar South Africa (Pty) Ltd., owns 51% of the Kaxu Project. The Project Company, named Kaxu Solar One (Pty) Ltd., is owned by a consortium composed by Abengoa Solar South Africa (51%), Industrial Development Corporation of South Africa (29%) and Kaxu Community Trust (20%).

The project reached COD in February 2015.

Kaxu has a 20-year PPA with Eskom SOC Ltd., or Eskom, under a take or pay contract for the purchase of electricity up to the contracted capacity from the facility. Eskom purchases all the output of the Kaxu Plant under a fixed price formula in local currency subject to indexation to local inflation which protects the Company from potential devaluation over the long term. Being the project COD February 2015, the PPA expires on February 2035.

Solaben 1&6

The Solaben 1&6 is a 100MW Concetrated Solar Power facility part of the Extremadura Solar Platform, located in the municipality oof Logrosán, Spain. Solaben 1/6 COD was reached on September 1, 2013. Since COD, the projects have obtained good generation aligned with the target profuction figures.

Solaben 1&6 relies on a Conventional Parabolic through Concentrating Solar Power system to generate electricity. The technology is identical to the one used at Solaben 2/3 and Solacor 1/2 projects.

Renewable energy plants in Spain, like Solaben 1 and Solaben 6, are regulated by the Government through a series of laws and rulings which guarantee the owners of the plants a reasonable remuneration for their investments. Solaben 1 and Solaben 6 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the Comisión Nacional de los Mercados y de la Competencia, or CNMC, the Spanish state-owned regulator.

Appendices

Appendix III-2

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2015

Project name	Country	Status(1)	% of Nominal Share(2)	Period of Concession(4)(5)	Offtaker(7)	Financial/ Intangible(3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Renewable energy:											
Solana	USA	(O)	100.0	30 Years	APS	(I)	2,034,409	(149,222)	6,016	Fixed price per MWh with annual increases of 1.84% per year	30-year PPA with APS regulated by ACC
Mojave	USA	(O)	100.0	25 Years	PG&E	(I)	1,587,093	(67,664)	42,889	Fixed price per MWh without any indexation mechanism	25-year PPA with PG&E regulated by CPUC and CAEC
Palmatir	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(I)	146,274	(11,929)	5,798	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Cadonal	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(I)	120,469	(5,356)	3,888	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Solaben 2	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	295,732	(27,523)	13,264	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 3	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	294,406	(30,017)	13,751	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 1	Spain	(O)	74.0	25 Years	Kingdom of Spain	(I)	294,105	(33,973)	12,796	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 2	Spain	(O)	74.0	25 Years	Kingdom of Spain	(I)	304,728	(34,363)	12,482	Regulated revenue base(7)	Regulated revenue established by different laws and rulings in Spain
Solnova 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	302,003	(52,273)	9,704	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 3	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	283,735	(47,271)	9,974	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 4	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	263,431	(42,929)	10,362	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	298,979	(30,942)	8,950	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	291,025	(28,556)	8,867	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helioenergy 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	293,822	(35,177)	9,221	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain

Project name	Country	Status(1)	% of Nominal Share(2)	Period of Concession(4)(5)	Offtaker(7)	Financial/ Intangible(3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Renewable energy:											
Helioenergy 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	294,604	(32,422)	9,389	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	286,406	(19,077)	2,420	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 6	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	295,732	(27,523)	13,264	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	483,124	(22,198)	10,295	Take or pay contract for the purchase of electricity up to the contrated capacity from the facility.	20-year PPA with Eskom SOC Ltd. With a fixed price formula in local currency subject to indexation to local inflation
Conventional power:											
ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	649,502	(23)	110,524	Fixed price to compensate both investment and O&M costs, established in USD and adjusted annually partially according to inflation and partially according to a mechanism agreed in contract	20-year Services Agreement with Pemex, Mexican oil & gas state-owned company
Electric transmission lines:											
ATS	Peru	(O)	100	30 Years	Republic of Peru	(I)	531,460	(33,400)	23,412	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATN	Peru	(O)	100	30 Years	Republic of Peru	(I)	320,163	(49,163)	1,574	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
Quadra I	Chile	(O)	100	21 Years	Sierra Gorda	(F)	41,734	0	4,145	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others
Quadra II	Chile	(O)	100	21 Years	Sierra Gorda	(F)	55,510	0	5,894	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others
ATN 2	Peru	(O)	100	18 Years	Las Bambas Mining	(F)	84,709	(7)	8,094	Fixed-price tariff base denominated in U.S. dollars with Las Bambas	18 years purchase agreement
Water:											
Skikda	Argelia	(O)	34.2	30 Years	Sonatrach & ADE	(F)	96,547	(136)	14,617	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	30 years purchase agreement
Honaine	Argelia	(O)	25.5	30 Years	Sonatrach & ADE	(F)	N/A(9)	N/A(9)	N/A(9)	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	30 years purchase agreement

(1) In operation (O), Construction (C) as of December 31, 2015.
(2) Liberty Interactive Corporation agreed to invest $300 million in Class A membership interests in exchange for a share of the dividends and the taxable loss generated by Solana on October 2, 2013. Itochu Corporation holds 30% of the economic rights to each of Solaben 2 and Solaben 3. JGC Corporation holds 26% of the economic rights to each Solacor 1 and Solacor 2. Algerian Energy Company, SPA, or AEC, owns 49% and Sociedad Anonima Depuracion y Tratamientos, or Sadyt, a subsidiary of Sacyr, S.A., owns the remaining 25.5% of the Honaine project. AEC owns 49% and Sadyt owns the remaining 16.83% of the Skikda project. Industrial Development Corporation of South Africa (29%) & Kaxu Community Trust (20%) for the Kaxu Project
(3) Classified as concessional financial asset (F) or as intangible assets (I).
(4) The infrastructure is used for its entire useful life. There are no obligations to deliver assets at the end of the concession periods, except for ATN and ATS.
(5) Generally, there are no termination provisions other than customary clauses for situations such as bankruptcy or fraud from the operator, for example.
(6) Sales to wholesale markets and additional fixed payments established by the Spanish government.
(7) In each case the offtaker is the grantor.
(8) Figures reflect the contribution to the consolidated financial statements of Abengoa Yield Plc. as of December 31, 2015.
(9) Recorded under the equity method.

The Appendices are an integral part of the notes to the consolidated financial statements.

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2014

Project name	Country	Status(1)	% of Nominal Share(2)	Period of Concession(5)(6)	Offtaker(8)	Financial/ Intangible(3)	Assets/ Investment	Accumulated Amortization	Construction Revenue(4)	Operating Profit/ (Loss)(9)	Arrangement Terms (price)	Description of the Arrangement
Renewable energy:												
Solana	USA	(O)	100.0	30 Years	APS	(I)	2,046,486	(82,820)	—	8,832	Fixed price per MWh with annual increases of 1.84% per year	30-year PPA with APS regulated by ACC
Mojave	USA	(O)	100.0	25 Years	PG&E	(I)	1,580,042	(4,914)	—	(4,266)	Fixed price per MWh without any indexation mechanism	25-year PPA with PG&E regulated by CPUC and CAEC
Palmatir	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(I)	146,274	(4,617)	4,299	4,415	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Cadonal	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(I)	118,119	—	—	—	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Solaben 2	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	331,232	(21,454)	—	15,386	Regulated revenue base(7)	Regulated revenue established by different laws and rulings in Spain
Solaben 3	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	330,934	(24,570)	—	15,059	Regulated revenue base(7)	Regulated revenue established by different laws and rulings in Spain
Solacor 1	Spain	(O)	74.0	25 Years	Kingdom of Spain	(I)	327,811	(28,627)	—	1,132	Regulated revenue base(7)	Regulated revenue established by different laws and rulings in Spain
Solacor 2	Spain	(O)	74.0	25 Years	Kingdom of Spain	(I)	339,612	(28,714)	—	1,139	Regulated revenue base(7)	Regulated revenue established by different laws and rulings in Spain
Conventional power:												
ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	646,823	—	—	103,650	Fixed price to compensate both investment and O&M costs, established in USD and adjusted annually partially according to inflation and partially according to a mechanism agreed in contract	20-year Services Agreement with Pemex, Mexican oil & gas state-owned company

Electric transmission lines:

ATN	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	320,135	(38,264)	—	443	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	529,983	(15,701)	17,447	23,005	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
Quadra 1	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	41,922	—	416	4,251	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others
Quadra 2	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	55,017	—	16,402	5,383	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others

(1) In operation (O), Construction (C) as of December 31, 201.
(2) Liberty Interactive Corporation agreed to invest $300 million in Class A membership interests in exchange for a share of the dividends and the taxable loss generated by Solana on October 2, 2013. Legally, General Electric held a 15% interest and a preferred equity interest in ACT as of December 31, 2013. From an accounting perspective, this investment is considered as project debt. Itochu Corporation holds 30% of the economic rights to each of Solaben 2 and Solaben 3.
(3) Classified as concessional financial asset (F) or as intangible assets (I).
(4) Same amount as construction costs incurred during the period.
(5) The infrastructure is used for its entire useful life. There are no obligations to deliver assets at the end of the concession periods, except for ATN and ATS.
(6) Generally, there are no termination provisions other than customary clauses for situations such as bankruptcy or fraud from the operator, for example.
(7) Sales to wholesale markets and additional fixed payments established by the Spanish government.
(8) In each case the offtaker is the grantor

The Appendices are an integral part of the notes to the consolidated financial statements.

Appendices

Appendix IV

Additional Information of Subsidiaries including material Non-controlling interest as of December 31, 2015

Subsidiary name	Non-controlling interests name	% of non-controlling interests held	Dividends paid to non-controlling interests	Profit/(Loss) of non-controlling interests in ABY consolidated net result 2015	Non-controlling interests in ABY consolidated equity as of December 31, 2015	Non-current assets*	Current Assets*	Non-curent liabilities*	Current liabilities*	Net Profit /(Loss)*	Total Comprehensive income*
Kaxu Solar One (Pty) Ltd.	Industrial Development Corporation of South Africa (IDC)	29%	-	(2,434)	5,585	456,795	34,068	472,079	7,387	(21,323)	(4,350)
	Kaxu Community Trust	20%									
Aguas de Skikda S.P.A.	Algerian Energy Company S.P.A.	49%**	3,624	8,338	47,157	96,705	31,519	42,538	7,467	13,778	-

* Company-only figures as of December 31, 2015

** Abengoa Yield Plc. owns 67% of the shares in Geida Skikda, S.L, which in its turn owns 51% of Aguas de Skikda S.P.A., so that indirectly Abengoa Yield Yield Plc. owns 34.17% of Aguas de Skikda S.P.A. The table only shows information related to the Non-Controlling party of the SPV, Aguas de Skikda S.P.A

Appendix V (Schedule I)

Condensed Financial Statements of Abengoa Yield plc

Condensed statements of financial position of Abengoa Yield Plc.
– Amounts in thousands of USD –

	As of December 31, 2015	As of December 31, 2014
Assets		
Investment in affiliates	2,014,487	1,392,481
Loans to affiliates	822,436	735,302
Cash and cash equivalents	45,487	155,367
Other assets	5,431	26,944
Total assets	2,887,841	2,310,094
Liabilities and Equity		
Borrowings	410,289	123,502
Notes and bonds	254,205	254,912
Intercompany liabilities	26,996	172
Other Liabilities	38,330	83,958
Total Liabilities	729,820	462,544
Common Stock	10,022	8,000
Additional paid-in capital	1,981,881	1,313,903
Distributable reserves	381,388	476,233
Other reserves	4,345	-
Accumulated gains (losses)-net	(219,615)	49,414
Total shareholders' equity	2,158,021	1,847,550
Total liabilities and equities	2,887,841	2,310,094

Condensed income statements of Abengoa Yield, Plc.
– Amounts in thousands of USD –

	For the year ended December 31, 2015	For the year ended December 31, 2014
Income from		
Services	65,170	65,006
Other financial income	194	7
Total income	65,364	65,013
Expenses		
Other operating expenses	(10,005)	(3,668)
Interests	(27,783)	(2,319)
Other financial expenses	(246,982)	(9,821)
Total expenses	(284,770)	(15,808)
Income/(loss) before income taxes	(219,406)	49,205
Income tax benefits/(expense)	(209)	209
Profit/(loss) for the year	(219,615)	49,414

Other comprehensive income statement of Abengoa Yield, Plc.
– Amounts in thousands of USD –

	For the year ended December 31, 2015	For the year ended December 31, 2014
Profit/(loss) for the year	**(219,615)**	**49,414**
Items that may be subject to transfer to income statement		
Change in fair value of cash flow hedges	3.683	-
Net income/(expenses) recognized directly in equity	**3,683**	**-**
Cash flow hedges	662	-
Transfer to income statement	**662**	**-**
Other comprehensive income/(loss) for the year	**4,345**	**-**
Total comprehensive income/(loss) for the year	**(215.270)**	**49,414**

Condensed cash flow statements of Abengoa Yield, Plc.
– Amounts in thousands of USD –

	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash Flow from operating activities	(15,943)	6,900
Cash Flow—investing activities		
Decrease (increase) in investment and advance to affiliates	(939,503)	(196,849)
Net decrease (increase) in other assets	(157)	(34,053)
Cash used for investing activities	(939,660)	(230,902)
Cash Flow—financing activities		
Net increases in borrowings and other liabilities	310,462	376,747
Dividend paid to shareowner	(128,859)	(23,696)
Capital increase and other	664,120	26,318
Cash from financing activities	845,723	379,369
Increase (decrease) in cash and cash equivalents during the year	(109,880)	155,367
Cash and cash equivalent at the beginning of the year	155,367	—
Cash and cash equivalent at the end of the year	45,487	155,367

Notes to the Condensed Financial Statements

Schedule I has been provided pursuant to the requirements of Rule 12- 04(a) of Regulation S-X, of the US Securities and Exchange Commission (SEC) which require condensed financial information as to the financial position, change in financial position, results of operations of Abengoa Yield plc, other comprehensive income statement and cash flow statement as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with International Financial Reporting Standards have been condensed or omitted. The footnote disclosures contain supplemental information only and, as such, these statements should be read in conjunction with the notes to the accompanying consolidated financial statements.

Basis of Presentation.

a) The presentation of Abengoa Yield plc stands alone condensed financial statement has been prepared using the same accounting policies as set out in the accompanying consolidated financial statements except that, the Company records its investment in subsidiaries under the cost method of accounting and that financial income from credits to companies in the group are recorded under Income from services, given that the company is a holding and this type of service is part of its primary activity. Such investments are presented on the statements of financial position as "Investment in and loans to affiliates" at cost less any identified impairment loss.

b) As of December 31, 2015 and 2014 there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of the Company, except for those which have been separately disclosed in the Consolidated Financial Statements, if any.

c) For years ended December 31, 2015 and 2014, cash dividends of $18,400 thousand and $9,200 thousand were declared to the Company by its consolidated subsidiaries or associates, respectively.

Reconciliation of the stand alone to consolidated financial statements of Abengoa Yield Plc.

Profit/(Loss) Reconciliation	**For the year ended December 31, 2015**	**For the year ended December 31, 2014**
Stand alone—IFRS profit/(loss) for the period	(219,615)	49,414
Additional profit/(loss) if subsidiaries had been accounted for using the equity method of accounting as opposed to cost method	10,610	(81,026)
Consolidated IFRS profit/(loss) for the period attributable to Abengoa Yield plc	(209,005)	(31,612)

Equity Reconciliation	**As of December 31, 2015**	**As of December 31, 2014**
Stand alone—IFRS shareholders equity	2,158,021	1,847,550
Additional shareholders equity if subsidiaries had been accounted for using the equity method of accounting as opposed to cost method	(134,520)	(7,919)
Consolidated IFRS shareholders equity	2,023,501	1,839,631

Exhibit 4.6

Amended Deed

This Amended Deed (the "Deed") is made on 30th June, 2015 between:

(1) Abengoa Yield plc, a company incorporated under the laws of England and Wales with registered number 08818211 and registered office at Great House, GW1, 17th Floor, Great West Road, Brentford, United Kingdom TW8 9DF ("Yieldco"); and

(2) Abengoa Concessions Investments Limited, a company incorporated under the laws of England and Wales with registered number 08818214 and registered office at 1 Park Row, Leeds, United Kingdom, LS1 5AB ("ACI");

(3) Abengoa Concessions, S.L., a company duly incorporated under the laws of Spain having its registered office located at Campus Palmas Altas, C/ Energía Solar nº 1, 41014, Seville, Spain, registered in the Commercial Register of Seville (Spain), folio 161 of tome 5.784 of General Companies, sheet number SE-99.466, 1st inscription, with Fiscal Identification Code number B-90108044 (referred to hereinafter as the "AC").

Whereas:

(A) Yieldco holds a exchangeable preferred equity investment in the capital of Abengoa Concessoes Brasil Holding ("ACBH") pursuant to which Yieldco has the right to receive a preferred dividend of US$18,400,000 per year beginning in the third fiscal quarter of 2014 in the terms set forth in the Amended and Restated Shareholder Agreement dated as of 30 June, 2015 ("Company SHA"). For a period of five years commencing with the third fiscal quarter of 2014, this preferred dividend is payable in four quarterly installments of US$ 4,600,000 each on 31 March, 30 June, 30 September and 31 December of each year (each a "Quarterly ACBH Dividend"). Following the expiry of this five year period, the preferred dividend of US$18,400,000 may be payable in its entirety on an annual basis, such payment to be made within 5 (five) business days as from its declaration in the following year (the "Annual ACBH Dividend") in accordance with the article 3.1(c) of Company SHA.

(B) ACI has the right to receive any final dividends that are declared or interim dividends that are paid on any shares in the capital of Yieldco registered in the name of ACI at the time at which the entitlement to receive such dividend is determined. Subject to applicable law and regulation, Yieldco expects to pay a quarterly dividend to its shareholders beginning in the third fiscal quarter of 2014 on or about the 75th day following the expiration of each fiscal quarter to Yieldco's shareholders of record on or about the 60th day following the last day of such fiscal quarter (each dividend paid by Yieldco, a "Yieldco Dividend").

(C) AC, a subsidiary of Abengoa S.A. ("Abengoa"), is the owner of 70,43% of ACI.

(D) Yieldco and ACI entered into a Deed dated as of 13 June, 2014 ("Existing Deed") pursuant to which the parties thereto agreed certain arrangements with respect to the Yieldco Dividends.

(E) In consideration of the mutual covenants and agreements herein contained, the parties hereto have agreed to amend the Existing Deed as hereinafter set forth.

It is agreed as follows:

1 Deferred Dividend

The parties irrevocably agree that:

1.1 in the event of a Shortfall (as defined in the paragraph 1.2. below) for any ACBH fiscal quarter, or ACBH fiscal year, as the case may be, AC unconditionally:

a) guarantees to Yieldco, as a primary obligor and not as a surety merely, the due and punctual performance, satisfaction, payment and discharge of the Shortfall when due, including any obligation assumed by the ACBH due to any amendment, substitutions, amendments and restatements, replacements or renewals of the Company SHA or extension thereof, as the case may be; and

b) undertakes (i) to pay the relevant Shortfall to Yieldco immediately when due on first demand as if AC was the principal obligor; or, as the case may be, (ii) to instruct any of its subsidiaries, other than Yieldco and Yieldco´s subsidiaries, to satisfy such payments.

1.2 In the event of AC fails to fulfil the obligations set forth in the paragraph 1.1 above, the parties irrevocably agree that the provisions set out in this Deed (from 1.3 to 1.9, Section 2 , Section 3 and 4) shall continue to apply thereafter and shall be in full force and effect.

1.3 where a Quarterly ACBH Dividend is less than US$4,600,000 or the Annual ACBH Dividend is less than US$18,400,000, the difference shall be calculated for the relevant ACBH fiscal quarter or the relevant ACBH fiscal year, as the case may be, and such difference shall be the "Shortfall" for that ACBH fiscal quarter or that ACBH fiscal year, as the case may be;

1.4 in the event of a Shortfall for any ACBH fiscal quarter, or ACBH fiscal year, as the case may be, Yieldco shall defer the payment of a portion of any Yieldco Dividend(s) payable to ACI in respect of the equivalent period, such that the aggregate amounts withheld from any such Yieldco Dividend(s) shall be equal to the aggregate amount of all Shortfalls in respect of the relevant period (and any such deferral(s) being a "Deferred Dividend(s)") (provided always that where there is a Shortfall in respect of an Annual ACBH Dividend: (i) a quarter of the amount of such Shortfall shall be withheld from the next four quarterly Yieldco Dividends); or (ii) where Yieldco no longer intends to pay dividends on a quarterly basis, such Shortfall shall be withheld from the Yieldco Dividend(s) payable in the subsequent fiscal year on a proportional basis);

1.5 the aggregate amount of all Deferred Dividends shall be held by Yieldco in a designated cash reserve account;

1.6 any such Deferred Dividends shall not bear interest;

1.7 where a Quarterly ACBH Dividend is more than US$4,600,000, or the Annual ACBH Dividend is more than US$18,400,000, the difference shall be calculated for the relevant ACBH fiscal quarter, or the relevant ACBH fiscal year, as the case may be, and such difference shall be the "Excess" for that ACBH fiscal quarter, or that ACBH fiscal year, as the case may be;

1.8 in the event of an Excess for any ACBH fiscal quarter, or any ACBH fiscal year, as the case may be, Yieldco shall pay an amount equal to the Excess to ACI in satisfaction of an equivalent amount owing pursuant to any accrued Deferred Dividends; and

1.9 in determining the amount of the Quarterly ACBH Dividend or the Annual ACBH Dividend for the purposes of this Deed (including whether there has been a Shortfall or an Excess for a given ACBH fiscal quarter or ACBH fiscal year (as the case may be)), regard shall be had only to the cash amount received by Yieldco after all deductions or withholdings of or in respect of tax from such Quarterly ACBH Dividend or Annual ACBH Dividend under Brazilian law.

2 Mandatory purchase

2.1 In the event that ACI's portion of the expected Yieldco Dividend in respect of the following fiscal year as set out in Yieldco's guidance for such fiscal year (the "Guidance") is lower than US$18,400,000 (including, without limitation, as a result of ACI's shareholding in Yieldco having decreased) (a "Transfer Stake Event"), Yieldco shall be entitled to sell and ACI shall (following notice from Yieldco of its decision, if any, to sell) be obliged to purchase (or shall cause an affiliate, other than Yieldco, to purchase) a portion of the preferred equity investment in ACBH (the "Transfer Stake") from Yieldco in accordance with this Clause 2.

2.2 The size of the Transfer Stake to be transferred pursuant to Clause 2.1 shall be determined such that, on the basis of the relevant Guidance, the preferred dividends to be paid to Yieldco by ACBH during the twelve months following the transfer shall, as near as reasonably practicable, be equivalent to (but in any case without exceeding) ACI's portion of the Yieldco Dividends expected to be paid in respect of the same twelve month period.

2.3 Within 15 business days following a Transfer Stake Event, Yieldco shall (if it wishes to sell a Transfer Stake) notify ACI in writing of such event. ACI and Yieldco shall attempt in good faith to reach agreement in respect of the purchase price for the Transfer Stake and, if they are unable to do so within 15 business days following ACI's receipt of such notice, the purchase price shall be determined by an independent expert selected by the independent board members of Yieldco out of two Big 4 auditing firms previously selected by ACI out of the Big 4 auditing firms.

2.4 In the event that a Transfer Stake is transferred pursuant to this Clause 2, the provisions set out in this Deed shall continue to apply thereafter save that any reference to:

2.4.1 "US$4,600,000" or a "Quarterly ACBH Dividend" shall mean an amount, or a dividend in an amount, equal to a quarter of the preferred dividends to be paid to Yieldco by ACBH in the relevant fiscal year; and

"US$18,400,000" or an "Annual ACBH Dividend" shall mean an amount, or a dividend in an amount, equal to the preferred dividends to be paid to Yieldco by ACBH in the relevant fiscal year, each as determined after the transfer of such Transfer Stake (and, for the avoidance of doubt, any transfers of other Transfer Stakes prior thereto).

2.5 In the event that Yieldco does not provide guidance on the expected Yieldco Dividends for the following 12 months, ACI and Yieldco hereby agree to take as reference the guidance provided by Yieldco on the expected Yieldco Dividends for the preceding 12 months.

3 Termination

3.1 This Deed shall continue in full force and effect until the first to occur of the following:

3.1.1 Yieldco ceasing to hold any exchangeable preferred equity investment in the capital of ACBH, or

3.1.2 Yieldco exercising its right to exchange its preferred equity interest in ACBH into ordinary shares of one or several project companies owned by ACBH; or

3.1.3 the following conditions being met:

(i) the total aggregate amount of the dividends paid to ACBH by the projects and freely distributable by ACBH to Yieldco amounting to a minimum of US$36,000,000 or more per financial year for three consecutive financial years calculated as per the prevailing exchange rate published by the Central Bank of Brazil for the purchase of US dollars with Reais at the relevant time;

(ii) all assets held by ACBH having entered into commercial operation; and

(iii) ACBH's cash-flow projection for the following 12 months indicating that there are reasonable grounds to believe that ACBH will be able to pay the Annual ACBH Dividend to Yieldco in respect of the current fiscal year.

3.2 Notwithstanding the foregoing, even if the conditions set out in paragraph 3.1.3 are met, the Parties agree that this Deed shall not be terminated and will continue in full force and effect if a Shortfall is caused by a failure of the relevant corporate body of ACBH to approve sufficient Quarterly ACBH Dividend or Annual ACBH Dividend despite having ACBH sufficient available distributable profits and/or reserves.

3.3 Upon the expiry or termination of this Deed, ACI shall irrevocably waive its rights to receive any Deferred Dividends.

4 General

4.1 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Deed.

4.2 This Deed may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either party may enter into this Deed by executing any such counterpart.

4.3 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law. All the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and that accordingly any proceedings arising out of or in connection with this Deed shall be brought in such courts.

4.4 In this Deed, "business day" shall mean a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

4.5 The address for service of notice to ACI and AC by Yieldco is:

Abengoa Concessions Investment Limited	Address	Great House, GW1, 17th Floor, Great West Road, Brentford, United Kingdom TW8 9DF, London, United Kingdom
	For the attention of	Santiago Seage
	Email	Santiago.seage@abengoa.com
Abengoa Concessions S.L.	Address	Calle Energía Solar, num. 1 41014, Seville, Spain
	For the attention of	Santiago Seage
	Email	santiago.seage@abengoa.com
Abengoa Yield plc	Address	Great House, GW1, 17th Floor, Great West Road, Brentford, United Kingdom TW8 9DF
	For the attention of	Company Secretary
	Email	irene.hernandez@abengoayield.com

4.6 A notice shall be deemed to have been received:

4.6.1 if delivered personally, at the time of delivery; or

4.6.2 if sent by fax or email, at the time of transmission; or

4.6.3 if sent by pre-paid first class post, recorded or special delivery, two business days from the date of posting, provided that if deemed receipt under the previous paragraphs of Clause 4.5 takes place other than on a business day or after 5.30 p.m. on a business day it shall be deemed to have been received at 9.30 a.m. on the next following business day.

4.7 In the event Yieldco, AC or ACI subsequently change the periods in respect of which Yieldco or ACI (as the case may be) pays its dividends, the parties shall make such changes to the Deed as are necessary to give effect to the commercial intent of the parties relating to this Deed.

4.8 ACI may, at any time, transfer any of its shares in Yieldco to any other member of the ACI Group if, but only if, the transferee company or companies and ACI shall, prior to such transfer, have first entered into a deed with Yieldco permitting Yieldco to withhold dividends to such transferee companies and otherwise reflecting the commercial intent of, and on the same commercial and legal terms as, this Deed but with amendments to reflect the transfer in ownership of the Yieldco shares. For the purposes of this clause 4.8, "ACI Group" means ACI, its subsidiaries (other than Yieldco or any company which is a subsidiary of Yieldco), any company of which it is a subsidiary (its "holding company") and any other subsidiaries of any such holding companies, and each company in the ACI Group (other than Yieldco and its subsidiaries) is a "member of the ACI Group".

In witness whereof this Deed has been delivered on the date first stated above.

Signed as a Deed by /s/ Javier Garoz Neira
Abengoa Yield plc
acting by Javier Garoz Neira a Director in the presence of

/s/ Eduard Soler Babot

Name: Eduard Soler Babot

Address: Great House West, GW1, 17th Floor, Great West Road, Brentford, UK

Occupation: CFO/COO

Signed as a Deed by /s/ Santiago Seage
Abengoa Concessions Investments Limited
acting by Santiago Seage Medela a Director in the presence of

/s/ Luis Enrique Pizarro Maqeda

Name: Luis Enrique Pizarro Maqeda

Address: Castellano 43, Madrid Spain

Occupation: Chief Audit Officer

Signed as a Deed by /s/ Santiago Seage
Abengoa Concessions S.L
acting by Santiago Seage Medela a Director in the presence of

/s/ Luis Enrique Pizarro Maqeda

Name: Luis Enrique Pizarro Maqeda

Address: Castellano 43, Madrid Spain

Occupation: Chief Audit Officer

Exhibit 4.7

AMENDED AND RESTATED SHAREHOLDERS´ AGREEMENT OF

ABENGOA CONCESSÕES BRASIL HOLDING S.A.

Dated as of June 30, 2015

among,

Abengoa Construção Brasil Ltda.

Sociedad Inversora Líneas de Brasil S.L.

Abengoa Yield plc

Abengoa Concessions S.L.

as a Parties,

Abengoa Concessões Brasil Holding S.A.

as Intervening and Consenting Party,

Amended and Restated Shareholders Agreement

This Amended and Restated Shareholders Agreement (the "Agreement or the "SHA") is entered into as of June 30, 2015 ("Effective date") by and among

(1) Sociedad Inversora Líneas de Brasil S.L, a company duly incorporated under the laws of Spain having its registered office located at Campus Palmas Altas, C/ Energía Solar nº1, 41014, Seville, Spain, registered in the Commercial Register of (Spain), 4.273, Folio 180 , Sheet number SE-64.841, with Fiscal Identification Code number B-91498832 (referred to hereinafter as the "ETVE");

(2) Abengoa Construçao Brasil Ltd., a company duly incorporated under the laws of Brazil having its registered office located at Belizário Leite de Andrade Neto, nº 80, Barra da Tijuca, Rio de Janeiro - RJ, Brasil,, with Fiscal Identification Code number 04.651.067/0001-47 (referred to hereinafter as "Abengoa Brasil"); and

(3) Abengoa Yield plc, a company duly incorporated under the laws of United Kingdom having its registered office located at 1 Park Row, LS1 5AB, Leeds, with Fiscal Identification Code number 08818211 (referred to hereinafter as "Yieldco").

(4) Abengoa Concessions, S.L., a company duly incorporated under the laws of Spain having its registered office located at Campus Palmas Altas, C/ Energía Solar nº 1, 41014, Seville, Spain, registered in the Commercial Register of-Seville (Spain), folio 161 of tome 5.784 of General Companies, sheet number SE-99.466, 1st inscription, with Fiscal Identification Code number B-90108044 (referred to hereinafter as the "AC").

And as intervening and consenting Party:

Abengoa Concessões Brasil Holding, S.A., a company duly incorporated under the laws of Brazil having its registered office located at Belizário Leite de Andrade Neto, nº 80, Barra da Tijuca, Rio de Janeiro - RJ, Brasil, with Fiscal Identification Code number 07.872.408/0001-00 (referred to hereinafter as the "Company").

ETVE, Abengoa Brasil and Yieldco are referred to herein individually as a "Shareholder" and collectively as the "Shareholders" and also, together with the Company and AC, sometimes collectively referred to as the "Parties" and each individually as a Party. Abengoa Brasil, AC and ETVE are referred also sometimes collectively as the "Initial Shareholders".

The Parties confirm to each other their respective legal capacity to enter into this Agreement and state.

Whereas

I. AC is a subsidiary of Abengoa, S.A. ("Abengoa") which is created with the purpose to acquire, own, operate and manage concession assets worldwide related to renewable energy, conventional power, electric transmission lines and other assets ("Concessions Assets").

II. The Company is a subsidiary of Abengoa, which holds an equity interest in several special purpose vehicles incorporated in Brazil that own, construct, operate and maintain, among other assets, electric transmission lines (hereinafter, the "SPV/s" or the "Projects").

III. The Company agreed by resolution at the Extraordinary Initial Shareholders Meeting dated 16th April, 2014 to convert 585.201.300 Common Shares held by ETVE into 585.201.300 Preferred Shares that will be assigned to ETVE as a result of such conversion, with effect on 16th April 2014 (the "Conversion Date").

IV. On 29th April 2014, AC and ETVE entered into a Preferred Shares Purchase Agreement (the "SPA") by which ETVE sold, transferred and delivered to AC 585.201.300 Preferred Shares held by ETVE in the Company, fully paid-in and free and clear of any debt, doubt, withholding right, attachment, obligation and/or lien of any kind, together with all respective rights, privileges and obligations.

V. AC, ETVE, Abengoa Brasil and the Company are party to that certain Shareholder Agreement, dated as of April 29, 2014 (Existing SHA Agreement) pursuant to which the Parties thereto agreed (i) to regulate the relationship between them as shareholders of the Company, (ii) to guarantee their respective interests in the Company and (iii) to set forth the terms of the preference, privileges, rights and obligations of the Preferred EquityAC

VI. On 13 June, 2014, AC and Yieldco entered into a Contribution Agreement pursuant to which AC transferred and delivered, among other assets, to Yieldco 585.201.300 Preferred Shares held by AC in the Company fully paid-in and free and clear of any debt, doubt, withholding right, attachment, obligation and/or lien of any kind, together with all respective rights, privileges and obligations.

VII. On 13 June, 2014 Yieldco, the Company, AC, ETVE and Abengoa Brasil entered into an Accession Agreement to the Existing SHA Agreement ("Yieldco Accession Agreement") pursuant to which Yieldco became a party of the Existing SHA Agreement assuming all rights and obligations of AC (copy of which is attached hereto as Annex II) committing to observe, perform and be bound by the terms and conditions of the Existing SHA Agreement as a shareholder of the Company.

VIII. In accordance with the Article 4.2.4 (ii) of the Existing SHA Agreement, the Company held an extraordinary shareholders´ meeting on 11 July, 2014 ("*Assembléia Geral Extraordinária*") to approve the amendment of the Company´s By-Laws in order to adjust the provisions related to the Post-five year Fixed Dividend so that it reflected the exact same terms of clause 3.1(c) thereof with respect to the calculation of the amount in Reais equivalent to USD 18,400,000.00 based on the prevailing exchange rate published by the Central Bank of Brazil at the time of declaration of the dividend.

XIX. The current share capital structure of the Company is as follows:

Shareholder	Share Capital	Number of shares of the Company
Yieldco	Preferred Equity	585.201.300
ETVE	Common Equity	1.064.467.485
Abengoa Brasil	Common Equity	2.752.542.720

IX. The Parties hereto desires to make certain amendments to the Existing SHA Agreement and, for the sake of clarity and convenience, to restate the Existing SHA Agreement is its entirety as so amended.

X. In consideration of the mutual covenants and agreements herein contained, the Parties hereto have agreed to amend and restate the Existing SHA Agreement in its entirety as hereinafter set forth,

Articles

Preliminary. Definitions and interpretation.

A) The terms defined in this Agreement shall have the meaning ascribed to them in this Article:

(i) "Account Bank" means any branch of Citibank located in New York.

(ii) "Affiliate" means, with respect to the Person in question, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person. For the purposes of this definition, the term "control" and its derivations means the possession, directly or indirectly, of rights that ensure, directly or indirectly, the majority of votes in general shareholders meeting of the Person, the power to elect the majority of the members of the administration of the Person and the use of such power to direct or cause the direction of the management and policies of the Person in question, whether by the ownership of voting securities, contract or otherwise;

(iii) "Applicable Law" means all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority and quasi-governmental agencies or entities, and any judgment, injunction, order, directive, decree or other judicial or regulatory requirement of any court or Governmental Authority of competent jurisdiction affecting the Parties or related to the Preferred Shares;

(iv) "Big Four" means PricewaterhouseCoopers, Deloitte, Ernst & Young and KPMG accounting firms;

(v) "Business Day" means any day other than Saturday, Sunday or any legal holiday in New York City, Madrid, London and Brazil;

(vi) "Common Shares" means all the 1.914.465.261 shares of common stock issued by the Company, fully subscribed and paid-in and which will have the rights and privileges set forth herein, in the Corporation Law and in the By-Laws of the Company;

(vii) "Corporation Law" means Brazilian Law 6.404/76, as amended from time to time;

(viii) "Deferred Dividend Deed" means the deed entered into by and between Abengoa Yield plc and Abengoa Concessions Investment Limited on Pricing Date, as amended as of June 30 2015 or otherwise modified from time to time;

(ix) "Exchange Period" means twenty (20) days commencing in the fifth anniversary of 30 June 2014 as amended from time to time as the case may be pursuant to section 3.3.(i).

(x) "Existing SHA Agreement" has the meaning specified in the introductory paragraph hereto.

(xi) "Force Majeure" means (i) any act or event that prevents any Party from performing its obligations under this Agreement if such act or event is beyond the reasonable control of and not the fault of such Party; and (ii) "Force Majeure", or similar event, as defined under any Projects´ finance and document; provided, that Force Majeure shall include, but not be limited to, the following events: an act of war (whether declared or undeclared), earthquake, fire, explosion, volcanic eruption, insurrection or riot, sabotage, inclement weather conditions, flood, embargo, accident/disaster, strike or labor dispute, civil disturbance, act of God or the public enemy, or act (including failure to act) of a court or public authority;

(xii) "Granted Fixed Dividend Account" means the account opened in the ACBH' name, in USD with Account Bank and account number 36323864 (IBAN:ABA021000089 and Swift code CITIUS33);

(xiii) "Initial Share Capital" means the structure of capital of the Company before the Conversion Date;

(xiv) "Owner" or "Preferred Shareholder" means Yieldco, its Affiliates, its successors and its assignees;

(xv) "Person" means any natural person, corporation, general or limited partnership, limited liability company, association, joint venture, trust, estate, Governmental Authority or other legal entity, in each case whether in its own or represented by a third party;

(xvi) "Preferred Shares" or "Preferred Equity" means all the 585.201.300 preferred shares issued by the Company and sold by ETVE to AC, fully subscribed and paid-in which will have the rights, preferences and privileges set forth herein, in the Corporation Law and in the By-Laws of the Company;

(xvii) "Pricing Date" means June 13, 2014 which was the date on which the price of the Yieldco shares was set for the initial public offering of the shares of Yieldco;

(xviii) "Purchase Price" means the purchase price as defined in the Article 1.2. of the SPA;

(xix) "Shares" means the Common Shares and the Preferred Shares and any other shares issued by the Company during the term of effectiveness of this Agreement;

(xx) "SPVs" or the "Projects" means the special purpose companies that are from time to time incorporated by the Company in order to develop a specific project and hold Concession Assets. The SPVs or Projects of the Company as of the date hereof are listed on Annex II to this Agreement;

(xxi) "Transfer" means, with respect to any Concession Asset, as the context may require, (i) a sale, assignment, transfer, disposition, establishment of a lien or granting of an option, in each case, whether actual or contingent, of or over such Concession Assets, or (ii) to sell, assign, transfer, pledge, grant an option over or otherwise dispose of, or encumber or create a lien over such Concession Assets unless as otherwise agreed in the financial documents of the Concession Assets or as provided by Applicable Law.; and

(xxii) "Yieldco" means Abengoa Yield Plc, a company incorporated under the laws of England and Wales with registered number 08818211 and registered office at Great West House, GW1, 17th Floor, Great West Road, Brentford, Middlesex, Greater London, TW8 9DF, United Kingdom.

B) Other interpretative provisions. With reference to this Agreement unless otherwise specified herein:

(i) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(ii) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

C) Effect of Amendment and Restatement.

The Existing SHA Agreement shall be amended and restated in its entirety by this Agreement. In furtherance of the foregoing, each of the Parties, Shareholders and Initial Shareholders acknowledge and agree that: (i) this Agreement amends and restates and supersedes and replaces the Existing SHA Agreement; (ii) the execution and effectiveness of this Agreement does not constitute a novation or termination of the obligations under the Existing SHA Agreement as in effect prior to the date hereof; and all obligations of the Existing SHA Agreement are in all respects continuing (as amended and restated and superseded and replaced hereby) with the terms only being modified as provided in this Agreement.

1. Purpose and Object.

1.1. The object of this Agreement is (i) to regulate the relationship between the Shareholders as shareholders of the Company, (ii) to guarantee their respective interests in the Company and (iii) to set forth the terms of the preference, privileges, rights and obligations of the Preferred Equity, as shall be reflected in the by-laws of the Company (the "By-laws").

1.2. The Parties undertake to act in good faith in order to ensure the full effectiveness of this SHA, exercising their respective rights as Shareholders and voting in all general meetings of the Company in order to guarantee the effective fulfillment of this SHA.

1.3. The Shareholders shall exercise their rights as shareholders in the Company within the limits of the Corporation Law and the By-Laws.

2. Supremacy of this Agreement over the Company By-Laws.

2.1. The Parties will procure that the By-Laws shall incorporate, to the extent possible, the contents of this Agreement, taking into account the requirements of the Corporation Law. The By-Laws shall be registered with the Commercial Registry. If some or all of the provisions of this Agreement are not included in the By-Laws, the Parties shall negotiate alternative provisions in good faith which will have the same substantial effect.

2.2. This Agreement applies to all of Company's shares owned by the Shareholders as of the date of execution of this Agreement, or which may be owned by them in the future (as a result of any acquisition, donation, succession, subscription, share dividend, splitting, reverse split or in any other way).

2.3. If the provisions of the By-Laws differ from, or are in conflict with, the provisions of this Agreement, this Agreement shall prevail.

2.4. The Parties shall amend the By-Laws as may be required from time to time in order to ensure maximum consistency with the provisions hereof.

2.5. For the purposes of Article 118 and its paragraphs of the Brazilian Corporation Law, the Shareholders hereby agree that an executed copy of this Agreement shall be filed at the headquarters of the Company. This Agreement shall be enforced against third parties and the Company itself upon filing of this Agreement at the Company's headquarters. The Company shall include in the relevant pages of the Company's registered share register and in any certificates representing Common Shares which are subject to this Agreement a legend in Portuguese which translates into the following legend in English: "*THE SHARES HELD BY [NAME OF SHAREHOLDER] ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER, VOTING ARRANGEMENTS, AND OTHER PROVISIONS SET FORTH IN A SHAREHOLDERS AGREEMENT DATED JUNE [*] , 2015 COPIES OF WHICH ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE COMPANY. NO TRANSFER OF SUCH SHARES WILL BE MADE ON THE BOOKS OF THE COMPANY, AND SUCH TRANSFER WILL BE NULL AND VOID, UNLESS ACCOMPANIED BY EVIDENCE OF COMPLIANCE WITH THE TERMS OF SUCH AGREEMENT. ANY TRANSACTIONS ENTERED INTO BY THE COMPANY OR ANY SHAREHOLDER IN VIOLATION OF THE SHAREHOLDERS AGREEMENT WILL BE NULL AND VOID*."

3. Rights and Privileges of the Preferred Shares.

3.1. Preferred Dividend.

The Preferred Shareholder shall have the right to receive the dividends listed below in the following terms and conditions (collectively the "Preferred Dividend"):

(a) Granted net fixed dividend of USD 92,000,000.00 M equivalent to R$204,764,400.00 for the five- year period commencing on the third fiscal quarter of 2014 (the "Granted Fixed Dividend").

(a)(i) The Granted Fixed Dividend was declared by the Company upon resolution passed by the Extraordinary Shareholders Meeting ("June 13, 2014 *Assembleia Geral Extraordinária"*) held on the Pricing Date based on the profit reserve of the Company in accordance with its 2013 financial statements. Such amount was held in the Granted Fixed Dividend Account immediately after resolution passed by June 13, 2014 *Assembleia Geral Extraordinária*.

(a)(ii) The resolution passed by June 13, 2014 *Assembleia Geral Extraordinária* further agreed to pay the Granted Fixed Dividend through 20 (twenty) non-endorsable promissory notes issued by the Company on the Pricing Date, in favor of the holder of the Preferred Shares or to their order to be paid in 4 equal quarterly installments of USD 4.600.000 on each 31 March, 30 June, 30 September and 31 December for the five-year period commencing on the third fiscal quarter of 2014.

(a)(iii) As the date hereof, the payment corresponding to the third and fourth quarter of 2014 and the first quarter of 2015 has been paid by the Company to the holder of the Preferred Shares.

(b) Fixed dividend of R$ 100.00 per year, non- cumulative, due as from the closing of the 2014 tax year and up to the date which is the fifth anniversary following 30 June 2014 (the "Pre-five year Fixed Dividend"). The Pre-five year Fixed Dividend shall be annually declared by the Shareholders Meeting on the four months following the termination of the relevant tax year, and distributed and paid by the Company in one installment within two (2) Business Days as from their declaration. The declaration, distribution and payment of each Pre-five year Fixed dividend shall be subject to the availability of distributable profits and/or reserves of the Company on each fiscal year and to Applicable Law in relation to the declaration, distribution and payment of dividends.

(c) Fixed dividend, non-cumulative, up to a maximum equivalent amount in Reais to USD 18.400.000,00, calculated as per the prevailing exchange rate published by the Central Bank of Brazil for the purchase of US dollars with Reais at the time of declaration of the dividend, due as from the date which is the fifth anniversary following 30 June 2014 (the "Post-five year Fixed Dividend").

(c)(i) The payment, including the amount and time, of each Post-five year Fixed Dividends shall be subject to the resolution passed by the Annual Shareholders Meeting of the Company annually on the four months following the termination of the relevant fiscal year, and if the payment is approved, it will be distributed and paid by the Company in one installment within five (5) Business Days as from their declaration.

(c)(ii)The distribution and payment of each Post-five year Fixed Dividend shall be subject, in addition to approval by the Annual Shareholder's meeting of the company, to the availability of distributable profit reserves of the Company on each fiscal year and to Applicable Law in relation to the declaration, distribution and payment of dividends.

(c)(iv)The actual amount and time of Post-five year Fixed Dividend payment by the Company will be approved exclusively by the General Shareholders' Meeting (*Assembleia Gral Ordinária*) of the Company. For the avoidance of doubt, no other corporate body created by the Company shall have authority to approve on any matter associated with Post-five year Fixed Dividend distribution.

(c)(v) A shareholders' meeting to approve and distribute the Post-five year Fixed Dividend shall be held at least once every calendar year and no more frequently than once every fiscal quarter.

(c)(vi)The General Shareholders' Meeting of the Company will be convened by the Board of Directors of the Company: (a) at the Board of Directors' own initiative; or (b) mandatorily promptly following the request of any Shareholder, whether a holder of ordinary Shares or of Preferred Shares.

(c)(vii) The General Shareholders' Meeting of the Company will be called to be held within 08 (eight) calendar days as from the request is received by the chairman of the Board of Directors. Calling formalities will be automatically waived if all the Shareholders attend the General Shareholders' Meeting or confirm in writing that they are aware of date, time, place and agenda of the meeting.

(c)(viii) For the avoidance of doubt, in case Post-five year Fixed Dividend be approved, the amount payable as Post-five year Fixed Dividend, or as dividends payable on ordinary Shares may not exceed in any case the maximum amount distributable as dividend by the Company from time to time, the available cash of the Company, the relevant company law provisions on distribution of dividends and the accounting principles and policies determining the distributable amount.

Preferred Shares shall not have the right to participate in the remaining profits of the Company. Provided that all amounts due and outstanding to the holders of Preferred Shares have been satisfied, any other dividends or distributions will be payable to the holders of Common Shares on a pro rata basis.

3.2. No voting rights. The Preferred Shares shall have no voting rights except (a) as provided under Reserved Matters set forth in the Article 4.2.1 herein, (b) the Preferred Shares shall be entitled to elect one member of the Board of Directors of the Company (the "Preferred Shares Director"), and (c) as required by law.

3.3. Exchangeable Preferred Shares.

(iv) (i) Exchange Option. The Preferred Shares confers to its owner the right to exchange the whole Preferred Shares for common shares of one or several SPVs with AC held by the Company at the time of the exchange ("Exchange Option") to be selected by the Company and by its ultimate parent Abengoa (or through any of Abengoa´s subsidiaries instructed to do so by Abengoa other than Yieldco and Yieldco´s subsidiaries). In the event that Preferred Shareholder notified its intention to exercise the Exchange Option, AC shall have the right to acquire the SPVs held by the Company at the time of the exchange at fair value, provided always that AC assumes the obligations of the Company hereunder related to the Exchange Option of the Preferred Shareholder.

The Preferred Shareholder shall be entitled to exercise the Exchange Option at any time during the Exchange Period by giving written notice thereof to the Company. Prior to 30 June 2019, the Parties may extend the Exchange Period by mutual agreement.

In the event that the Preferred Shareholder decides not to exercise the Exchange Option, it shall remain the owner of the Preferred Shares on the terms and conditions set forth herein.

Abengoa and the Company undertake to provide the Preferred Shareholder, at least 3 months prior to the commencement of the Exchange Period (hereinafter, referred to as the "Offer Period"), with the selected SPVs that fulfill the requirements listed below and with the following documentation related to such SPVs (hereinafter, referred to as the "Eligible SPVs"):

a. Documentation evidencing that the SPV has entered into commercial operation and has appropriate secured project finance debt in place.

b. A financial model used for securing project financing covering the life of the SPVs.

c. The most recent technical report from the independent engineer advising the senior lenders of the project validating that the asset has been built in accordance with specifications and industry standards and that can deliver the expected performance.

d. Any reports from independent engineers prepared in the last 12 months on behalf of the senior lenders of the project.

e. A detailed technical and economic information as per Abengoa's reporting systems (In.Pre.So.).

f. the last legal report prepared for the senior lenders of the project confirming that the project has reached commercial operations date and has substantially all required permits in place.

g. A report from one of the Big Four accounting firms certifying that the SPV has granted for the last fiscal year dividends of at least USD$18,400,000.

(ii) Eligible SPVs valuation. External advisor appointment

The Eligible SPVs in the aggregate shall yield an aggregated recurrent dividend (the "Recurrent Dividend"), based on the then-prevailing conditions, of at least USD$18.400.000 per year. The Preferred Shareholder may require a verification by an external advisor of the Recurrent Dividend in addition to the report referred to in clause 3.3(i)g. Neither the use of an external advisor nor the outcome of its analysis may become an obligation to exchange the Preferred Shares for the Eligible SPV, such decision being at the sole discretion of the Preferred Shareholder.

The external advisor shall be appointed from among the Big Four accounting firms by resolution passed by the majority of the independent members of the Preferred Shareholders´ Board of Directors.

(iii) Exercise of the Exchange Option. The Shareholders undertake to agree in good faith during the Offer Period and the Exchange Period the most tax efficient and the more favorable execution process for all Parties to exercise the Exchange Option in compliance with Applicable Law.

(v) AC´s commitments.

In the event AC acquires the SPVs held by the Company as set out in the article 3 (iv) above, AC hereby (i) acknowledges the right of the Preferred Shareholder to exchange the whole Preferred Shares for common shares of such SPVs which will be valid and in full force and effect; (ii) undertakes to act and take any decision related to the Exchange Option under this Article 3.3 upon the instructions of Abengoa and ACBH; (ii) not to take any decision in a manner adverse to the exercise of the Exchange Option; (iii) to obtain and undertake all corporate actions, including from its officers, directors and shareholders, necessary for the authorization, execution, delivery and performance of (a) the acquisition of the SPVs, and (b) the exercise of the Exchange Option, including the execution of all documents related to the Exchange Option; and (iv)to obtain all consents and approvals required in connection with the paragraph (v)(iii)(a) and (b) above.

4. Management of the Company.

The Company shall be managed by a board of directors (the "Board of Directors" or "Conselho de Administração") and by an executive committee (the "Executive Committee" or "Diretoria"), which shall each have the duties set forth in the By-Laws, in the Corporation Law and herein.

4.1. Board of Directors.

- The Board of Directors shall be comprised of 3 members who shall be appointed and removed by the Shareholders' General Meeting. The term-in-office of the members of the Board of Directors shall be of 3 years, re-election being permitted.

- The Preferred Shareholder shall be entitled to appoint and remove one of the members of the Board of Directors (the "Preferred Shares Director").

- The Preferred Shareholders shall also be entitled to appoint a representative in addition to the Preferred Shares Director who will also attend the meetings of the Board of Directors.

- Each Director shall have one (1) vote on the matters considered at the Board Meeting that shall be chaired by the Chairman of the Board, or in his absence the Vice Chairman of the Board. Neither the Chairman nor the Vice Chairman shall have any additional or casting vote except as provided for herein.

- In addition to the other matters falling within the scope of its powers under the terms of applicable legislation, the Board shall have authority to previously opine on any matters that will be subject to the Shareholders Meeting.

- The Board meetings shall be ordinarily held once a month or extraordinarily at any other time that the majority of its members so convene. The call for each meeting shall be in writing and shall be sent not less than fifteen (15) days before the date of the meeting to all members of the Board, by registered mail, fac-simile or e-mail, as the case may be.

- Any member of the Board may be represented at Board meetings by another Board member appointed thereby in writing. Board members may participate in Board meetings by conference call or video conference.

- The decisions of the Board members shall only be deemed valid if made by the majority vote of the members in office, and no meeting shall be held unless with the attendance of at least the majority of the Board members in office.

4.2. Exercise of voting rights.

The Shareholders undertake to exercise their voting rights and to instruct the Directors they appoint to always vote as provided for in this Agreement.

4.2.1. Reserve Matters. Shareholders General Meetings. The Shareholders undertake (i) to each other to procure that no action is taken by the Company to do, and no resolution is passed either by the Board or by any management decision making body of the Company in respect of, any of the following matters (the "Reserve Matters" or "Reserve Matter") without the prior approval of the Preferred Shareholder; and (ii) to resolve upon the amendment to the By-Laws of the Company as soon as possible and no later than within five (5) Business Days as from the execution of this Agreement in order to include in the By-Laws of the Company all of such Reserve Matters:

(i) To liquidate, dissolve or wind up the affairs of the Company, or effect any merger, spin-off, capital reduction or consolidation;

(ii) To amend, alter, or repeal any provision of the By-Laws in a manner adverse to the rights, preferences or privileges of the Preferred Shares;

(iii) To amend the preference, privilege or a condition of redemption or amortization conferred upon one or more classes of preferred shares, or creating a new, more favored class;

(iv) To amend this Agreement in a manner adverse to the rights, preferences or privileges of the Preferred Shares;

(v) The Company to create of or to issue any other security other than those in respect of the SPVs if it has rights, preferences or privileges senior to the rights of the Preferred Shares, or increase the authorized number of Preferred Shares;

(vi) To purchase or redeem or pay any dividend on any share capital senior to the Preferred Shares;

(vii) Any disposition, assignment, sale, offer to sell, pledge, mortgage encumbrance, disposition of or any other like transfer or encumbering of shares/equity interest in SPVs that have secured long-term debt financing (from BNDES or similar institutions or banks or a combination of both) representing more than 25% of the consolidated net assets of the Company in SPVs that have secured long-term debt financing;

(viii) To abandon or cease to construct or operate (directly or indirectly) its Concession Assets except due to Force Majeure, emergency or provided for the finance documents of the SPVs;

(ix) To create or agree to create any security interest or Third Party right over the Granted Fixed Dividend Account;

(x) To reduce the Preferred Dividend; and

(xi) To develop and build any asset additional to the Projects.

4.2.2. The Company shall call the Shareholders at least fifteen (15) days in advance, informing them of the date in which the general meetings of the Company will be held and the respective agenda.

4.2.3. The Chairman of the general meeting will not record the Shareholder vote which is in violation with the terms of this Agreement-.

4.2.4. Pursuant to the provisions of this Section 4.2 and particularly in accordance with the undertaking set forth in item 4.2.1(ii) above, the Shareholders hereby undertake to convene a general shareholders´ meeting annually (a) to approve the declaration of the Post-five year Fixed Dividend, and (b) in the case it is approved to exercise their voting rights to resolve upon the amendment to the By-Laws of the Company in order to adjust the provisions related to the Post-five year Fixed Dividend so that it reflects the amount in Reais equivalent to USD 18.400.000,00 based on the prevailing exchange rate published by the Central Bank of Brazil at the time of declaration of payment of the dividend,.

5. Liquidation Preference.

In the event of any liquidation, dissolution or winding up of the Company, the holder of Preferred Shares shall be entitled to receive in preference to the holders of the Common Shares a per share amount equal to the Purchase Price plus any declared but unpaid dividends (the "Liquidation Preference").

After the payment of the Liquidation Preference to the holder of the Preferred Shares, the remaining assets of the Company shall be distributed to the holders of the Common Shares on a pro-rata basis. A consolidation, merger, spin-off, capital reduction, acquisition, sale of voting control or sale of all or substantially all of the assets of the Company in which the shareholders of the Company do not own a majority of the outstanding shares of the surviving corporation(s) shall be deemed to be a liquidation or winding up for purposes of the Liquidation Preference.

6. Dividend Policy.

Upon the expiry or termination of Deferred Dividend Deed, the Shareholders agree that ACBH (i) will not set a dividend payout that in and of itself prevents the payment of the Preferred Dividend and (ii) will not issue any debt without the prior approval of the Preferred Shareholder.

7. Financial information.

7.1. The Company will provide promptly to the owner of the Preferred Shares the following information:

- The annual audited financial statements of the Company and its SPVs prepared in accordance with the Applicable Law within 180 days of the end of each fiscal year, commencing with the fiscal year ending on 31 December 2013; and (b) the periodic reports (not less than quarterly) to be agreed with respect to the operations and maintenance of the SPVs;

- Quarterly unaudited financial statements for each quarter of a fiscal year of the Company, including an unaudited balance sheet as of the end of such quarter, an unaudited statement of operations and an unaudited statement of cash-flows of the Company for such quarter, all prepared in accordance with applicable accounting principles and practices, subject to changes resulting from normal year-end audit adjustments; and

- Not less than thirty (30) days prior to the end of each fiscal year, the Company shall submit to the Shareholders an operating budget for the forthcoming fiscal year.

8. Transfer of the Preferred Shares.

8.1. The terms and conditions of this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of and be binding upon the respective successors, Affiliates and assigns of Yieldco. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors, Affiliate and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

8.2. In any event, the Person who desires to become a party to this SHA (the "Acceding Party") shall be bound by all of the terms and conditions set forth in this Agreement and all the ancillary documents by duly executing and delivering the Accession Agreement attached hereto as Annex I.

9. Representations and Warranties.

9.1. The Company hereby represents and warrants that the following statements are true, accurate and complete on the date of the execution of this Agreement.

(i) Organization; Compliance.

(a) The Preferred Shares are fully issued, subscribed and paid in.

(b) The Shares are free and clear of any liens, charges or claims of any nature whatsoever, and free and clear of all pre-emptive or similar rights, there being no legal, judicial, contractual or administrative restriction which prevents or restricts the transactions contemplated in this Agreement except otherwise provided by Applicable Law.

(c) The Company is not a party to any option, warrant, purchase right or other contract or commitment that requires or could require any of the Shareholders or the Company to sell, transfer or otherwise dispose of any of the Shares (other than this Agreement), or that has granted a security interest in such Shares.

(d) The Company is duly organized and validly existing under the laws of Brazil.

(e) Organization and Qualification SPVs. The SPVs held by the Company are corporations duly organized and validly existing under the Brazilian Corporate Law.

(ii) Consents and authorizations.

(a) This Agreement constitutes a valid obligation of the Company, binding it to performance of the obligations contemplated herein.

(b) All corporate action on the part of the Company, its officers, directors and Shareholders necessary for the authorization, execution, delivery and performance of this Agreement by the Company has been taken or will be taken prior to the execution of this Agreement.

(c) The execution and performance by the Company of this Agreement do not and will not (1) conflict with or breach any Applicable Law to the Company or (2) conflict with or violate any provision of the organizational documents of the Company.

(d) The Company complies with domestic and international anti-corruption laws, including but not limited to the US Foreign Corrupt Practices Act, any applicable legislation or regulation implementing the Organization for Economic Cooperation and Development Convention Against Bribery of Foreign Public Officials in International Business Transactions.

(e) Compliance with other instruments. The Company, to its knowledge, is not in violation or default of any term of any term or provision of any material contract, agreement, instrument, judgment, order or decree and to its knowledge is not in violation of any material statute, rule or regulation applicable to the Company which may adversely affect the Company or its concession assets.

(iii) Permits and licenses. The Company (or the SPVs, as the case may be) has obtained, and maintains in full force and effectiveness all material permits, licenses and authorizations relating to the Concession Assets which are necessary, in each moment, for the construction, operation, and maintenance of such Concession Assets in accordance with the legislation applicable from time to time.

9.2. Each Shareholder and AC hereby represents and warrants that the following statements are true, accurate and complete on the date of the execution of this Agreement.

(i) Each Shareholder and AC are duly organized and validly existing under its applicable law.

(ii) Consents and authorizations.

- This Agreement constitutes a valid obligation of the Shareholder and AC, binding it to performance of the obligations contemplated herein.

- All corporate action on the part of each Shareholder and AC, its officers, directors necessary for the authorization, execution, delivery and performance of this Agreement, has been taken or will be taken prior to the execution of this Agreement.

- The execution and performance by each Shareholder of this Agreement and AC do not and will not (1) conflict with or breach any Applicable Law to them (2) conflict with or violate any provision of the organizational documents of each, Shareholder.

- Each Shareholder and AC comply with domestic and international anti-corruption laws, including but not limited to the US Foreign Corrupt Practices Act, any applicable legislation or regulation implementing the Organization for Economic Cooperation and Development Convention Against Bribery of Foreign Public Officials in International Business Transactions.

9.3. Indemnity. In case of breach of any such warranty or undertaking herein, the Party giving such representation, warranty or undertaking agrees to indemnify and keep indemnified the other Party against any and all damages caused by, related to, based on, resulting of, or in connection with the breach, falseness or omission of any representation, warranty or undertaking.

Notwithstanding above, no Party shall be liable for loss of profit or indirect or consequential damages except those arising out of fraud or gross negligence.

10. Invalid provisions.

If any provision of this Agreement is or becomes illegal, unenforceable or invalid under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired thereby; provided, however, that if such severability materially changes the economic benefits of this Agreement to a Party, the Parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

11. Binding effect.

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns.

12. Notices.

Written. All notices, demands, requests or other communications from each party to the other which are required or permitted under the terms of this Agreement shall be in writing in the Spanish language and, unless otherwise specified, in a written notice by the party to whom notice is intended to be given, shall be sent to the parties at the following respective addresses:

If to AC, to:
Abengoa Concessions, S.L
At./Attn: Eduard Solar Babot
Number: +34954937111
E-mail: eduard.soler@abengoa.com

If to ETVE, to:
Sociedad Inversora Líneas de Brasil SL
At./Attn: José Fernando Giraldez Ortiz
Number: +34954937111
Fax: +34 955413374
E-mail josefernando.giraldez@abengoa.com

If to Abengoa Brasil, to:
Abengoa Construçao Brasil Ltd
At./Attn: Luis Solaro Mascari
Number: +552132163520
Email: lsolaro@abengoabrasil.com

If to the Company, to:
Abengoa Concessoes Brasil Holding, S.A.
At./Attn: Jorge Raúl Bauer
Number: +552132163300
Email: jorge.bauer@abengoabrasil.com

If to Yieldco, to:
Abengoa Yield plc
At. Company Secretary
Number
Email ir@abengoayield.com

Manner of Giving. Each such notice, demand, request or other communication shall be given (i) against a written receipt of delivery, (ii) by registered or certified mail, return receipt requested, postage prepaid, or (iii) by nationally recognized overnight courier service for next business day delivery, or (iv) delivered via telecopier or facsimile transmission to the facsimile number listed above, provided, however, that if such communication is given via telecopier or facsimile transmission, an original counterpart of such communication shall concurrently be sent in either the manner specified in points (i) or (iii) above.

Deemed Given. Each such notice, demand request, or other communication shall be deemed to have been given upon actual receipt or refusal by the addressee.

13. Language. This Agreement, as well as any other documents relating to this Agreement, including notices, exhibits and authorizations, will be drawn up and executed in the English language. A sworn translation will be prepared and agreed amongst the Shareholders and filed with the Company.

14. Fees and Expenses. Each Party shall bear its own costs and expenses (including investment advisory and legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

15. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to such subject matter.

16. Amendment. This Agreement may be amended, modified or supplemented only by a written mutual agreement executed and delivered by the Parties.

17. Further acts.

Each Party shall at its own expense promptly take any and execute all necessary documents and do all necessary actions and undertaking from time to time in order to give effect to, perfect or complete this Agreement and all transactions ancillary.

In particular, if the Granted Fixed Dividend or the related corporate resolutions by which it is approved are not registered by the Commercial Registry, or if the Granted Fixed Dividend is otherwise found to be null or void or otherwise not payable by anyone for any reason at any time, the Company shall take all legal actions available to declare again the Granted Fixed Dividend and to pay it to the Preferred Shareholder under the terms hereunder.

18. Termination.

18.1.This Agreement shall be valid for 20 (twenty) years as from the date of its execution and may only be terminated prior to this term in the following cases:

(a) by any Shareholder in the event that the Exchange Option is exercised by the Preferred Shareholder;

(b) by any Shareholder if a Brazilian law is enacted, promulgated or comes into force which prohibits the consummation of the transactions contemplated hereby;

(d) by the non-defaulting Party if a breach has occurred and is not remedied by the defaulting Party within 30 (thirty) days after the receipt by the defaulting Party of a written notice from the non-defaulting Party requesting the fulfillment of the respective breach of a representation, warranty, covenant or obligation, as the case may be; and

(e) by mutual agreement among the Parties.

18.2.No termination of this Agreement shall be effective until notice thereof is given to the non-terminating Party specifying the provision hereof pursuant to which such termination is made.

18.3.In the event of a valid termination of this Agreement, this Agreement shall cease to produce any effect between the Parties, without liability of any kind between the Parties.

19. Confidentiality. Each Party hereto agrees that for a period of two (2) years, except with the prior written permission of the other Party, it shall at all times keep confidential and not divulge, furnish or make accessible to anyone any confidential information, knowledge or data concerning or relating to the business or financial affairs of the other Parties to which such Party has been or shall become privy by reason of this Agreement, discussions or negotiations relating to this Agreement, the performance of its obligations hereunder or the ownership of the Shares purchased hereunder (the "Confidential Information"). Notwithstanding the foregoing, either Party may disclose the Confidential Information to its affiliates and agents, provided such affiliates have agreed in writing to disclose such information only as permitted hereunder. Confidential Information shall not include any information which: (a) the party receiving Confidential Information rightfully receives, obtained or obtains from a third party without incurring obligations of confidentiality, (b) the party receiving Confidential Information rightfully developed or develops independently without reference to information obtained from the other party hereunder, (c) enters into the public domain by no fault of the party receiving Confidential information, or (d) is required by applicable law, regulation or legal process to be disclosed. The provisions of this Article 18 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by the Parties hereto with respect to the transactions contemplated hereby.

20. Applicable Law. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed and construed by and interpreted in accordance with Brazilian Law.

21. Dispute Resolution.

21.1. If any dispute, difference or question (collectively a "Dispute") arises between the Parties in respect of this Agreement or the subject matter hereof, representatives of the Parties shall co-operate, in good faith, to attempt to amicably resolve the Dispute. If a Party believes that such representatives cannot resolve the Dispute, such Party may invoke the further dispute resolution procedures of this Article 20 in the order in which they are provided.

21.2. If the representatives of the Parties cannot resolve a Dispute under Article 21.1 within thirty (30) days, each Party shall prepare a written statement of its position and deliver it to the other Party within ten (10) days. One authorized representative from each Party shall meet in person within fifteen (15) days of receipt of the written statement in an effort to resolve the Dispute. If the authorized representative of any Party determines at any time that the Dispute cannot be resolved without referral of the Dispute to an independent third party, such Party (the "Initiating Party") shall notify the other Party that it wants to submit the Dispute to arbitration in accordance with this Article 21.

21.3. Any dispute arising out of or in connection with this Agreement, including a dispute as to the validity or existence of this Agreement and/or this Article 21 which cannot be resolved pursuant to Articles 21.1 and 21.2 shall be resolved by Arbitration.

21.4. The Arbitration shall be conducted in accordance with the laws of Brazil and the rules of the International Chamber of Commerce. The Arbitral Tribunal shall be composed of three arbitrators. The Party that requests arbitration shall, simultaneously with the request for Arbitration, appoints one arbitrator, and send notice to the other Party of the appointment, together with the arbitrator's acceptance. Within fifteen (15) days from receipt of the notice, the other Party shall appoint the second arbitrator, and shall send notice of the appointment to the requesting Party, together with the arbitrator's acceptance. The third arbitrator, who shall be president of the Arbitral Tribunal, shall be appointed by the other two arbitrators within fifteen (15) days. All proceedings and documents related to the Arbitration shall be conducted and/or prepared in the English language. The Arbitration shall take place in the City of Rio de Janeiro, Brazil.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties execute this Agreement in the presence of the two undersigned witnesses.

June 30, 2015.

/s/ Abengoa Concessions, S.L.

Abengoa Concessions, S.L.

/s/ Abengoa Concessoes Brasil Holding, S.A.

Abengoa Concessoes Brasil Holding, S.A.

/s/ Sociedad Inversora Líneas de Brasil S.L.

Sociedad Inversora Líneas de Brasil S.L.

/s/ Abengoa Construçao Brasil Ltd

Abengoa Construçao Brasil Ltd

/s/ Abengoa Yield plc

Abengoa Yield plc

Witnesses:

3. /s/
Name:
ID: 124401061

4. /s/
Name:
ID: 05308737703

Annex I

Accession Agreement

This Accession Agreement is made on [●], 20[●]

By and between:

(1) Insert name of "Acceding Party"] (No.) whose registered office is at [insert address]; and

(2) Abengoa Concessoes Brasil Holding S.A. a company duly incorporated under the laws of Brazil having its registered office located at [●],with Fiscal Identification Code number [●] (referred to hereinafter as the "Company") on its own behalf and on behalf of the Shareholders of the Company.

WHEREAS

I. This Accession Agreement is supplemental to a Shareholders' Agreement of the Company dated [●].

II. The Acceding Party proposes to become a shareholder of the Company and agrees to be bound by the Shareholders' Agreement.

It is hereby agreed as follows:

1. Agreement to be bound

1.1 The Acceding Party confirms that it has been provided with a copy of the Shareholders' Agreement and By-Laws.

1.2 The Acceding Party respectively covenants with all those parties to the Shareholders Agreement and the Company to observe, perform and be bound by all the terms of the Shareholders' Agreement so that the Acceding Party is deemed, from the time that the Acceding Party becomes a Shareholder in the Company, to be a party to the Shareholders' Agreement.

1.3 The Company and the shareholders confirm and agree that the Acceding Party shall be entitled to the rights of the SHA as if it were named as a party to it.

1.4 If any provision of this Accession Agreement is or becomes invalid, unenforceable or illegal or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Accession Agreement, which shall continue in full force and effect notwithstanding the same.

2. Warranties

Each party to this Accession Agreement respectively represents and warrants to the other party that:

2.1. it is duly incorporated in the jurisdiction in which it is incorporated;

2.2. it has the power to enter into and perform this Agreement and has obtained all necessary consents and authorizations to enable it to do so;

2.3. this Agreement constitutes valid and binding obligations on it enforceable in accordance with its terms.

3. Effect

This Accession Agreement is to take effect upon execution by both the Acceding Party and the Company and is to operate and be interpreted according to the provisions of the Shareholders' Agreement.

4. Notices

Any notice to be given to the Acceding Party pursuant to the Shareholders' Agreement shall be given to the Acceding Party at the address, fax number or electronic mail address set out below:

Address:	[●]
For the attention of:	[●]
Fax number:	[●]
Electronic Mail:	[●]
Contact Telephone Number	[●]•

5. Governing Law.

This Accession Agreement is governed by Brazilian law and words and phrases used in this Agreement shall, where the context permits, have the same meanings as are ascribed to them in the Shareholders Agreement.

6. Counterparts

This Accession Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS whereof this Acceding Agreement has been executed by the Accessing Party and the Company on the date first above written.

[Acceding Party]

Abengoa Concessions, S.L.

Sociedad Inversora Líneas de Brasil S.L.

Abengoa Concessões Brasil Holding, S.A.

Abengoa Construção Brasil Ltda.

Abengoa Yield plc

Witnesses:

1. _____
Name:
ID:

2. _____
Name:
ID:

Annex II

List of current SPVs of the Company

ATE IV (Sao Mateus)

ATE V (Londrina)

ATE VI (Campos Novos)

ATE VII (Foz do Iguacu)

Manaus

ATE VIII

Norte Brasil

Linha Verde

ATE XVI

ATE XVII

ATE XVIII

ATE XIX

ATE XX

ATE XXI

ATE XXII

Exhibit 4.13

AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Dated as of June 26, 2015

among

ABENGOA YIELD PLC,
as the Borrower,

The Guarantors from Time to Time Party Hereto,

HSBC BANK PLC,
as Administrative Agent,

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED,
as Collateral Agent,

The Lenders Party Hereto,

BANK OF AMERICA, N.A.,
as Global Coordinator and Documentation Agent for the Tranche B Facility,

BANCO SANTANDER, S.A.,
BANK OF AMERICA, N.A.,
CITIGROUP GLOBAL MARKETS LIMITED,
HSBC BANK PLC, and
RBC CAPITAL MARKETS,
as Joint Lead Arrangers and Joint Bookrunners
for the Tranche A Facility and the Tranche B Facility,

and

BARCLAYS BANK PLC,
as Joint Lead Arranger and Joint Bookrunner for the Tranche B Facility

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AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

This AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (this "Agreement") is entered into as of June 26, 2015 by and among ABENGOA YIELD PLC, a company incorporated in England and Wales with company number 8818211 (the "Borrower"), the Guarantors from time to time party hereto, each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), HSBC BANK PLC, as Administrative Agent, HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED, as Collateral Agent, BANK OF AMERICA, N.A., as global coordinator and documentation agent for the Tranche B Facility referred to below (in such capacity, the "Global Coordinator"), BANCO SANTANDER, S.A., BANK OF AMERICA, N.A., CITIGROUP GLOBAL MARKETS LIMITED, HSBC BANK PLC and RBC CAPITAL MARKETS[1] as joint lead arrangers and joint bookrunners for the Tranche A Facility referred to below (in such capacity, the "Tranche A Arrangers") and, together with BARCLAYS BANK PLC, as joint lead arranger and joint bookrunner for the Tranche B Facility (in such capacity, the "Tranche B Arrangers").

PRELIMINARY STATEMENTS:

The Borrower, each Guarantor party thereto, each lender party thereto, the Administrative Agent, the Collateral Agent and the Tranche A Arrangers are party to that certain Credit and Guaranty Agreement, dated as of December 3, 2014 (as amended as of April 24, 2015, the "Existing Credit Agreement") pursuant to which the lenders party thereto agreed to extend a revolving credit facility to the Borrower of up to US$125,000,000 in the aggregate to provide financing for general corporate purposes of the Borrower, including the acquisition in the ordinary course of business and from time to time of business entities primarily engaged in the line of business conducted by the Borrower and its Subsidiaries as of December 3, 2014 (any such acquisition, an "Acquisition").

The Borrower has requested that the Tranche B Lenders extend a revolving credit facility to the Borrower of up to US$330,000,000 in the aggregate to provide financing for (a) general corporate purposes of the Borrower, including Acquisitions and (b) to pay costs, fees and expenses related to the Tranche B Facility (including the amendments to the Tranche A Facility made by this Agreement and the Loan Documents executed in connection herewith).

Each Tranche A Lender party to the Existing Credit Agreement has indicated its willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement and the other Loan Documents (as hereinafter defined).

The parties hereto intend that this Agreement and the Loan Documents executed in connection herewith not effect a novation of the obligations of the Borrower and the other Loan Parties under the Existing Credit Agreement but merely a restatement and, where applicable, an amendment, to the terms governing said obligations.

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[1] RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

In consideration of the mutual covenants and agreements herein contained, the parties hereto have agreed to amend and restate the Existing Credit Agreement in its entirety as hereinafter set forth:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" has the meaning specified in the Preliminary Statements.

"Administrative Agent" means HSBC Bank plc in its capacity as administrative agent under any of the Loan Documents, or any successor or permitted assignee thereof in the capacity of administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with, the Person specified.

"Agents" means, collectively, the Administrative Agent and the Collateral Agent, and each individually, an "Agent".

"Aggregate Commitments" means the Commitments of all the Lenders.

"Agreement" has the meaning specified in the introductory paragraph hereto.

"Applicable Percentage" means (a) in respect of the Tranche A Facility, with respect to any Tranche A Lender at any time, the percentage (carried out to the ninth decimal place) of the Tranche A Facility represented by such Tranche A Lender's Tranche A Commitment at such time and (b) in respect of the Tranche B Facility, with respect to any Tranche B Lender at any time, the percentage (carried out to the ninth decimal place) of the Tranche B Facility represented by such Tranche B Lender's Tranche B Commitment at such time. If the commitment of each Lender to make Loans have been terminated pursuant to Section 8.02, or if the Commitments under any Facility have expired, then the Applicable Percentage of each Lender in respect of such Facility shall be determined based on the Applicable Percentage of such Lender in respect of such Facility most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means in respect of (a) the Tranche A Facility, 1.75% per annum for Base Rate Loans and 2.75% per annum for Eurodollar Rate Loans or, during the Reference Abengoa Acquisition Pending Period, 2.75% per annum for Base Rate Loans and 3.75% per annum for Eurodollar Rate Loans and (b) the Tranche B Facility, 1.50% per annum for Base Rate Loans and 2.50% per annum for Eurodollar Rate Loans or, during the Reference Abengoa Acquisition Pending Period, 2.50% per annum for Base Rate Loans and 3.50% per annum for Eurodollar Rate Loans.

"Appropriate Lender" means, at any time, with respect to any of the Tranche A Facility or the Tranche B Facility, a Lender that has a Commitment with respect to such Facility or holds a Tranche A Loan or a Tranche B Loan, respectively, at such time.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means the Tranche A Arrangers and the Tranche B Arrangers.

"ASSA Acquisition Date" has the meaning specified in Section 6.14(b).

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease Obligations of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with IFRS, and (b) in respect of any sale and leaseback transaction of such Person, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with IFRS if such lease or other agreement or instrument were accounted for as a Capitalized Lease Obligation.

"Audited Financial Statements" means, with respect to any fiscal year of the Borrower and its Subsidiaries, the audited consolidated balance sheet of the Borrower and its Subsidiaries for such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Availability Period" means (a) in respect of the Tranche A Facility, the period from and including the Tranche A Closing Date to the earliest of (i) the Tranche A Maturity Date, (ii) the date of termination of the Tranche A Commitments pursuant to Section 2.04, and (iii) the date of termination of the commitment of each Tranche A Lender to make Tranche A Loans pursuant to Section 8.02, and (b) in respect of the Tranche B Facility, the period from and including the Tranche B Closing Date to the earliest of (i) the Tranche B Maturity Date, (ii) the date of termination of the Tranche B Commitments pursuant to Section 2.04, and (iii) the date of termination of the commitment of each Tranche B Lender to make Tranche B Loans pursuant to Section 8.02.

"Average Life" means, as of any date of determination, with respect to any Indebtedness, the quotient obtained by dividing: (a) the sum of the products of the number of years (rounding to the nearest one-twelfth of one year) from the date of determination to the dates of each remaining scheduled principal payment (including the payment at final maturity) of such Indebtedness multiplied by the amount of such payment, by (b) the sum of all such payments.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate last quoted by The Wall Street Journal (or another national publication selected by the Administrative Agent) as the U.S. "prime rate", and (c) the Eurodollar Rate plus 1.00%.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Basel III" means (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated, (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated and (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrowing" means a Tranche A Borrowing or a Tranche B Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, London, England, New York City, United States, Madrid, Spain, the jurisdiction where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"CAFD" means, for any Measurement Period and without duplication, Distributed Cash received by the Borrower from its Subsidiaries minus all cash expenses of the Borrower (other than Debt Service Obligations and transaction costs), in each case during such Measurement Period.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however denominated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing, but excluding any Convertible Debt Securities.

"Capitalized Lease Obligation" means, with respect to any Person, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS; provided that any obligations of the Borrower or any other Loan Party either existing on the Tranche A Closing Date or created prior to any recharacterization (a) that were not included on the consolidated balance sheet of the Borrower as capital lease obligations and (b) that are subsequently recharacterized as capital lease obligations due to a change in accounting treatment or otherwise, shall for all purposes under the Loan Documents (including the calculation of CAFD) not be treated as capital lease obligations, Capitalized Lease Obligations or Indebtedness. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

"Cash Equivalents" means:

(a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union, the United States, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credits of the relevant member state of the European Union or the United States, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Borrower's option;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of twelve (12) months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union or of the United States or any state thereof, Switzerland or Canada; provided that such bank or trust company has capital, surplus and undivided profits aggregating in excess of $250,000,000 (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency;

(c) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (b) above;

(d) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition; and

(e) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clause (a) through (d) of this definition.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following, in each case, without the consent of all Lenders:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), including Abengoa S.A. at any time following the Reference Abengoa Acquisition, acquiring or controlling:

(i) more than 50% of the Voting Rights; or

(ii) Borrower's right to appoint and/or remove all or the majority of the members of the Borrower's board of directors or other governing body, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise; or

(b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially of the assets of the Borrower and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

"Closing Date" means the Tranche A Closing Date or the Tranche B Closing Date, as the context may require.

"Code" means the Internal Revenue Code of 1986.

"Collateral" means all of the property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties.

"Collateral Agent" means HSBC Corporate Trustee Company (UK) Limited in its capacity as collateral agent under any of the Loan Documents, or any successor collateral agent.

"Collateral Documents" means, collectively, each Pledge Agreement, each supplemental pledge agreement, Guarantor Accession Agreement or other similar agreement delivered to the Collateral Agent pursuant to Section 6.12, the Intercreditor Agreement, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"Commitment" means a Tranche A Commitment or a Tranche B Commitment, as the context may require.

"Committed Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), in each case substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Total Assets" means, as of any date of determination, the total consolidated assets of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with IFRS, as shown on the financial statements most recently delivered pursuant to Section 6.01(a) or Section 6.03(b).

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Convertible Debt Securities" means any debt securities or similar instruments convertible into Capital Stock.

"CTA" means the United Kingdom Corporation Tax Act 2009.

"Debt Rating" means, as of any date of determination, the rating as determined by any Rating Agency (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt.

"Debt Service Coverage Ratio" means as of any date of determination, the ratio of: (a) the aggregate amount of the CAFD for the most recent Measurement Period for which financial statements are in existence; to (b) the aggregate amount of Debt Service Obligations of the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries), without duplication, for the most recent Measurement Period for which financial statements are in existence. For purposes of this definition, (i) interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate, (ii) in the event that the Borrower or any of its Subsidiaries incurs, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) subsequent to the commencement of the period for which the Debt Service Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Debt Service Coverage Ratio is made (the "DSCR Calculation Date"), then the Debt Service Coverage Ratio shall be calculated giving Pro Forma Effect to such incurrence, redemption, repayment, retirement or extinguishment of Indebtedness; provided that for purposes of making the computation referred to above, Investments, Acquisitions, Dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with IFRS) that have been made by the Borrower or any of its Subsidiaries during the Measurement Period or subsequent to such Measurement Period and on or prior to or simultaneously with the DSCR Calculation Date shall be calculated giving Pro Forma Effect to all such Investments, Acquisitions, Dispositions, mergers, amalgamations, consolidations and discontinued operations (and the change in any associated fixed charge obligations and the change in CAFD resulting therefrom); provided further that if since the beginning of such period any Person that subsequently became a Subsidiary of the Borrower or was merged with or into the Borrower or any of its Subsidiaries since the beginning of such period shall have made any Investment, Acquisition, Disposition, merger, amalgamation, consolidation or discontinued operation that would have required adjustment pursuant to this definition, then the Debt Service Coverage Ratio shall be calculated giving Pro Forma Effect thereto for such period, (iii) whenever Pro Forma Effect is to be given to an Investment, Acquisition, Disposition, merger, amalgamation, consolidation or discontinued operation, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower and shall comply with the requirements of Rule 11-02 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission, except that such pro forma calculations may include operating expense reductions for such period resulting from the Acquisition which is being given Pro Forma Effect that have been realized or for which the steps necessary for realization have been taken or are reasonably expected to be taken within six (6) months following any such Acquisition, including the execution or termination of any contracts, the termination of any personnel or the closing (or approval by the board of directors of the Borrower on any closing) of any facility, as applicable, provided that, in either case, such adjustments are set forth in an Officer's Certificate signed by the Borrower's chief financial officer and another Responsible Officer which states (A) the amount of such adjustment or adjustments, (B) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officer's Certificate at the time of such execution and (C) that any related incurrence of Indebtedness is permitted pursuant to this Agreement, and (iv) if any Indebtedness bears a floating rate of interest and is being given Pro Forma Effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the DSCR Calculation Date had been the applicable rate for the entire period (taking into account any Swap Contract applicable to such Indebtedness).

"Debt Service Obligations" means, for any Measurement Period, the sum of all amounts payable by the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries), without duplication, in respect of principal and Interest Expense on Indebtedness for Borrowed Money during such Measurement Period.

"Debtor Relief Laws" means the Bankruptcy Code, the Insolvency Act of 1986 of the United Kingdom, the Insolvency Rules of 1986 of the United Kingdom, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, administration, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, the United Kingdom or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate equal to the interest rate (including any Applicable Rate) applicable to a Eurodollar Rate Loan plus 1% per annum; provided, however, that with respect to a Base Rate Loan, the Default Rate shall be an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 1% per annum.

"Defaulting Lender" means, subject to Section 2.12(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.12(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is, or whose government is, the subject or target of any Sanctions, including, as of the date hereof, Crimea, Cuba, Iran, North Korea, Sudan and Syria.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Distributed Cash" means cash and Cash Equivalents distributed by the Non-Recourse Subsidiaries, directly or indirectly, to the Borrower in respect of the Equity Interests of the Non-Recourse Subsidiaries owned, directly or indirectly, by the Borrower (other than (x) dividends or other distributions that are funded, directly or indirectly, with substantially concurrent cash Investments, or cash Investments that were not intended to be used by a Non-Recourse Subsidiary for capital expenditures or for operational purposes, by the Borrower or any of its Subsidiaries in a Non-Recourse Subsidiary and (y) withholding Taxes and amounts subject to, or reasonably expected to be subject to repatriation requirements) consisting of: (a) dividends; (b) capital redemptions; (c) subordinated Indebtedness interest or principal repayments; and (d) the proceeds of any loan to the Borrower from a Subsidiary of the Borrower; provided that, (i) to the extent permitted by Non-Recourse Indebtedness arrangements to which such Subsidiary is a party, the payment obligation of the Borrower under such loan is subordinated to the prior payment in full of the Loans and (ii) any repayment of such loan prior to the Tranche A Maturity Date is immediately succeeded by (A) entering into a substantially similar arrangement for an equal or greater amount; (B) payment of a dividend in an equal or greater amount than such loan by the lender to the Borrower or a Guarantor; or (C) redemption of capital stock of the lender and remittance of the proceeds of such redemption in an equal or greater amount as such loan; provided, further, that cash distributions pursuant to clauses (a) through (d) above shall only be included in Distributed Cash to the extent that (1) such cash is generated from the operations of a Non-Recourse Subsidiary in the ordinary course of its business and (2) the distribution of such cash is permitted by the Contractual Obligations governing the Non-Recourse Indebtedness of the applicable Non-Recourse Subsidiary.

"Dollar" and "US$" mean lawful money of the United States.

"Eligible Assignee" means any Lender, Affiliate of a Lender, Approved Fund or financial institution that meets the requirements to be an assignee under Section 11.06(b)(iii), 11.06(b)(iv) and 11.06(b)(v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

"Environment" means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and natural resources such as wetland, flora and fauna.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, agreements or governmental restrictions relating to pollution or the protection of the Environment or human health (to the extent related to exposure to Hazardous Materials), including those relating to the manufacture, generation, handling, transport, storage, treatment, Release threat of Release of Hazardous Materials.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination. For the purposes of this definition, "capital stock" shall include all common stock, preferred stock and other equity-like interests (including trust and usufruct rights) howsoever described.

"Equity Pledgor" means the Borrower and any other Subsidiary of the Borrower (other than a Non-Recourse Subsidiary) holding Equity Interests, either directly or indirectly, in any Guarantor from time to time; provided that in no event shall an individual holding nominal shares (without special or additional rights to those granted to other holders of Equity Interests or preferential rights in such Guarantor) be an Equity Pledgor.

"Equity Offering" means any sale or offering for cash by the Borrower of Capital Stock of the Borrower.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the London Interbank Offered Rate ("LIBOR") or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by ICE Benchmark Administration Ltd. or an entity which has replaced ICE Benchmark Administration Ltd. for the purposes of providing such quotations as may be designated from time to time by the Administrative Agent) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, and (ii) if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further, that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

"Eurodollar Rate Loan" means a Loan that bears interest based on the Eurodollar Rate.

"Event of Default" has the meaning specified in Section 8.01.

"Excess Net Cash Proceeds" has the meaning specified in Section 2.03(b)(i).

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 10.10 and any other "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to Recipient or required to be withheld or deducted from payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Commitment (other than, with respect to a Tranche A Loan or Tranche A Commitment, on the Tranche A Closing Date, and with respect to a Tranche B Loan or Tranche B Commitment, on the Tranche B Closing Date) or (B) such Lender changes its lending office, except in each case, to the extent that pursuant to Section 3.01(a)(ii) or 3.01(c), such amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any FATCA Deduction required to be made by a party to this Agreement.

"Existing Credit Agreement" has the meaning specified in the introductory paragraph hereto.

"Facility" means the Tranche A Facility or the Tranche B Facility, as the context may require.

"FATCA" means Sections 1471 through 1474 of the Code (or any amended or successor version that is substantially comparable and not materially more onerous to comply with); any current or future regulations or official interpretations thereof; any applicable intergovernmental agreements between a non-U.S. jurisdiction and the United States with respect thereto; any law, regulation, or other official guidance enacted in a non-U.S. jurisdiction relating to an intergovernmental agreement related thereto; and any agreements entered into pursuant to Section 1471(b) of the Code.

"FATCA Application Date" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), July 1, 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), January 1, 2017; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, January 1, 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"FATCA Deduction" means a deduction or withholding from a payment under a Loan Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to HSBC on such day on such transactions as determined by the Administrative Agent.

"Fee Letters" means (a) the letter agreement, dated December 3, 2014, among the Borrower and the Tranche A Arrangers, (b) the letter agreement, dated June 26, 2015, among the Borrower and the Tranche A Lenders, (c) the letter agreement, dated June 26, 2015, among the Borrower and the Tranche B Arrangers, (d) the letter agreement, dated May 28, 2015, between the Borrower and Bank of America, N.A., (e) the letter agreement, dated December 3, 2014, between the Borrower and the Administrative Agent, and (f) the letter agreement, dated December 3, 2014, between the Borrower and the Collateral Agent.

"FSMA" means the Financial Services and Markets Act 2000 of the United Kingdom.

"Foreign Lender" means a Lender that is resident or organized under laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Global Coordinator" has the meaning specified in the introductory paragraph hereto.

"Governmental Authority" means the government of the United States, the United Kingdom or any other jurisdiction, or of any political subdivision thereof, whether provincial, state or local, and any agency, authority, department, instrumentality, ministry, regulatory body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation or undertaking, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or (ii) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof, to protect such obligee against loss in respect thereof in whole or in part, or to maintain working or equity capital of the primary obligee or otherwise maintain the net worth or solvency of such obligee, or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided, however, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor Accession Agreement" means a guarantee accession agreement, substantially in the form of Exhibit F, delivered pursuant to Section 6.12.

"Guarantors" means, collectively, (a) Abengoa Concessions Infrastructures, S.L.U., Abengoa Concessions Peru S.A., Abengoa Solar Holdings USA Inc., Abengoa Solar US Holdings Inc. and ACT Holding, S.A. de C.V., (b) each other direct or indirect Subsidiary of the Borrower that shall be required to execute and deliver a guaranty or Guarantor Accession Agreement pursuant to Section 6.12 and (c) with respect to (i) Obligations owing by any Loan Party (other than the Borrower) or any Subsidiary of a Loan Party under any Secured Hedge Agreement and (ii) the payment and performance by each Specified Loan Party of its obligations under its Guaranty with respect to all Swap Obligations, the Borrower.

"Guaranty" means, collectively, the Guaranty made by the Guarantors under Article X in favor of the Secured Parties, together with each other guaranty and Guarantor Accession Agreement delivered pursuant to Section 6.12.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants including petroleum or petroleum distillates, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person that, at the time it enters into an interest rate or foreign exchange Swap Contract required or permitted under Article VI or VII, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Contract.

"HMRC" means Her Majesty's Revenue & Customs of the United Kingdom.

"HSBC" means HSBC Bank plc, its Affiliates and their successors.

"HSBC CTC" means HSBC Corporate Trustee Company (UK) Limited.

"IFRS" means international financial reporting standards and interpretations of such standards adopted by the International Accounting Standards Board ("IASB") (which include standards and interpretations approved by the IASB and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, and applied on a consistent basis.

"Immaterial Subsidiary" shall mean any Subsidiary of the Borrower or any Guarantor (other than a Non-Recourse Subsidiary) that, as of the last day of the fiscal quarter of the Borrower most recently ended, (a) (i) did not have assets with a value in excess of 2.5% of the Consolidated Total Assets of the Borrower and (ii) did not have revenues representing in excess of 2.5% of total Distributed Cash received by the Borrower as of such date, (b) when taken together with all other Immaterial Subsidiaries as of such date, (i) did not have assets with a value in excess of 5% of the Consolidated Total Assets of the Borrower and (ii) did not have revenues representing in excess of 5% of total Distributed Cash received by the Borrower as of such date, (c) is not liable, directly or indirectly, for any Indebtedness of any other Person (including any Affiliates) and (d) the assets of which (if any) are free from any Liens. Each Immaterial Subsidiary as of the Closing Date shall be set forth in part (e) of Schedule 5.13.

"Impacted Loans" has the meaning assigned to such term in Section 3.03.

"Increase Effective Date" has the meaning assigned to such term in Section 2.13(a).

"Increase Joinder" has the meaning assigned to such term in Section 2.13(a).

"Incremental Commitment" has the meaning assigned to such term in Section 2.13(a).

"incur" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise, contingently or otherwise, become liable, directly or indirectly, for or with respect to, or to extend the maturity of, or become responsible for, the payment of such Indebtedness; provided, however, that neither (a) the accrual of interest, (b) the accretion of original issue discount nor (c) an increase in the outstanding amount of Indebtedness caused solely by fluctuations in the exchange rates of currencies shall be considered an incurrence of Indebtedness. The terms "incurrence" and "incurring" have corresponding meanings.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with IFRS:

(a) Indebtedness for Borrowed Money;

(b) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts that are (i) payable in the ordinary course of business and (ii) not overdue by more than thirty (30) days);

(c) net obligations of such Person under any Swap Contract (determined by reference to the Swap Termination Value thereof);

(d) all Attributable Indebtedness in respect of Capitalized Lease Obligations and sale and leaseback transactions of such Person; and

(e) all Guarantees of such Person in respect of any of the foregoing;

provided that the obligations of the Borrower under the Reference Abengoa Swap Agreement shall for all purposes under the Loan Documents not be treated as "Indebtedness" so long as they remain unsecured (whether by the Collateral or by other property) and are not Guaranteed by any Person.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indebtedness for Borrowed Money" means, as to any Person at a particular time, without duplication, all indebtedness accounted for as indebtedness for borrowed money in accordance with IFRS, including

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; and

(b) the principal component of obligations of such Person in respect of letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Initial Pledge Agreements" has the meaning specified in Section 4.01(a)(iii).

"Intercreditor Agreement" means the Intercreditor Agreement, dated as of April 24, 2015, by and among the Borrower, the Guarantors from time to time party thereto, the Agents and the other Secured Parties (including Hedge Banks) and other Persons from time to time party thereto.

"Interest Expense" means, with respect to the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries) for any period, without duplication, the sum of: (a) consolidated interest expense of the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries) for such period (including (i) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit, bank guarantees or bankers acceptances, (iii) the interest component of Capitalized Lease Obligations and in respect of sale and leaseback transactions, (iv) net payments, if any made (less net payments, if any, received), pursuant to interest rate Swap Contracts (including Secured Hedge Agreements), and (v) any tax gross-up, Eurodollar reserves and other additional amounts and excluding (1) annual agency fees paid to the administrative agents and collateral agents under any credit facilities, (2) costs associated with obtaining Swap Contracts (including Secured Hedge Agreements) and breakage costs in respect of Swap Contracts (including Secured Hedge Agreements), (3) penalties and interest relating to Taxes, (4) any "additional interest" or "liquidated damages" with respect to other securities for failure to timely comply with registration rights obligations, (5) amortization or expensing of deferred financing fees, amendment and consent fees, debt issuance costs, commissions, fees and expenses and discounted liabilities, (6) any expensing of bridge, commitment and other financing fees and any other fees related to any acquisitions after the Closing Date, (7) commissions, discounts, yield and other fees and charges (including any interest expense) related to any securitization facility and (8) any accretion of accrued interest on discounted liabilities and any prepayment premium or penalty); plus (b) consolidated capitalized interest of the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries) for such period, whether paid or accrued. For purposes of this definition, interest in respect of sale and leaseback transactions shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such sale and leaseback transaction in accordance with IFRS.

"Interest Payment Date" means, (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of such Loan; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date of such Loan.

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, three or six months thereafter, or such other period (not to exceed six months) as may be agreed to by the Borrower, the Administrative Agent and the Lender of such Eurodollar Rate Loan (in each case, subject to availability), as selected by the Borrower in its Committed Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period for any Loan shall extend beyond the Maturity Date of such Loan.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit or all or a substantial part of the business of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"ITA" shall mean the United Kingdom Income Tax Act 2007.

"Judgment Currency" has the meaning specified in Section 11.17.

"Judgment Currency Conversion Date" has the meaning specified in Section 11.17.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Legal Reservations" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of United Kingdom stamp duty may be void and defences of setoff or counterclaim; and

(c) similar principles, rights and defences under the laws of any relevant jurisdiction.

"Lender" has the meaning specified in the introductory paragraph hereto.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires, each reference to a Lender shall include its applicable Lending Office.

"Leverage Ratio" means, as of any date of determination, without duplication, the ratio of (a) Indebtedness of the Borrower and its Subsidiaries, (other than Non-Recourse Subsidiaries), as of such date to (b) CAFD for the most recently completed Measurement Period. For purposes of this definition, (i) in the event that the Borrower or any of its Subsidiaries incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) subsequent to the commencement of the period for which the Leverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Leverage Ratio is made (the "Leverage Ratio Calculation Date"), then the Leverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, as if the same had occurred at the beginning of the applicable four-quarter period; provided that for purposes of making the computation referred to above, Investments, Acquisitions, Dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with IFRS) that have been made by the Borrower or any of its Subsidiaries during the Measurement Period or subsequent to such Measurement Period and on or prior to or simultaneously with the Leverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, Acquisitions, Dispositions, mergers, amalgamations, consolidations and discontinued operations (and the change in any associated fixed charge obligations and the change in CAFD resulting therefrom) had occurred on the first day of the Measurement Period; provided further that if since the beginning of such period any Person that subsequently became a Subsidiary of the Borrower or was merged with or into the Borrower or any of its Subsidiaries since the beginning of such period shall have made any Investment, Acquisition, Disposition, merger, amalgamation, consolidation or discontinued operation that would have required adjustment pursuant to this definition, then the Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, Acquisition, Disposition, merger, amalgamation, consolidation or discontinued operation had occurred at the beginning of the applicable Measurement Period, (ii) whenever pro forma effect is to be given to an Investment, Acquisition, Disposition, merger, amalgamation, consolidation or discontinued operation, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower and shall comply with the requirements of Rule 11-02 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission, except that such pro forma calculations may include operating expense reductions for such period resulting from the Acquisition which is being given pro forma effect that have been realized or for which the steps necessary for realization have been taken or are reasonably expected to be taken within six (6) months following any such Acquisition, including the execution or termination of any contracts, the termination of any personnel or the closing (or approval by the board of directors of the Borrower on any closing) of any facility, as applicable, provided that, in either case, such adjustments are set forth in an Officer's Certificate signed by the Borrower's chief financial officer and another Responsible Officer which states (A) the amount of such adjustment or adjustments, (B) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officer's Certificate at the time of such execution and (C) that any related incurrence of Indebtedness is permitted pursuant to this Agreement, and (iii) if any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Leverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Swap Contract applicable to such Indebtedness); provided that for purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, easement, right-of-way or other encumbrance on title to real property, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

"Limitation Acts" means the Limitation Act 1980 of the United Kingdom and the Foreign Limitation Periods Act 1984 of the United Kingdom and any analogous limitation statutes of any other applicable jurisdiction.

"Loan" means a Tranche A Loan or a Tranche B Loan, as the context may require.

"Loan Documents" means, collectively, (a) this Agreement, (b) the Notes (if any), (c) the Collateral Documents, (d) the Intercreditor Agreement and (e) the Fee Letters.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Material Adverse Effect" means a material adverse change in, or a material adverse effect upon or with respect to: (a) the operations, business, properties or financial condition of the Borrower and its Subsidiaries, taken as a whole; (b) the rights and remedies of any Agent or any Lender under any Loan Document, or of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; (c) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party; or (d) the validity or priority of the security interests purported to be granted to any of the Secured Parties under the Collateral Documents.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party involving aggregate consideration payable to or by such Person of US$50,000,000 or more in any year or in the aggregate, or otherwise material to the business, condition (financial or otherwise), operations, performance, properties or prospects of such Person; provided that any instrument or agreement evidencing or creating a Lien to secure Non-Recourse Indebtedness shall not constitute a Material Contract.

"Material Non-Recourse Subsidiary" means any Non-Recourse Subsidiary (with respect to Sections 8.01(e), 8.01(f) and 8.01(g), individually or together with any other Non-Recourse Subsidiary in respect of which an Event of Default of the type set forth in such Sections has occurred and is continuing) that made Restricted Payments, directly or indirectly through a Guarantor or otherwise, to the Borrower in an amount equal to or greater than 20% of the Distributed Cash during the most recently completed Measurement Period.

"Maturity Date" means the Tranche A Maturity Date or the Tranche B Maturity Date, as the context may require.

"Measurement Period" means, at any date of determination, the most recently completed four fiscal quarters of the Borrower or, if fewer than four consecutive fiscal quarters of the Borrower have been completed as of such date of determination, the fiscal quarters of the Borrower that have been completed by such date; provided that, for purposes of determining an amount of any item included in the calculation of a financial covenant for the fiscal quarter ended March 31, 2015, such amount for the Measurement Period then ended shall equal such item for the three fiscal quarters then ended multiplied by 4/3.

"Mexican Guarantor" means each Guarantor organized under Mexican law.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means:

(a) with respect to any Disposition by any Loan Party, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party in connection with such transaction and (C) income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to subclause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds.

(b) with respect to the incurrence or issuance of any Indebtedness by any Loan Party, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such transaction over (ii) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party in connection therewith.

"Net Debt Issuance Proceeds" means an amount equal to (a) any cash proceeds received by the Borrower in connection with Indebtedness incurred by the Borrower as a result of the issuance and sale of any debt security or similar instrument (including Convertible Debt Securities) pursuant to Section 7.02(a)(xi), minus (b) any reasonable costs, fees and expenses incurred by the Borrower in connection with the incurrence of such Indebtedness.

"Net Equity Issuance Proceeds" means, with respect to any Equity Offering, an amount equal to (a) any cash proceeds received by the Borrower in connection with any Equity Offering minus (b) reasonable costs, fees and expenses incurred by the Borrower in connection with the consummation of such Equity Offering.

"Non-Consenting Lender" means (a) any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (ii) has been approved by the Required Lenders, (b) any Tranche A Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Tranche A Lenders or all affected Tranche A Lenders in accordance with the terms of Section 11.01 and (ii) has been approved by the Required Tranche A Lenders, or (c) any Tranche B Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Tranche B Lenders or all affected Tranche B Lenders in accordance with the terms of Section 11.01 and (ii) has been approved by the Required Tranche B Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Recourse Indebtedness" means any Indebtedness of a Non-Recourse Subsidiary or its holding company if, and so long as, such Indebtedness meets the requirements of clause (a)(i), (a)(ii) or (b) below:

(a) (i) Such Indebtedness is incurred solely to pay the purchase price of any property to be owned by such Non-Recourse Subsidiary and is secured solely by a Lien in such property or such Indebtedness is incurred solely for the purpose of financing or refinancing the acquisition, construction or improvement by such Non-Recourse Subsidiary of any such property to be subject to the relevant Lien or Liens existing or created at the time of acquisition, construction or improvement, in each case, to the extent that the instruments governing such Indebtedness provide that the lender(s) thereof have no recourse (whether direct or indirect) against the Borrower and its other Subsidiaries for the payment of such Indebtedness other than (A) in respect of the property securing such Indebtedness (with customary exceptions, including recourse for fraud, waste, misapplication of insurance or condemnation proceeds, environmental liabilities (solely to the extent caused by such non-recourse Person) and completion guarantees and undertakings) and (B) Liens on the Equity Interests of such Subsidiary pursuant to a Non-Recourse Indebtedness Pledge Agreement; or

(ii) (A) The sole obligor of such Indebtedness is a corporation or other entity (a "Specified Entity") formed solely for the purpose of owning (or owning and operating) property which is (or may be) subject to one or more Liens of the type described in paragraph (a)(i) above, (B) such Specified Entity owns no other material property, and (C) the collateral provided by the Borrower and its Subsidiaries with respect to such Indebtedness (if any) consists solely of property owned directly by such Specified Entity and/or the Equity Interests of such Specified Entity.

(b) Any: (i) liabilities and other obligations arising under or resulting from completion or performance guarantees, completion undertakings, cost overrun support, base and contingent or other equity funding commitments (whether in the form of capital contributions or loans or other extensions of credit) or support in respect of debt service and other reserves, in each case provided by any holder of Equity Interests in a Non-Recourse Subsidiary for the benefit of any Non-Recourse Subsidiary in connection with any Indebtedness of a Non-Recourse Subsidiary, (ii) agreements by any holder of Equity Interests in a Non-Recourse Subsidiary to provide corporate, management, marketing, administrative, technical, services related to shared facilities, marketing, engineering, procurement, construction, operation and/or maintenance services to any Non-Recourse Subsidiary on an arm's length basis (and any liability or other obligations of such holding company of such Non-Recourse Subsidiary under such agreement), or (iii) any agreement to reimburse or otherwise compensate any Person in respect of any liability or obligation referenced in (i) and (ii).

"Non-Recourse Indebtedness Pledge Agreement" means any share, debt or cash collateral pledge agreement (or other types of agreements or instruments with similar effect) entered into by a Loan Party for the sole purpose of pledging the Equity Interests of, or debt issued by, a Non-Recourse Subsidiary as collateral security in support of Non-Recourse Indebtedness, or pledging cash as collateral security to secure Non-Recourse Indebtedness (other than Non-Recourse Indebtedness meeting the requirements of clause (a) of the definition thereof).

"Non-Recourse Subsidiary" means (a) any Subsidiary of Borrower that (i) (A) is the owner, lessor and/or operator of one or more Projects, (B) the lessee or borrower in respect of Non-Recourse Indebtedness financing one or more Projects, and/or (C) develops or constructs one or more Projects, (ii) has no Subsidiaries and owns no material assets other than those assets or Subsidiaries necessary for the ownership, leasing, development, construction or operation of such Projects and (iii) has no Indebtedness other than intercompany Indebtedness (to the extent expressly permitted under Section 7.02) and Non-Recourse Indebtedness and (b) any Subsidiary of the Borrower (i) that directly or indirectly owns of all or a portion of the Equity Interests in one or more Persons, each of which meets the qualifications set forth in clause (a) above, (ii) that has no Subsidiaries other than Subsidiaries which meet the qualifications set forth in clause (a) or clause (b)(i) above, (iii) that owns no material assets other than those assets necessary for the ownership, leasing, development, construction or operation of Projects, (iv) whose Equity Interests are not pledged or otherwise subject to any Lien, other than pursuant to a pledge or other Lien existing on the Tranche B Closing Date (and then for Indebtedness that has been repaid), and (v) that has no Indebtedness other than unsecured intercompany Indebtedness (to the extent expressly permitted under Section 7.02 and Non-Recourse Indebtedness).

"Note" means a Tranche A Note or a Tranche B Note, as the context may require.

"Obligation Currency" has the meaning specified in Section 11.17.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, provided, that in respect of a Spanish Guarantor, the term "Obligations" shall not include any obligation or liability to the extent that securing those obligations or liabilities would cause a breach of the financial assistance limitations provided in articles 143.2 and 150 of the Spanish Capital Companies Act ("*Ley de Sociedades de Capital*").

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Officer's Certificate" means, with respect to any Person, a certificate signed by a Responsible Officer of such Person.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax, including as a result of such Recipient being managed or controlled, or having its seat of management, being engaged in a trade or business, or having a permanent establishment, office, fixed base or branch or similar connections in such jurisdiction (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Documents).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means, on any date, the aggregate outstanding principal amount of the Loans after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parallel Debt" has the meaning specified in Section 9.13(b).

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"Patriot Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permanent Reduction Amount" has the meaning set forth in Section 2.03(b)(v).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, consortium, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.02.

"Pledge Agreements" means the Initial Pledge Agreements and, upon its delivery pursuant to Section 6.14(b), the South African Pledge Agreement, together with each pledge agreement delivered pursuant to Section 6.12.

"Pledged Collateral" means Pledged Debt and Pledged Equity Interests.

"Pledged Debt" means the Indebtedness subject to, and with respect to which a Lien is purported to be created under, each Pledge Agreement.

"Pledged Equity Interests" means the Equity Interests subject to, and with respect to which a Lien is purported to be created under, each Pledge Agreement.

"Process Agent" means any Person appointed as agent by the Borrower, or any other Person to receive on behalf of itself and its property services of copies of summons and complaint or any other process which may be served in connection with any action or proceeding before any court arising out of or relating to this Agreement or any of the other Loan Documents that is governed by the laws of the State of New York, to which it is a party, including CT Corporation.

"Pro Forma Effect" means with respect to any event or circumstance (including any: (a) Disposition, (b) adverse litigation, (c) incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or (c) Investment, Acquisition, merger, amalgamation, consolidation and discontinued operation), the effect of such event or circumstance as if such had occurred on the first day of the Measurement Period in which such event or circumstance occurred.

"Prohibited Person" means any Person (a) listed on, or owned or controlled by a Person listed on, the Specially Designated Nationals and Blocked Persons List, the Sectoral Sanctions Identification List and the List of Foreign Sanctions Evaders maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury, or any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, or a Person acting on behalf of such a Person, (b) located or resident in or organized under the Laws of a Designated Jurisdiction, or is owned or controlled by, or acting on behalf of a Person located in or organized under the Laws of, a Designated Jurisdiction, or (c) who otherwise is, or is owned or controlled by a Person who is, currently a subject or target of any Sanctions.

"Project" means property or other assets consisting of renewable energy, conventional power, electric transmission and water installation projects, in each case regardless of whether commercial or residential in nature.

"Public Lender" has the meaning specified in Section 6.02.

"Qualified ECP Guarantor" shall mean, at any time, each Loan Party with total assets exceeding US$10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "eligible contract participant" at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualifying Lender" means:

(a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is

(i) a Lender: (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Loan Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or (B) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(ii) a Lender which is: (A) a company resident in the United Kingdom for United Kingdom tax purposes; or (B) a partnership each member of which is (x) a company so resident in the United Kingdom; or (y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

(iii) a Treaty Lender; or

(b) is a Lender which is a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Loan Document.

"Rating Agency" means any of S&P, Moody's or Fitch, any of their respective successors or, if any of the foregoing is not in existence, another internationally recognized rating agency which is reasonably acceptable to the Administrative Agent.

"Recipient" means any Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Reference Abengoa Acquisition" means any transaction or series of related transactions upon consummation of which Abengoa S.A. ceases to control more than 50% of the Voting Rights.

"Reference Abengoa Acquisition Pending Period" means, if the Reference Abengoa Acquisition has not been consummated by September 30, 2015, the period commencing from and including October 1, 2015 and ending on the date, if any, on which the Reference Abengoa Acquisition is consummated.

"Reference Abengoa Swap Agreement" means the Currency Hedge Agreement between Abengoa, S.A. and the Borrower, dated as of May 12, 2015, as amended, amended and restated, supplemented or otherwise modified from time to time.

"Refinance" means, in respect of any Indebtedness, to refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell or extend (including pursuant to any defeasance or discharge mechanism); provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and the direct or any contingent obligor with respect thereto is not changed, as a result of or in connection with such refinancing, refunding, renewal or extension; provided, further, that the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate; and provided, still further, that the terms "Refinances", "Refinanced" and "Refinancing" as used for any purpose in this Agreement shall have a correlative meaning.

"Register" has the meaning specified in Section 11.06(c).

"Regulation" has the meaning specified in Section 5.01.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the administrators, managers, partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"Release" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment, or into, from or through any building, structure or facility.

"Relevant Party" has the meaning specified in Section 3.08(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"Required Lenders" means, at any time, Lenders holding more than 50% of the sum of the (a) Total Outstandings and (b) aggregate unused Commitments; provided that the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Required Tranche A Lenders" means, at any time, Tranche A Lenders holding more than 50% of the sum of the (a) Tranche A Outstanding Amount and (b) aggregate unused Tranche A Commitments; provided that the unused Tranche A Commitment of, and the portion of the Tranche A Outstanding Amount held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Tranche A Lenders.

"Required Tranche B Lenders" means, at any time, Tranche B Lenders holding more than 50% of the sum of the (a) Tranche B Outstanding Amount and (b) aggregate unused Tranche B Commitments; provided that the unused Tranche B Commitment of, and the portion of the Tranche B Outstanding Amount held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Tranche B Lenders.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and, solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, in the case of a Loan Party incorporated under the laws of England and Wales, a director and, in the case of any other Loan Party, the secretary or any assistant secretary of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be *prima facie* presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be *prima facie* presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to any Person's stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment or (b) any payment made to service intercompany Indebtedness incurred by an Affiliate of the Borrower that is not a Loan Party.

"Sanctions" means any trade, economic or financial sanctions Laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the Sanctions Authorities.

"Sanctions Authorities" means:

(a) the United States government;

(b) the United Nations;

(c) the European Union;

(d) the United Kingdom; or

(e) the respective Governmental Authorities of any of the foregoing, including OFAC, the United Nations Security Council, the United States Department of State and Her Majesty's Treasury.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successor thereto.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Hedge Agreement" means any interest rate or foreign exchange Swap Contract required or permitted under Article VI or VII that is entered into by and between the Borrower and any Hedge Bank and which is secured by the Collateral.

"Secured Obligations" means the Obligations plus all liabilities, obligations, covenants and duties of any Loan Party arising with respect to any Secured Hedge Agreement, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the Secured Obligations shall exclude any Excluded Swap Obligations.

"Secured Parties" means, collectively, the Agents, the Lenders, any Hedge Bank in respect of a Secured Hedge Agreement, each co-agent or sub-agent appointed by any Agent from time to time pursuant to Section 9.05, and the other Persons the Secured Obligations owing to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents.

"Senior Notes" means the 7.000% senior notes due 2019 issued pursuant to the Indenture, dated as of November 17, 2014, among the Borrower, as issuer, and The Bank of New York Mellon, as trustee, outstanding as of the date hereof in the amount of US$255,000,000.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business and (f) in the case of a Person which is a company incorporated under the laws of England and Wales, that Person is not deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 of the United Kingdom (as amended from time to time). The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"South African Exchange Control Approval" means the written approval of the Financial Surveillance Department of the South African Reserve Bank.

"South African Pledge Agreement" has the meaning specified in Section 6.14(b).

"Spanish Guarantor" shall mean each Guarantor that is organized under Spanish law.

"Specified Loan Party" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 10.10).

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Supplier" has the meaning specified in Section 3.08(b).

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement; provided that the Reference Abengoa Swap Agreement shall for all purposes under the Loan Documents not be treated as a "Swap Contract" so long as the obligations of the Borrower thereunder remain unsecured (whether by the Collateral or by other property) and are not Guaranteed by any Person.

"Swap Obligation" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Tax Confirmation" shall mean, with respect to the Borrower, a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is either (i) a company resident in the United Kingdom for United Kingdom tax purposes; or (ii) a partnership each member of which is (A) a company so resident in the United Kingdom; or (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

"Tax Deduction" shall mean a deduction or withholding for or on account of Tax from a payment under a Loan Document.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Temporary Reduction Amount" has the meaning set forth in Section 2.03(b)(vi).

"Threshold Amount" means:

(a) with respect to any Loan Party and any Subsidiary thereof (other than any Non-Recourse Subsidiary), US$75,000,000; and

(b) with respect to any Non-Recourse Subsidiary, US$100,000,000.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments and aggregate principal amount of outstanding Loans of such Lender at such time.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans.

"Tranche A Arrangers" has the meaning specified in the introductory paragraph hereto.

"Tranche A Borrowing" means a borrowing consisting of simultaneous Tranche A Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Tranche A Lenders, pursuant to Section 2.01(a).

"Tranche A Closing Date" means December 22, 2014.

"Tranche A Commitment" means, as to each Tranche A Lender, its obligation to make Tranche A Loans to the Borrower pursuant to Section 2.01 in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Tranche A Lender's name on Schedule 2.01 under the caption "Tranche A Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Tranche A Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Tranche A Facility" means, at any time, the aggregate amount of the Tranche A Lenders' Tranche A Commitments at such time, which shall not exceed US$125,000,000.

"Tranche A Lender" means, at any time, a Lender that at such time has a Tranche A Commitment or holds Tranche A Loans.

"Tranche A Loan" means a loan made by any Tranche A Lender under the Tranche A Facility.

"Tranche A Maturity Date" means December 22, 2018.

"Tranche A Note" means a promissory note made by the Borrower in favor of a Tranche A Lender evidencing Tranche A Loans made by such Tranche A Lender, substantially in the form of Exhibit C.

"Tranche A Outstanding Amount" means, on any date, the aggregate outstanding principal amount of the Tranche A Loans after giving effect to any borrowings and prepayments or repayments of Tranche A Loans occurring on such date.

"Tranche B Arrangers" has the meaning specified in the introductory paragraph hereto.

"Tranche B Borrowing" means a borrowing consisting of simultaneous Tranche B Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Tranche B Lenders, pursuant to Section 2.01(b).

"Tranche B Closing Date" means the first date all the conditions precedent in Section 4.02 are satisfied or waived in accordance with Section 11.01.

"Tranche B Commitment" means, as to each Tranche B Lender, its obligation to make Tranche B Loans to the Borrower pursuant to Section 2.01 in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Tranche B Lender's name on Schedule 2.01 under the caption "Tranche B Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Tranche B Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Tranche B Facility" means, at any time, the aggregate amount of the Tranche B Lenders' Tranche B Commitments at such time, which shall not exceed US$330,000,000.

"Tranche B Lender" means, at any time, a Lender that at such time has a Tranche B Commitment or holds Tranche B Loans.

"Tranche B Loan" means a loan made by any Tranche B Lender under the Tranche B Facility.

"Tranche B Maturity Date" means the date that is thirty (30) months after the Tranche B Closing Date.

"Tranche B Note" means a promissory note made by the Borrower in favor of a Tranche B Lender evidencing Tranche B Loans made by such Tranche B Lender, substantially in the form of Exhibit C.

"Tranche B Outstanding Amount" means, on any date, the aggregate outstanding principal amount of the Tranche B Loans after giving effect to any borrowings and prepayments or repayments of Tranche B Loans occurring on such date.

"Treaty Lender" shall mean, with respect to the Borrower, a Lender that: (a) is treated as a resident of a jurisdiction having a double taxation agreement with the United Kingdom that makes provision for full exemption from tax on payments of interest imposed by the United Kingdom, and (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"UK Insolvency Proceeding" means any moratorium of any indebtedness is declared, the making of any petition or application, or the making of any order, for the appointment of any administrator, receiver, administrative receiver, provisional liquidator, special manager or liquidator or the giving of any notice of any intention to appoint an administrator in accordance with the requirements of Schedule B1 of the Insolvency Act 1986 or the passing of any resolution for the appointment of any administrator or liquidator or the commencement of a scheme of arrangement under part 26 or part 27 of the Companies Act 2006 or any voluntary arrangement provided that the making of any winding up petition which is frivolous and vexatious and is discharged, stayed or dismissed within 14 days of commencement shall not constitute a UK Insolvency Proceeding.

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.

"United States" and "U.S." mean the United States of America.

"U.S. Tax Obligor" means a Loan Party some or all of whose payments under the Loan Documents are from sources within the U.S. for U.S. federal income tax purposes.

"VAT" means (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"VAT Recipient" has the meaning specified in Section 3.08(b).

"Voting Rights" means the right generally to vote at a general meeting of shareholders of the Borrower (irrespective of whether or not, at the time, stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified or ratified (subject to any restrictions on such amendments, supplements, modifications or ratifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including".

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, IFRS applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements for the fiscal year ended December 31, 2014, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and the other Loan Parties shall be deemed to be carried at 100% of the outstanding principal amount thereof.

(b) Changes in IFRS. If at any time any change in IFRS would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in IFRS (subject to the approval of the Required Lenders); provided that, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with IFRS prior to such change therein and (B) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in IFRS.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Greenwich Mean Time or British Summer Time, as applicable. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 Currency Equivalents Generally. Any amount specified in this Agreement (other than in Article II and IX) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.06, the "Spot Rate" for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

1.07 Effect of Amendment and Restatement.

(a) The Lenders hereby direct the Agents to execute and deliver this Agreement and to take all action as shall be necessary or appropriate to carry out the intent and to accomplish the purpose of this Agreement (including executing and delivering any Increase Joinders in accordance with Section 2.13).

(b) As of the Tranche B Closing Date, the Existing Credit Agreement shall be amended and restated in its entirety by this Agreement. In furtherance of the foregoing, each of the Borrower, the Guarantors and the Tranche A Lenders acknowledge and agree that: (i) this Agreement amends and restates and supersedes and replaces the Existing Credit Agreement; (ii) all Loans (as defined in the Existing Credit Agreement) outstanding on the Tranche B Closing Date shall be allocated among the Tranche A Lenders in accordance with their respective Applicable Percentages and the Loans under, and as defined in, the Existing Credit Agreement shall be deemed to be Tranche A Loans under this Agreement; and (iii) the execution and effectiveness of this Agreement does not constitute a novation, payment and reborrowing, or termination of the obligations under the Existing Credit Agreement as in effect prior to the date hereof; and all obligations of the Loan Parties in respect of the Loans under, and as defined in, the Existing Credit Agreement are in all respects continuing (as amended and restated and superseded and replaced hereby) with the terms only being modified as provided in this Agreement and in the other Loan Documents.

(c) On and after the Tranche B Closing Date, each reference in this Agreement and the other Loan Documents to "the Agreement", "the Credit Agreement", "the Credit and Guaranty Agreement", "the Revolving Credit and Guaranty Agreement", "thereunder", "thereof" or words of like import referring to this Agreement, shall mean and be a reference to this Agreement.

(d) The Existing Credit Agreement, as amended and restated by this Agreement, and each of the other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, (i) the Collateral Documents and all of the Collateral described therein do, and shall continue to, secure the payment of all Secured Obligations of the Borrower under the Existing Credit Agreement, as amended and restated by this Agreement, the Secured Obligations of the Borrower under this Agreement, and of all Secured Obligations of the Borrower under the other Loan Documents, and of all other obligations stated under the Collateral Documents to be secured thereby and (ii) the Guaranty does, and shall continue to, guarantee the payment and performance of all Obligations of the Borrower under the Existing Credit Agreement, as amended and restated by this Agreement, and of all Obligations of the Borrower under the other Loan Documents, and of all other obligations stated under the Guaranty to be guaranteed thereby.

(e) The execution, delivery and effectiveness of this Agreement does not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or any Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

ARTICLE II
THE COMMITMENTS AND BORROWINGS

2.01 The Loans.

(a) Tranche A Borrowings. Subject to the terms and conditions set forth herein, each Tranche A Lender severally agrees to make Tranche A Loans to the Borrower from time to time, on any Business Day during the Availability Period for the Tranche A Facility, in an aggregate amount not to exceed at any time outstanding the amount of such Tranche A Lender's Tranche A Commitment; provided, however, that after giving effect to any Tranche A Borrowing, the Tranche A Outstanding Amount shall not exceed the Tranche A Facility. Within the limits of each Tranche A Lender's Tranche A Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.03, and reborrow under this Section 2.01(a). Tranche A Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) Tranche B Borrowings. Subject to the terms and conditions set forth herein, each Tranche B Lender severally agrees to make Tranche B Loans to the Borrower from time to time, on any Business Day during the Availability Period for the Tranche B Facility, in an aggregate amount not to exceed at any time outstanding the amount of such Tranche B Lender's Tranche B Commitment; provided, however, that after giving effect to any Tranche B Borrowing, the Tranche B Outstanding Amount shall not exceed the (i) Tranche B Facility or (ii) during the ten (10) Business Days following each date on which a prepayment of outstanding Tranche B Loans outstanding is required to be made pursuant to Section 2.03(b)(iii) by an amount equal to the Temporary Reduction Amount related to such prepayment, the Tranche B Facility less such Temporary Reduction Amount. Within the limits of each Tranche B Lender's Tranche B Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(b), prepay under Section 2.03, and reborrow under this Section 2.01(b). Tranche B Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 9:30 a.m. (A) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (B) two (2) Business Days prior to the requested date of any Borrowing of Base Rate Loans. Each Borrowing under any Facility of, conversion to or continuation of Eurodollar Rate Loans thereunder shall be in a principal amount of US$5,000,000 or a whole multiple of US$1,000,000 in excess thereof. Each Borrowing under any Facility of or conversion to Base Rate Loans thereunder shall be in a principal amount of US$500,000 or a whole multiple of US$100,000 in excess thereof. Each Committed Loan Notice shall specify (I) whether the Borrower is requesting a Tranche A Borrowing, a Tranche B Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (II) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (III) the principal amount of Loans to be borrowed, converted or continued, (IV) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (V) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Eurodollar Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage under the applicable Facility of the applicable Tranche A Loans or Tranche B Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Eurodollar Rate Loans described in Section 2.02(a). In the case of a Tranche A Borrowing or a Tranche B Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.03 (and (x) if such Borrowing is the initial Tranche A Borrowing, Section 4.01 (which conditions were satisfied on or prior to the Tranche A Closing Date), and (y) if such Borrowing is the initial Tranche B Borrowing, Section 4.02), the Administrative Agent shall promptly make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of HSBC with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect in respect of any Facility.

2.03 Prepayments.

(a) Optional. Subject to the last sentence of this Section 2.03(a), the Borrower may, upon notice to the Administrative Agent, at any time or from time to time, voluntarily prepay Loans under any Facility in whole or in part without premium or penalty; provided that (i) such notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 9:30 a.m. (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) two (2) Business Days prior to any date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans under any Facility shall be in a principal amount of US$5,000,000 or a whole multiple of US$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans under any Facility shall be in a principal amount of US$500,000 or a whole multiple of US$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment, the Facility to be prepaid and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the outstanding Loans under any Facility shall be paid to the Appropriate Lenders in accordance with their respective Applicable Percentages in respect of such Facility.

(b) Mandatory.

(i) If Net Cash Proceeds received on or after January 1, 2015 by any Loan Party from one or more Dispositions of any property (other than Dispositions of any property permitted by Section 7.05(a) or 7.05(b)) exceed during any calendar year an aggregate amount equal to US$5,000,000 ("Excess Net Cash Proceeds"), the Borrower shall prepay an aggregate principal amount of Loans in amount equal to the lesser of (x) the aggregate principal amount outstanding of the Loans and (y) the aggregate amount of such Excess Net Cash Proceeds within thirty (30) days after the date of receipt of such Excess Net Cash Proceeds by such Person (such prepayments to be applied as set forth in clause (v) below); provided, however, that, with respect to any Excess Net Cash Proceeds realized under a Disposition described in this Section 2.03(b)(i), at the election of the Borrower (as notified by the Borrower to the Administrative Agent on or prior to the date that is thirty (30) days after the receipt of such Excess Net Cash Proceeds), and so long as no Default shall have occurred and be continuing, such Loan Party may reinvest (or definitively agree to reinvest pursuant to a firm written commitment therefor) all or any portion of such Excess Net Cash Proceeds in Acquisitions or capital assets used or useful for the business of the Borrower and its Subsidiaries, so long as within one year after the receipt of such Excess Net Cash Proceeds, or eighteen (18) months after the receipt of such Excess Net Cash Proceeds if such Loan Party has definitively agreed to reinvest such Excess Net Cash Proceeds pursuant to a firm written commitment therefor (as certified by the Borrower in writing to the Administrative Agent) within one year after its receipt thereof, such reinvestment shall have been consummated (as certified by the Borrower in writing to the Administrative Agent); and provided further, however, that any Excess Net Cash Proceeds not subject to such definitive agreement or so reinvested shall be immediately applied to the prepayment of the Loans as set forth in this Section 2.03(b)(i). Prepayments of the Loans made pursuant to this clause (i) shall be applied in accordance with Section 2.03(b)(v).

(ii) Upon the incurrence or issuance by the Borrower or any Subsidiary of the Borrower (other than any Non-Recourse Subsidiary) of any Indebtedness pursuant to Section 7.02(a)(xii) (including by the issuance and sale of any Convertible Debt Securities), the Borrower shall prepay the Loans in an amount equal to the lesser of (x) the aggregate principal amount outstanding of the Loans and (y) the aggregate amount of such Net Cash Proceeds received therefrom within three (3) Business Days after receipt thereof by the Borrower or such Subsidiary (such prepayments to be applied as set forth in clause (v) below). Prepayments of the Loans made pursuant to this clause (ii) shall be applied in accordance with Section 2.03(b)(v).

(iii) Upon (A) receipt by the Borrower of any Net Equity Issuance Proceeds or (B) receipt by the Borrower of any Net Debt Issuance Proceeds, the Borrower shall prepay the Tranche B Loans in an amount equal to the lesser of (x) the aggregate principal amount outstanding of the Tranche B Loans and (y) the aggregate amount of such Net Equity Issuance Proceeds or Net Debt Issuance Proceeds, as applicable, within three (3) Business Days after receipt thereof by the Borrower (such prepayments to be applied as set forth in clause (vi) below).

(iv) If for any reason the Tranche A Outstanding Amount at any time exceeds the Tranche A Facility at such time, the Borrower shall immediately prepay Tranche A Loans in an aggregate amount equal to such excess. If for any reason the Tranche B Outstanding Amount at any time exceeds the Tranche B Facility at such time, the Borrower shall immediately prepay Tranche B Loans in an aggregate amount equal to such excess.

(v) Prepayments of the Loans made pursuant to clauses (i) and (ii) of this Section 2.03(b) shall be applied ratably to prepay the Loans outstanding under the Tranche A Facility and the Tranche B Facility on a pro rata basis based on the principal amount of Loans outstanding; and, in the case of prepayments of the Loans required pursuant to clause (i) of this Section 2.03(b) as a result of Dispositions of any property of Material Non-Recourse Subsidiaries, the amount remaining, if any, after the prepayment in full of all Loans outstanding at such time (the sum of such prepayment amounts and remaining amount being, collectively, the "Permanent Reduction Amount"), may be retained by the Borrower for use in the ordinary course of its business.

(vi) Prepayments of the Tranche B Loans made pursuant to clause (iii) of this Section 2.03(b) shall be applied ratably to the outstanding Tranche B Loans; and the amount remaining of Net Equity Issuance Proceeds or Net Debt Issuance Proceeds, if any, after the prepayment in full of all Tranche B Loans outstanding at such time (the sum of such prepayment amounts and remaining amount being, collectively, the "Temporary Reduction Amount"), may be retained by the Borrower for use in the ordinary course of its business.

2.04 Termination or Reduction of Commitments.

(a) Optional. The Borrower may, upon notice to the Administrative Agent, terminate the Tranche A Facility or the Tranche B Facility, or from time to time permanently reduce the Tranche A Facility or the Tranche B Facility; provided that (i) any such notice shall be received by the Administrative Agent not later than 9:30 a.m. five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of US$10,000,000 or any whole multiple of US$1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Tranche A Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Tranche A Outstanding Amount would exceed the Tranche A Facility and (iv) the Borrower shall not terminate or reduce the Tranche B Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Tranche B Outstanding Amount would exceed the Tranche B Facility.

(b) Mandatory. Each of the Tranche A Facility and the Tranche B Facility shall be automatically, permanently and ratably reduced on each date on which the prepayment of Loans outstanding thereunder is required to be made pursuant to Section 2.03(b)(i) in respect of Dispositions of any property of Material Non-Recourse Subsidiaries by an amount equal to the applicable Permanent Reduction Amount.

(c) Application of Commitment Reductions; Payment of Fees.

(i) The Administrative Agent will promptly notify the Tranche A Lenders of any termination or reduction of the Tranche A Commitments under this Section 2.04. Upon any reduction of the Tranche A Commitments, the Tranche A Commitment of each Tranche A Lender shall be reduced by such Tranche A Lender's Applicable Percentage of such reduction amount. All fees in respect of the Tranche A Facility accrued until the effective date of any termination of the Tranche A Facility shall be paid on the effective date of such termination.

(ii) The Administrative Agent will promptly notify the Tranche B Lenders of any termination or reduction of the Tranche B Commitments under this Section 2.04. Upon any reduction of the Tranche B Commitments, the Tranche B Commitment of each Tranche B Lender shall be reduced by such Tranche B Lender's Applicable Percentage of such reduction amount. All fees in respect of the Tranche B Facility accrued until the effective date of any termination of the Tranche B Facility pursuant to Section 2.04(a) or Section 2.04(b) shall be paid on the effective date of such termination.

2.05 Repayment of Loans. The Borrower shall repay to the Tranche A Lenders on the Tranche A Maturity Date the aggregate principal amount of all Tranche A Loans outstanding on such date. The Borrower shall repay to the Tranche B Lenders on the Tranche B Maturity Date the aggregate principal amount of all Tranche B Loans outstanding on such date.

2.06 Interest.

(a) Subject to the provisions of Section 2.06(b), (i) each Eurodollar Rate Loan under each Facility shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate for such Facility; and (ii) each Base Rate Loan under each Facility shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for such Facility.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any interest in respect of Loans outstanding under any Facility, or any commitment fee due in respect of any Facility, is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Tranche A Lenders (if such Facility is the Tranche A Facility) or the Required Tranche B Lenders (if such Facility is the Tranche B Facility), as the case may be, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) If any amount (other than principal of or interest on any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.07 Fees.

(a) Commitment Fees.

(i) The Borrower shall pay to the Administrative Agent for the account of each Tranche A Lender in accordance with its Applicable Percentage in respect of the Tranche A Facility, a commitment fee equal to 0.75% per annum times the actual daily amount by which the Tranche A Facility exceeds the Tranche A Outstanding Amount, subject to adjustment as provided in Section 2.12. The commitment fee shall accrue at all times during the Availability Period for the Tranche A Facility, including at any time during which one or more of the conditions in Section 4.03 is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Tranche A Closing Date, and on the last day of the Availability Period for the Tranche A Facility.

(ii) The Borrower shall pay to the Administrative Agent for the account of each Tranche B Lender in accordance with its Applicable Percentage in respect of the Tranche B Facility, a commitment fee equal to 0.40% per annum times the actual daily amount by which the Tranche B Facility exceeds the Tranche B Outstanding Amount, subject to adjustment as provided in Section 2.12. The commitment fee shall accrue at all times during the Availability Period for the Tranche B Facility, including at any time during which one or more of the conditions in Section 4.02 or Section 4.03 is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Tranche B Closing Date, and on the last day of the Availability Period for the Tranche B Facility.

(b) Other Fees. The Borrower shall pay to the Arrangers and the Agents for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever. The fees, costs and expenses payable to an Agent for services rendered and the performance of its obligations under this Agreement and the other Loan Documents shall not be abated by any remuneration or other amounts or profits receivable by the Agent (or by any of its Related Parties) in connection with any transaction effected by the Agent with or for any Lender or Abengoa S.A. or any of its Subsidiaries.

2.08 Computation of Interest and Fees. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid then if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be *prima facie* evidence of the interest rate or fee.

2.09 Evidence of Debt. The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be *prima facie* evidence of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans under any Facility in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

2.10 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the time at which any payment under any Facility is due to the Administrative Agent for the account of the Appropriate Lenders for such Facility that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders for such Facility the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Appropriate Lenders for such Facility severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be *prima facie* evidence of the amount.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, (ii) second, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties and (iii) third, costs and expenses of the Arrangers and the Lenders (including fees, charges and disbursements of the advisors and, subject to Section 11.04(a), counsel to any of the Lenders).

2.11 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations in respect of any of the Facilities due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender in respect of such Facility at such time to (ii) the aggregate amount of the Obligations in respect of such Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of such Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations in respect of any of the Facilities owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender in respect of such Facility at such time to (ii) the aggregate amount of the Obligations in respect of such Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time) of payment on account of the Obligations in respect of such Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time, then the Lender receiving such greater proportion shall (x) notify the Administrative Agent of such fact, and (y) purchase (for cash at face value) participations in the Loans of the other Lenders in such Facility, or make such other adjustments in respect of such Facility as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders in respect of such Facility ratably in accordance with the aggregate amount of Obligations in respect of the Facilities then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than an assignment to the Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.12 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 11.01 and in the definitions of "Required Lenders", "Required Tranche A Lenders" and "Required Tranche B Lenders".

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.09 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agents hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans under any Facility in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis in accordance with the Commitments under such Facility prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments under such Facility hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.12(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 2.07(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender in respect of any Facility, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders under such Facility or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans under such Facility to be held on a pro rata basis by the Lenders under such Facility in accordance with their Applicable Percentages under such Facility, whereupon such Lender will cease to be a Defaulting Lender in respect of any Facility; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender in respect of any Facility; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.13 Increase in Commitments.

(a) Borrower Request. Provided that no Default or Event of Default shall have occurred and be continuing, the Borrower, up to two times only, may by written notice to the Administrative Agent elect to request an increase to the existing Tranche B Commitments (each, an "Incremental Commitment"), including by inviting Eligible Assignees to become Tranche B Lenders pursuant to a joinder agreement (each, an "Increase Joinder") executed by the Borrower, the Administrative Agent and each Lender making such Incremental Commitment, substantially in the form of Exhibit H. Any such notice shall specify (i) the date (each, an "Increase Effective Date") on which the Borrower proposes that the Incremental Commitments shall be effective, which shall be a date not less than three (3) Business Days after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Eligible Assignee to whom the Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations; provided that any Tranche B Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide such Incremental Commitment. Each Incremental Commitment shall be in an aggregate amount of US$10,000,000 or any whole multiple of US$500,000 in excess thereof (provided that such amount may be less than US$10,000,000 if such amount represents all remaining availability under the aggregate limit in respect of Tranche B Lenders' Tranche B Commitments set forth in the definition of Tranche B Facility).

(b) Conditions. Any Incremental Commitments shall become effective as of their applicable Increase Effective Date; provided that:

(i) each of the conditions set forth in Section 4.03 shall be satisfied;

(ii) no Default shall have occurred and be continuing or would result from the borrowings to be made on such Increase Effective Date;

(iii) the representations and warranties contained in Article V and the other Loan Documents shall be (A) if such representation and warranty is qualified as to materiality or by reference to the existence of a Material Adverse Effect, true and correct to the extent of such qualification on and as of such Increase Effective Date, or (B) if such representation and warranty is not so qualified, true and correct in all material respects on and as of such Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.13(b), the representations and warranties contained in Section 5.05(a) and Section 5.05(b) shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01;

(iv) on a pro forma basis (assuming that the Incremental Commitments are fully drawn), the Borrower shall be in compliance with each of the covenants set forth in Section 7.11 as of the end of the latest fiscal quarter for which internal financial statements are available;

(v) the Borrower shall make any breakage payments required pursuant to Section 3.05 in connection with any adjustment of Tranche B Loans pursuant to Section 2.13(d);

(vi) the Borrower shall deliver or cause to be delivered a certificate of each Loan Party dated as of such Increase Effective Date (in sufficient copies for each Tranche B Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrower, certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in Article V and the other Loan Documents are (i) if such representation and warranty is qualified as to materiality or by reference to the existence of a Material Adverse Effect, true and correct to the extent of such qualification on and as of such Increase Effective Date, or (ii) if such representation and warranty is not so qualified, true and correct in all material respects on and as of such Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.13, the representations and warranties contained in Section 5.05(a) and Section 5.05(b) shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (2) no Default exists;

(vii) the Borrower shall cause to be delivered to each Lender making an Incremental Commitment any reliance letters that are necessary (as determined in good faith by the Administrative Agent or such Lender) for such Lender to rely on the legal opinions delivered pursuant to Section 4.02(a)(viii); and

(viii) the Administrative Agent has satisfied its "*know your customer*" requirements with respect to each Lender making an Incremental Commitment, provided that the Administrative Agent shall not unreasonably delay its determination of the satisfaction of "*know your customer*" requirements.

(c) References in Other Loan Documents. Unless otherwise specifically provided herein, all references in Loan Documents to Tranche B Loans shall be deemed, unless the context otherwise requires, to include references to Tranche B Loans made pursuant to Incremental Commitments made pursuant to this Agreement. This Section 2.13 shall supersede any provisions in Section 2.11 or Section 11.01 to the contrary.

(d) Adjustment of Tranche B Loans. On each Increase Effective Date, the Borrower shall prepay any Tranche B Loans outstanding on such Increase Effective Date (and pay any breakage costs required pursuant to Section 3.05) with the proceeds of the Tranche B Loans made by Tranche B Lenders acquiring an Incremental Commitment, to the extent necessary so that, after giving effect thereto, the Tranche B Loans outstanding are held by the Tranche B Lenders pro rata based on their Tranche B Commitments after giving effect to such Increase Effective Date. If there is a new borrowing of Tranche B Loans on any Increase Effective Date, the Tranche B Lenders, after giving effect to such Increase Effective Date, shall make such Tranche B Loans in accordance with Section 2.01(b).

(e) Equal and Ratable Benefit. The Loans and Commitments established pursuant to this paragraph shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees and security interests created by the Collateral Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Lien and security interests granted by the Collateral Documents continue to be perfected under the UCC or otherwise after giving effect to the establishment of any such adjustment of Tranche B Loans or any Incremental Commitments.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party hereunder or under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of an Agent) require the deduction or withholding of any Tax from any such payment by an Agent or a Loan Party, then such Agent or Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) Subject to (iii) below, if any Loan Party or any Agent shall be required by any applicable Laws (including the Code) to withhold or deduct any Taxes from any payment, then (A) such Loan Party or Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. (i) Each of the Loan Parties shall, and does hereby, jointly and severally, indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be *prima facie* evidence. Each of the Loan Parties shall, and does hereby, jointly and severally, indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten (10) days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be *prima facie* evidence. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party or by any Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the applicable Agent shall deliver to the Borrower and the other Agent, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Borrower and the relevant Lender (at the reasonable written request of the Borrower) shall co-operate in completing any procedural formalities necessary for the Borrower to obtain authorization to make a payment without a Tax Deduction. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Subject to paragraph (iv) below, each party shall, at the time or times reasonably requested in writing by another party to this Agreement: (A) confirm to that other party whether it is: (x) a FATCA Exempt Party; or (y) not a FATCA Exempt Party; (B) supply to that other party such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other Party's compliance with FATCA; and (C) supply to that other party such forms, documentation and other information relating to its status as that other party reasonably requests for the purposes of that other party's compliance with any similar law, regulation, or exchange of information regime. Solely for purposes of this clause (ii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) If a party confirms to another party pursuant to paragraph (ii)(A) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(iv) Paragraph (ii) above shall not oblige any Secured Party to do anything, and paragraph (ii)(C) above shall not oblige any other party to do anything, which would or might in its reasonable opinion constitute a breach of: (A) any law or regulation; (B) any fiduciary duty; or (C) any duty of confidentiality.

(v) If a party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (ii)(A) or (B) above (including, for the avoidance of doubt, where paragraph (ii)(C) above applies), then such party shall be treated for the purposes of the Loan Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the party in question provides the requested confirmation, forms, documentation or other information.

(vi) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 becomes inaccurate due to a change in facts with respect to such Lender in any material respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(vii) Without limiting the generality of Section 3.01(e)(i), each Lender which becomes a Lender under this Agreement after the date of this Agreement shall indicate in the Assignment and Assumption which it executes on becoming a Lender and for the benefit of the Administrative Agent and without liability to the Borrower which of the following categories it falls in: (A) not a Qualifying Lender; (B) a Qualifying Lender (other than a Treaty Lender); or (C) a Treaty Lender. For the avoidance of doubt, an Assignment and Assumption shall not be invalidated by any failure of a Lender to comply with this Section 3.01(e)(vii).

(viii) Nothing in this Section 3.01(e) shall require a Treaty Lender to:

(A) register under the HMRC DT Treaty Passport scheme;

(B) apply the HMRC DT Treaty Passport scheme to any Loan if it has so registered; or

(C) file treaty forms if it has included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with clause (ix) below and the Borrower has not complied with its obligations under Section 3.01(e)(x).

(ix) A Treaty Lender which becomes a Lender on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect by including its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 2.01 and any such passport holder that becomes a Lender after the date of this Agreement and wishes the HMRC DT Treaty Passport scheme to apply shall give an indication to that effect in the Assignment and Assumption and include its scheme reference number and its jurisdiction of tax residence in such Assignment and Assumption, and, having done so, that Lender shall be under no obligation pursuant to Section 3.01(e)(i) above.

(x) Where a Lender includes the indication described in Section 3.01(e)(ix) above in Schedule 2.01 or in the Assignment and Assumption, the Borrower shall, to the extent that that Lender is a Lender under a Loan made available to the Borrower, file a duly completed form DTTP2 in respect of such Lender with the HMRC within thirty (30) days of the date of this Agreement or date of assignment, as appropriate, and shall promptly provide the Lender with a copy of that filing.

(xi) If a Lender has not included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with Section 3.01(e)(ix) above, the Borrower shall not file any form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Loan unless the Lender otherwise agrees.

(xii) If a Loan Party is a U.S. Tax Obligor or the Administrative Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten (10) Business Days of (A) where a Loan Party is a U.S. Tax Obligor, the date on which the relevant Lender becomes a party to this Agreement or (b) where a Loan Party is not a U.S. Tax Obligor, the date of a request from the Administrative Agent, supply to the Agent: (1) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or (2) any withholding statement or other document, authorization or waiver as the Administrative Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(xiii) The Administrative Agent shall provide any withholding certificate, withholding statement, document, authorization or waiver it receives from a Lender pursuant to Section 3.01(e)(xii) above to the relevant Loan Party.

(xiv) If any withholding certificate, withholding statement, document, authorization or waiver provided to the Administrative Agent by a Lender pursuant to Section 3.01(e)(xii) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorization or waiver to the Administrative Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Administrative Agent). The Administrative Agent shall provide any such updated withholding certificate, withholding statement, document, authorization or waiver to the relevant Loan Party.

(xv) The Administrative Agent may rely on any withholding certificate, withholding statement, document, authorization or waiver it receives from a Lender pursuant to Section 3.01(e)(xii) or Section 3.01(e)(xiii) above without further verification. The Administrative Agent shall not be liable for any action taken by it under or in connection with Section 3.01(e)(xii), Section 3.01(e)(xiii) or Section 3.01(e)(xiv) above.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all Taxes and reasonable, out-of-pocket expenses incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (a) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If in connection with any request for a Eurodollar Rate Loan under any Facility or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a)(i) above, "Impacted Loans"), or (b) the Administrative Agent, the Required Tranche A Lenders (if such Facility is the Tranche A Facility) or the Required Tranche B Lenders (if such Facility is the Tranche B Facility) determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan under any Facility does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Appropriate Lender. Thereafter, (x) the obligation of the Appropriate Lenders to make or maintain Eurodollar Rate Loans under such Facility shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Tranche A Lenders (if such Facility is the Tranche A Facility) or the Required Tranche B Lenders (if such Facility is the Tranche B Facility)) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans under such Facility (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans under such Facility in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this Section, the Administrative Agent, in consultation with the Borrower and the affected Appropriate Lenders, may establish an alternative interest rate for the Impacted Loans under any Facility, in which case such alternative rate of interest shall apply with respect to such Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this Section, (2) the Administrative Agent notifies the Borrower or the Required Tranche A Lenders (if such Facility is the Tranche A Facility) or the Required Tranche B Lenders (if such Facility is the Tranche B Facility) notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans under such Facility, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans under any Facility whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(d));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, subject to Section 3.04(e) and upon written request of such Lender or such other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing (i) the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, or (ii) the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

Notwithstanding the foregoing, no Lender shall be entitled to seek compensation for costs imposed pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or Basel III if it shall not be the general policy of such Lender at such time to seek compensation from other similarly situated borrowers in respect of Contractual Obligations with such borrowers that provide for such compensation.

(c) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty day period referred to above shall be extended to include the period of retroactive effect thereof).

(d) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required (under Laws existing as of the date hereof or, after the date hereof, due to any Change in Law) to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be *prima facie* evidence).

(e) Certificates for Reimbursement. A certificate of a Lender setting forth (i) the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clauses (a), (b) or (d) of this Section and (ii) in reasonable detail the basis for calculation of such amount, shall be delivered to the Borrower and shall be *prima facie* evidence. The Borrower shall pay such Lender the amount shown as due on any such certificate within (i) in the case of clauses (a) and (b), ten (10) days after receipt thereof and (ii) in the case of clause (d), on the later of (A) ten (10) days after receipt thereof and (B) the immediately succeeding date on which interest is payable on such Loan and, thereafter, on each subsequent date on which interest is payable on such Loan, so long as such requirement remains in effect.

(f) Exceptions. No Loan Party is required to make an additional payment to a Lender under Sections 3.01(a), 3.01(b), and 3.01(c) above:

(i) attributable to the willful breach by the relevant Lender or Recipient of any Law or regulation; or

(ii) in respect of Tax imposed by the United Kingdom from a payment of interest on a Loan, if on the date on which the payment falls due:

(A) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of (i) any change after the date it became a Lender under this Agreement in (or in the interpretation, administration or application of) any law or treaty or any published practice or concession of any relevant taxing authority; or (ii) the Borrower changing its jurisdiction of tax residence.

(B) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender and:

(x) an officer of the HMRC has given (and not revoked) a direction (a "Direction") under section 931 of the ITA which relates to the payment and that Lender has received from the Borrower making the payment or from the Company a certified copy of that Direction; and

(y) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(C) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender and:

(x) the relevant Lender has not given a Tax Confirmation to the Company; and

(y) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Company, on the basis that the Tax Confirmation would have enabled the Borrower to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA.

3.05 Compensation for Losses. Upon written demand of an affected Lender (with a copy to the Administrative Agent) (which demand shall set forth in reasonable detail the basis for requesting such amount and, absent manifest error, the amount requested shall be final and *prima facie* evidence) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

excluding any loss of anticipated profits and including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may fund or book any Loan to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, and in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 3.06(a), then the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

3.08 VAT.

(a) All amounts expressed to be payable under a Loan Document by any party hereto to a Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, subject to paragraph Section 3.08(b) below, if VAT is or becomes chargeable on any supply made by any Lender to any party hereto under a Loan Document and such Lender is required to account to the relevant tax authority for the VAT, that party hereto must pay to such Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Lender must promptly provide an appropriate VAT invoice to that party).

(b) If VAT is or becomes chargeable on any supply made by any Lender (the "Supplier") to any other Lender (the "VAT Recipient") under a Loan Document, and any party hereto other than the VAT Recipient (the "Relevant Party") is required by the terms of any Loan Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the VAT Recipient in respect of that consideration):

(i) where the Supplier is the person required to account to the relevant tax authority for the VAT, the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT and the VAT Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the VAT Recipient receives from the relevant tax authority which the VAT Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) where the VAT Recipient is the person required to account to the relevant tax authority for the VAT, the Relevant Party must promptly, following demand from the VAT Recipient, pay to the VAT Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the VAT Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Loan Document requires any party hereto to reimburse or indemnify a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Section 3.08 to any party hereto shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).

(e) In relation to any supply made by a Lender to any party hereto under a Loan Document, if reasonably requested by such Lender, that party must promptly provide such Lender with details of that party's VAT registration and such other information as is reasonably requested in connection with such Lender's VAT reporting requirements in relation to such supply.

ARTICLE IV
CONDITIONS PRECEDENT TO BORROWINGS

4.01 Conditions of Initial Tranche A Borrowing. The obligation of each Tranche A Lender to make its initial Tranche A Loan hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies or "pdf" or similar electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Tranche A Closing Date (or, in the case of certificates of governmental officials, a recent date before the Tranche A Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Tranche A Lenders:

(i) executed counterparts of the Existing Credit Agreement, sufficient in number for distribution to each Agent, each Tranche A Lender and the Borrower;

(ii) a Note in the amount of the Commitment of each Tranche A Lender executed by the Borrower in favor of such Tranche A Lender requesting a Note;

(iii) pledge agreements in form and substance satisfactory to each Tranche A Lender and the Collateral Agent (the "Initial Pledge Agreements"), duly executed by the Equity Pledgors in respect of all Equity Interests in Abengoa Concessions Infrastructures S.L.U., Abengoa Concessions Peru S.A., ACT Holding, S.A. de C.V., Abengoa Solar Holdings USA Inc. and Abengoa Solar US Holdings Inc., together with:

(A) certificates representing the Pledged Equity Interests referred to therein accompanied by undated stock powers or instruments of transfer executed in blank;

(B) instruments evidencing the Pledged Debt referred to therein, if any, indorsed in blank;

(C) with respect to the Initial Pledge Agreement governed by New York law in form and substance satisfactory to each Tranche A Lender and the Collateral Agent, acknowledgment copies of proper financing statements, duly filed on or before the Tranche A Closing Date to the extent necessary in the relevant jurisdiction in order to perfect and protect the first priority Liens and security interests created under the Initial Pledge Agreements, covering the Pledged Collateral described in the Initial Pledge Agreements; and

(D) certified copies of UCC and tax lien searches, or equivalent reports or searches, and other completed requests for information, each dated on or recently before the Tranche A Closing Date, listing all effective financing statements, lien notices or comparable documents (together with copies of such financing statements and documents) that name any Equity Pledgor as debtor and that are filed in those jurisdictions in which any Equity Pledgor is organized or maintains its principal place of business, together with copies of such other financing statements and evidence of termination of any such effective financing statements which encumber the Collateral covered or intended to be covered by the Collateral Documents (other than the financing statements with respect to any Liens permitted under Section 7.01);

(iv) each Fee Letter (other than any Fee Letter described in clauses (b), (c) and (d) of the definition thereof), duly executed by the Borrower;

(v) (A) in the case of the Borrower, a certificate signed by a Responsible Officer of the Borrower who is a director of the Borrower, and (B) in the case of any other Loan Party, an Officer's Certificate, in each case, which Officer's Certificate shall be accompanied by copies of all documents referred to in such Officer's Certificate, in each case as in effect as of the Tranche A Closing Date, in respect of (1) with respect to the Borrower, the certificate of incorporation and all certificates of incorporation on change of name and the memorandum and articles of association of the Borrower, and in the case of any other Loan Party, copies of Organization Documents certified by a Responsible Officer of such Loan Party as being true, correct and complete, (2) with respect to the Borrower, a copy of the resolutions of the board of directors of the Borrower approving the terms of and the transactions contemplated by the Loan Documents to which the Borrower is a party (including the Borrowings to be made by the Borrower under the Facility and the granting of the security interests by the Borrower under the Collateral Documents) and resolving that it execute such Loan Documents, authorizing a specified person or persons to execute the Loan Documents to which it is party on its behalf and authorizing a specified person or persons on its behalf to sign and/or dispatch all documents and notices (including all Committed Loan Notices) to be signed and/or dispatched by it under or in connection with the Loan Documents to which it is party, and in the case of any other Loan Party, the actions of its Equity Interest holders, shareholders meeting, board of directors or other similar corporate supervisory body taken to authorize the execution, delivery and performance of the Existing Credit Agreement and each other Loan Document to which it is or is to be a party (including the granting of the security interests by such Loan Party under the Collateral Documents), and (3) such documents and certifications to evidence that such Loan Party is validly existing, in good standing and qualified to engage in business in the jurisdictions in which it does business and is required to be so qualified; and in the case of the Borrower such Officer's Certificate shall certify that the borrowing, guaranteeing or securing (as appropriate) of the total Tranche A Commitments or the Tranche A Outstanding Amount would not cause any breach of any limit on borrowing, guaranteeing or securing or similar limit binding on the Borrower or any other Loan Party to be exceeded and that each copy document relating to the Borrower delivered under this Section 4.01(a) is correct, complete and in full force and effect as of a date no earlier than the Tranche A Closing Date;

(vi) incumbency certificates of Responsible Officers of each Loan Party (other than the Borrower) and, if applicable, resolutions or other action evidencing the name, authority and specimen signature of each Responsible Officer thereof authorized to sign, and otherwise act as a Responsible Officer in connection with, the Existing Credit Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party;

(vii) the following legal opinions (with sufficient copies thereof for each addressee):

(A) an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to the Existing Credit Agreement on the Tranche A Closing Date;

(B) an opinion of Skadden, Arps, Slate, Meagher & Flom (UK) LLP, English counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to the Existing Credit Agreement on the Tranche A Closing Date;

(C) an opinion of Santamarina y Steta, S.C., Mexican counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to the Existing Credit Agreement on the Tranche A Closing Date;

(D) an opinion of Miranda & Amado Abogados, Peruvian counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to the Existing Credit Agreement on the Tranche A Closing Date; and

(E) an opinion of J&A Garrigues, S.L.P., Spanish counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to the Existing Credit Agreement on the Tranche A Closing Date;

(viii) an Officer's Certificate of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is or is to be a party, and stating that such consents, licenses and approvals are in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(ix) an Officer's Certificate of the Borrower certifying that there has been no event or circumstance since the Audited Financial Statements for the fiscal year ended December 31, 2013 that has had or would be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(x) a business plan and budget of the Borrower and its Subsidiaries on a consolidated basis, including forecasts prepared by management of the Borrower, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a monthly basis for the first year following the Tranche A Closing Date;

(xi) a certificate signed by the chief financial officer of the Borrower certifying as to the Solvency of each Loan Party before and after giving effect to the incurrence of Indebtedness hereunder on the Tranche A Closing Date, substantially in the form of Exhibit G;

(xii) evidence of the irrevocable acceptance by the Process Agent of its appointment by the Borrower and each other Loan Party pursuant to Section 11.14(d) (including, in the case of any Mexican Guarantor, an irrevocable power of attorney, in form and substance satisfactory to the Tranche A Lenders, appointing such Process Agent, and such power of attorney shall have been duly notarized in accordance with, and shall otherwise comply with, Mexican law); and

(xiii) an electronic extract (*nota simple telemática*) issued by the relevant Spanish Mercantile Registry and dated no earlier than fifteen (15) days prior to the Tranche A Closing Date in respect of each Spanish Guarantor.

(b) (i) All fees and reasonable and documented costs and expenses required to be paid to the Agents and the Arrangers on or before the Tranche A Closing Date shall have been paid (including the reasonable and documented fees, charges and disbursements of counsel to the Agents and the Arrangers plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and each Agent) to the extent invoiced prior to the Tranche A Closing Date) and (ii) all fees and reasonable and documented costs and expenses required to be paid to the Tranche A Lenders on or before the Tranche A Closing Date shall have been paid.

(c) The Tranche A Lenders and the Administrative Agent shall have received, to the extent requested in writing, on or before the date which is five (5) Business Days prior to the Tranche A Closing Date, all documentation and other information required by bank regulatory authorities under applicable "*know your customer*" and anti-money laundering rules and regulations, including the Patriot Act.

Without limiting the generality of the provisions of Section 9.03(c), for purposes of determining compliance with the conditions specified in this Section 4.01, each Tranche A Lender party to the Existing Credit Agreement on the Tranche A Closing Date shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Tranche A Lender unless the Administrative Agent received notice from such Tranche A Lender prior to the Tranche A Closing Date specifying its objection thereto.

The Administrative Agent hereby confirms that all of the conditions under this Section 4.01 were satisfied on or prior to the Tranche A Closing Date.

4.02 Conditions of Initial Tranche B Borrowing. The obligation of each Tranche B Lender to make its initial Tranche B Loan hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies or "pdf" or similar electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Tranche B Closing Date (or, in the case of certificates of governmental officials, a recent date before the Tranche B Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Tranche B Lenders:

(i) counterparts of this Agreement duly executed by each Loan Party, the Agents and each Lender, sufficient in number for distribution to each Agent, each Lender and the Borrower;

(ii) a Note in the amount of the Commitment of each Tranche B Lender executed by the Borrower in favor of such Tranche B Lender requesting a Note;

(iii) any amendments to the Initial Pledge Agreements necessary, as determined by the Collateral Agent, to provide that such Loan Documents secure the Tranche B Lenders, on a *pari passu* basis with the Tranche A Lenders, together with any filings duly filed on or during the thirty (30) days prior to the Tranche B Closing Date to the extent necessary in the relevant jurisdiction in order to protect the first priority Liens and security interests created under the Initial Pledge Agreements (as amended, modified, supplemented or extended as of the date hereof), covering the Pledged Collateral described in the Initial Pledge Agreements (as amended, modified, supplemented or extended as of the date hereof);

(iv) an electronic extract (*nota simple telemática*) issued by the relevant Spanish Mercantile Registry and dated no earlier than fifteen (15) days prior to the Tranche B Closing Date in respect of each Spanish Guarantor;

(v) each Fee Letter described in clauses (b) through (d) of the definition thereof, and an amended and restated Fee Letter for each Fee Letter described in clauses (e) and (f) of the definition thereof, in each case duly executed by the Borrower;

(vi) (A) in the case of the Borrower, a certificate signed by a Responsible Officer of the Borrower who is a director of the Borrower, and (B) in the case of any other Loan Party, an Officer's Certificate, in each case, which Officer's Certificate shall be accompanied by copies of all documents referred to in such Officer's Certificate, in each case as in effect as of the Tranche B Closing Date, in respect of (1) with respect to the Borrower, the certificate of incorporation and all certificates of incorporation on change of name and the memorandum and articles of association of the Borrower, and in the case of any other Loan Party, copies of Organization Documents certified by a Responsible Officer of such Loan Party as being true, correct and complete, (2) with respect to the Borrower, a copy of the resolutions of the board of directors of the Borrower approving or ratifying (as applicable) the terms of and the transactions contemplated by this Agreement and each other Loan Document to which the Borrower is or is to be a party (including the Borrowings made or to be made by the Borrower under each of the Facilities) and resolving that it ratify all prior execution of such Loan Documents, resolving that it execute such Loan Documents, authorizing a specified person or persons to execute this Agreement and each other Loan Document to which it is party on its behalf and authorizing a specified person or persons on its behalf to sign and/or dispatch all documents and notices (including all Committed Loan Notices) to be signed and/or dispatched by it under or in connection with the Loan Documents to which it is or is to be a party, and in the case of any other Loan Party, the actions of its Equity Interest holders, shareholders meeting, board of directors or other similar corporate supervisory body taken to authorize the execution, delivery and performance of this Agreement and each other Loan Document to which it is or is to be a party (including, in the case of Abengoa Solar South Africa (Pty) Ltd, the granting of the security interests by such Loan Party under the Collateral Documents to which it is or is to be a party), and (3) such documents and certifications to evidence that such Loan Party is validly existing, in good standing and qualified to engage in business in the jurisdictions in which it does business and is required to be so qualified; and in the case of the Borrower such Officer's Certificate shall certify that the borrowing, guaranteeing or securing (as appropriate) of the total Commitments or Total Outstandings would not cause any breach of any limit on borrowing, guaranteeing or securing or similar limit binding on the Borrower or any other Loan Party to be exceeded and that each copy document relating to the Borrower delivered under this Section 4.02(a) is correct, complete and in full force and effect as of a date no earlier than the Tranche B Closing Date;

(vii) incumbency certificates of Responsible Officers of each Loan Party (other than the Borrower) and, if applicable, resolutions or other action evidencing the name, authority and specimen signature of each Responsible Officer thereof authorized to sign, and otherwise act as a Responsible Officer in connection with, this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party;

(viii) the following legal opinions (with sufficient copies thereof for each addressee):

(A) an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the date hereof;

(B) an opinion of Skadden, Arps, Slate, Meagher & Flom (UK) LLP, English counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the date hereof;

(C) an opinion of Santamarina y Steta, S.C., Mexican counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the date hereof;

(D) an opinion of Miranda & Amado Abogados, Peruvian counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the date hereof; and

(E) an opinion of J&A Garrigues, S.L.P., Spanish counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the date hereof;

(ix) an Officer's Certificate of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is or is to be a party, and stating that such consents, licenses and approvals are in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(x) an Officer's Certificate of the Borrower certifying that there has been no event or circumstance since the date of the Audited Financial Statements for the fiscal year ended December 31, 2014 that has had or would be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(xi) a certificate signed by the chief financial officer of the Borrower certifying as to the Solvency of each Loan Party before and after giving effect to the incurrence of Indebtedness hereunder on the Tranche B Closing Date, substantially in the form of Exhibit G; and

(xii) evidence of the irrevocable acceptance by the Process Agent of its appointment by each Loan Party not party to the Existing Credit Agreement pursuant to Section 11.14(d) (including, in the case of any Mexican Guarantor, an irrevocable power of attorney, in form and substance satisfactory to the Lenders, appointing such Process Agent, and such power of attorney shall have been duly notarized in accordance with, and shall otherwise comply with, Mexican law).

(b) (i) All fees and reasonable and documented costs and expenses required to be paid to the Agents and the Tranche B Arrangers on or before the Tranche B Closing Date shall have been (or, with the proceeds of the initial Tranche B Borrowing, will be) paid (including the reasonable and documented fees, charges and disbursements of counsel (including any local counsel) to the Agents and the Tranche B Arrangers plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and each Agent) to the extent invoiced three (3) Business Days prior to the Tranche B Closing Date) and (ii) all fees and reasonable and documented costs and expenses required to be paid to the Lenders on or before the Tranche B Closing Date shall have been (or, with the proceeds of the initial Tranche B Borrowing, will be) paid.

(c) The Tranche B Lenders and the Administrative Agent shall have received, to the extent requested in writing, on or before the date which is five (5) Business Days prior to the Tranche B Closing Date, all documentation and other information required by bank regulatory authorities under applicable "*know your customer*" and anti-money laundering rules and regulations, including the Patriot Act.

Without limiting the generality of the provisions of Section 9.03(c), for purposes of determining compliance with the conditions specified in this Section 4.02, each Tranche B Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Tranche B Lender unless the Administrative Agent shall have received notice from such Tranche B Lender prior to the proposed Tranche B Closing Date specifying its objection thereto.

4.03 Conditions to All Borrowings. The obligations of each Lender to make any Loan is subject to the satisfaction of the following conditions precedent (each in form and substance satisfactory to the Lenders) on or prior to the date of the related Borrowing:

(a) The representations and warranties of each Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be (i) if such representation and warranty is qualified as to materiality or by reference to the existence of a Material Adverse Effect, true and correct to the extent of such qualification as of the date of such Borrowing, or (ii) if such representation and warranty is not so qualified, true and correct in all material respects on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, except that for purposes of this Section 4.03, the representations and warranties contained in Sections 5.05(a) and 5.05(b) shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and 6.01(b), respectively.

(b) No Default or Event of Default shall have occurred and be continuing or would result from such Borrowing or from the application of proceeds therefrom.

(c) The Administrative Agent shall have received a Committed Loan Notice for such Borrowing in accordance with the requirements set forth in this Agreement.

(d) (i) No Material Non-Recourse Subsidiary shall be in Default under Section 8.01(e) and (ii) no Material Non-Recourse Subsidiary shall be the subject of any proceeding under any Debtor Relief Law.

(e) With respect to any Borrowing of the Tranche B Loans at any time following September 30, 2015, the Reference Abengoa Acquisition shall have been consummated.

Each Committed Loan Notice (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.03(a) and 4.03(b) have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Agents and the Lenders as of the Tranche B Closing Date and as of the date of each Borrowing, that:

5.01 Existence, Qualification and Power. Each Loan Party and each of its Subsidiaries: (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is or is to be a party, (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect and (d) for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "Regulation"), in relation to each Loan Party incorporated in a country which has adopted the Regulation, its center of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation or organization and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not: (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person or any of its Subsidiaries is a party or affecting such Person or any of its Subsidiaries or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or any of its Subsidiaries or the properties of such Person or any of its Subsidiaries is subject; or (c) violate any Law in any material respect. Each Loan Party is in compliance with all Contractual Obligations referred to in clause (b)(i) except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) the exercise by any Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for (i) the authorizations, approvals, actions, notices and filings listed on Schedule 5.03, all of which have been duly obtained, taken, given or made and are in full force and effect and (ii) filing and recordings in respect of Liens created pursuant to the Collateral Documents to be made following the Tranche B Closing Date pursuant to Section 6.14.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. Subject to the Legal Reservations, this Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements for the fiscal year ended December 31, 2014 (i) were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present, in all material respects, the consolidated financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations, cash flows and changes in shareholders' equity for the period covered thereby in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(a) The unaudited consolidated balance sheets of the Borrower and its Subsidiaries dated March 31, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations, cash flows and changes in shareholders' equity for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all material Indebtedness for Borrowed Money, of the Borrower and its consolidated Subsidiaries as of the date of such financial statements.

(b) Since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(c) The consolidated forecasted balance sheets, statements of income and cash flows of the Borrower and its Subsidiaries delivered pursuant to Section 4.02 or Section 6.01 were prepared in good faith on the basis of the assumptions stated therein, which assumptions were reasonable in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's best estimate of its future financial condition and performance, it being understood that such forecasts are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which may be beyond the control of the Borrower and its Subsidiaries (and that may be material) and that no assurance can be given that any such forecast will be realized.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after due inquiry, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of their properties or revenues that (a) would, either individually or in the aggregate reasonably be expected to have a material adverse effect upon or with respect to this Agreement or any other Loan Document, or (b) either individually or in the aggregate, which, if there is a reasonable possibility of an adverse determination and if determined adversely, would reasonably be expected to have a Material Adverse Effect.

5.07 No Default. No Default exists or would be reasonably expected to result from the incurring of any Obligations by the Borrower or from the grant or perfection of the Liens in favor of the Secured Parties on the Collateral. No Loan Party or any of its Subsidiaries is in default under or with respect to, or a party to, any Contractual Obligation that would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens; Investments.

(a) Each Loan Party has good, legal and valid title to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for where the failure to have such good title or interest in such property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) As of the Tranche B Closing Date, the property of each Loan Party is subject to no Liens, other than Liens set forth on Schedule 5.08(b), and as otherwise permitted by Section 7.01.

(c) Schedule 5.08(c) sets forth all Investments held by any Loan Party as of the Tranche B Closing Date, showing as of the date hereof the amount, obligor or issuer and maturity, if any, thereof.

5.09 Environmental Compliance. The Loan Parties and their respective Subsidiaries: (a) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws (except in such instances in which (i) such requirement of Environmental Law is being contested in good faith by appropriate proceedings diligently conducted and (ii) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect); (b) hold all Environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them, except to the extent that failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (c) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their Environmental Permits, except to the extent that failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (d) to the extent within the control of the Loan Parties and their respective Subsidiaries, each of their Environmental Permits will be timely renewed and complied with, any additional Environmental Permits that may be required of any of them will be timely obtained and complied with, without material expense, and compliance with any Environmental Law that is or is expected to become applicable to any of them will be timely attained and maintained, without material expense, in each case, except to the extent that failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 Insurance. All insurance required pursuant to Section 6.07 has been obtained and is in full force and effect.

5.11 Taxes.

(a) Each Loan Party and its Subsidiaries has filed all material Tax returns and reports required to be filed, and has timely paid all material Taxes including in its capacity as a withholding agent, levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with IFRS. There is no proposed Tax assessment against the Loan Parties or any of their Subsidiaries that would, individually or in the aggregate, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any Tax sharing agreement.

(b) Under the law of its jurisdiction of incorporation it is not necessary that the Loan Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Loan Documents or the transactions contemplated by the Loan Documents.

(c) It is not required to make any Tax Deduction (not including a FATCA Deduction) from any payment it may make under any Loan Document to a Lender which is: (i) a Qualifying Lender: (A) falling within paragraph (a)(i) of the definition of "Qualifying Lender"; or (B) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (a)(ii) of the definition of "Qualifying Lender"; or (C) falling within paragraph (b) of the definition of "Qualifying Lender"; or (ii) a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the United Kingdom Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

(d) It is resident for Tax purposes only in its jurisdiction of incorporation.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other U.S. Federal or state laws. Except as would not reasonably be expected to have a Material Adverse Effect, each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iii) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

5.13 Subsidiaries; Equity Interests; Loan Parties. As of the Tranche B Closing Date, no Loan Party has any Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and non-assessable, are not subject to any option to purchase or similar rights, and are legally and beneficially owned by a Loan Party in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except those created under the Collateral Documents. As of the Tranche B Closing Date, no Loan Party has any equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. All of the outstanding Equity Interests in the Borrower have been validly issued, are fully paid and non-assessable and are owned by, and in the amounts, specified on Part (c) of Schedule 5.13 free and clear of all Liens except those created under the Collateral Documents. Set forth on Part (d) of Schedule 5.13 is a complete and accurate list of all Loan Parties, showing as of the Tranche B Closing Date (as to each Loan Party) the jurisdiction of its incorporation. Part (e) of Schedule 5.13 sets forth a complete and accurate list of all Immaterial Subsidiaries, showing as of the Tranche B Closing Date (as to each Immaterial Subsidiary) the jurisdiction of its incorporation. The copy of the charter of each Loan Party and each amendment thereto provided pursuant to Section 4.02(a)(vi) is a true and correct copy of each such document, each of which is valid and in full force and effect.

5.14 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 7.01 or Section 7.05or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) No Loan Party is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. The Borrower has disclosed to the Agents and the Lenders all agreements, instruments and corporate or other restrictions to which it or any other Loan Party is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished in writing (taken as a whole) by or on behalf of any Loan Party to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document, at the Tranche B Closing Date or at the time furnished, contains any material misstatement of fact or omitted to state any material fact necessary to make the statements therein, taken as a whole and in the light of the circumstances under which they were made, not misleading (after giving effect to all supplements so furnished prior to such time); provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time, it being understood that such forecasts are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which may be beyond the control of the Borrower and its Subsidiaries (and that may be material) and that no assurance can be given that any such forecast will be realized.

5.16 Compliance with Laws. Each Loan Party and each of its Subsidiaries is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. Each Loan Party possesses all material franchises, patents, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted except where in any such case any such conflict would not have a Material Adverse Effect, without known conflict with any rights of others.

5.18 Solvency. Each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent.

5.19 Collateral Documents. The provisions of each of the Collateral Documents are effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority security interest in all right, title and interest of the Loan Parties in the Collateral described therein (subject only to Liens permitted by Section 7.01) and, upon consummation of the actions, recordings and filings required pursuant to Section 6.14(a), such security interest shall be perfected pursuant to applicable Laws.

5.20 OFAC; Anti-Terrorism. None of the Borrower, any of its Subsidiaries, or any director, officer, employee, agent, Affiliate or representative of the Borrower or any of its Subsidiaries, (a) is a Prohibited Person, (b) is or ever has been the subject to any claim, proceeding, formal notice or investigation with respect to Sanctions, (c) has engaged or is engaging, directly or indirectly, in any trade, business or other activities with or for the benefit of any Prohibited Person, or (d) is otherwise in breach of any Sanctions. No Loan Party nor, to the knowledge of the Borrower, any of their Affiliates or respective officers, directors, brokers or agents of them or their Affiliates (x) has violated the Patriot Act or any other applicable Laws relating to terrorism or money laundering or (y) has engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

5.21 Foreign Corrupt Practices Act, Etc. Each of the Loan Parties and, to the best of the Borrower's knowledge, their respective directors, officers, agents, employees and any Person acting for or on behalf of such Loan Party, has complied with, and will comply with, the U.S. Foreign Corrupt Practices Act, as amended from time to time (the "FCPA"), or any other applicable anti-bribery or anti-corruption law. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (x) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (y) the Patriot Act.

5.22 Anti-Corruption Laws. Each Loan Party and its Subsidiaries have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than Obligations in respect of indemnification, expense reimbursement, tax gross up or any contingent obligations, in each case, for which no claim has been made), the Borrower shall, and each other Loan Party shall (except in the case of the covenants set forth in Sections 6.01, 6.02, 6.03, 6.11 and 6.19):

6.01 Financial Statements. Deliver to the Administrative Agent for further distribution to the Lenders:

(a) as soon as available, but in any event within one hundred twenty (120) days (or earlier as may be required for the filing of the Borrower's financial statements by the SEC) after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with IFRS, such consolidated statements to be audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within sixty (60) days (or earlier as may be required for the filing of the Borrower's financial statements by the SEC) after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with IFRS, subject only to normal year-end audit adjustments and the absence of footnotes;

(c) as soon as available, but in any event at least fifteen (15) days after the end of each fiscal year of the Borrower, an annual business plan and budget of the Borrower and its Subsidiaries on a consolidated basis, including forecasts prepared by management of the Borrower of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a monthly basis for the immediately following fiscal year; and

(d) as soon as available, but in any event at least fifteen (15) days after the end of each fiscal year of the Borrower, an Officer's Certificate certifying as to the list of names of all Immaterial Subsidiaries for the preceding fiscal quarter, that each Subsidiary set forth on such list individually qualifies as an Immaterial Subsidiary and that all such Subsidiaries in the aggregate do not exceed the limitations set forth in clause (b) of the definition "Immaterial Subsidiary".

As to any information contained in materials furnished pursuant to Section 6.02(b), the Borrower shall not be separately required to furnish such information under Section 6.01(a) or 6.01(b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in Sections 6.01(a) and 6.01(b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent for further distribution to the Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and 6.01(b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower (in its capacity as such); and stating that in making the examination necessary therefor no knowledge was obtained of any Default or, if any such Default shall exist, stating the nature and status of such event;

(b) promptly after any request by the Administrative Agent, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party or any of its Subsidiaries (including any Non-Recourse Subsidiaries), or any audit of any of them;

(c) promptly after the same are available, copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly, and in any event within fifteen (15) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof;

(e) not later than ten (10) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof (including any Non-Recourse Subsidiary), copies of all notices, requests and other documents (including amendments, waivers and other modifications) so received under or pursuant to any instrument, indenture, loan or credit or similar agreement in respect of Indebtedness (other than intercompany Indebtedness) in an amount equal to or exceeding the Threshold Amount and, from time to time upon request by the Administrative Agent, such information and reports regarding such debt instruments, indentures and loan and credit and similar agreements in respect of Indebtedness (other than intercompany Indebtedness) in an amount equal to or exceeding the Threshold Amount as the Administrative Agent may reasonably request;

(f) as soon as available, but in any event within thirty (30) days after the end of each fiscal year of the Borrower, a report supplementing Schedule 5.08(c) and Schedule 5.13 containing a description of all changes in the information included in such Schedules as may be necessary for such Schedules to be accurate and complete, such report to be signed by a Responsible Officer of the Borrower; provided that, notwithstanding the foregoing, the Borrower shall have no obligation to supplement Schedule 5.08(c) following the date hereof with respect to unsecured Indebtedness permitted under Section 7.02(a)(ii);

(g) promptly, and in any event within fifteen (15) Business Days after the consummation of any Acquisition, a report supplementing Schedule 5.13 containing a description of all changes in the information included in such Schedule as may be necessary for such Schedule to be accurate and complete, such report to be signed by a Responsible Officer of the Borrower;

(h) promptly after a reasonable request of the Collateral Agent, any information the Collateral Agent may require regarding the Collateral and the compliance of the Loan Parties with the terms of any Collateral Document; and

(i) promptly after a reasonable request of the Administrative Agent, all documentation and other information required by the Administrative Agent, the Collateral Agent or any Lender in order for such Person to comply with applicable "*know your customer*" and anti-money laundering rules and regulations, including the Patriot Act.

(j) Documents required to be delivered pursuant to Section 6.01(a) or 6.01(b) or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 11.02 and provides written notice thereof to the Administrative Agent; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Agents and/or the Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Debtdomain, Syndtrak, ClearPar, or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Agents, the Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.08); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Agents and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

6.03 Notices. Promptly notify the Administrative Agent for further distribution to the Lenders of:

(a) the occurrence of any Default or Event of Default;

(b) any matter that has resulted or would reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, including (i) breach or non-performance in any material respect of, or any default under, a Contractual Obligation of the Borrower or any Subsidiary (including any Non-Recourse Subsidiary); (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary (including any Non-Recourse Subsidiary) and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation, arbitration or proceeding affecting the Borrower or any Subsidiary (including any Non-Recourse Subsidiary), including pursuant to any applicable Environmental Laws;

(c) the occurrence of any ERISA Event that would reasonably be expected to have a Material Adverse Effect;

(d) any material change in accounting policies or financial reporting practices by any Loan Party;

(e) the (i) occurrence of any Disposition of property or assets for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.03(b)(i), (ii) incurrence or issuance of any Indebtedness for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.03(b)(ii) or Section 2.03(b)(iii) and (iii) any Equity Offering for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.03(b)(iii);

(f) the occurrence of any default or event of default under, or breach or violation of any provision contained in, any instrument or agreement evidencing, securing or relating to (i) Non-Recourse Indebtedness of any Material Non-Recourse Subsidiary, or (ii) Non-Recourse Indebtedness of any Non-Recourse Subsidiary (other than any Material Non-Recourse Subsidiary) that would reasonably be expected to have a Material Adverse Effect;

(g) any announcement by any Rating Agency of any change in a Debt Rating issued by such Rating Agency;

(h) the consummation of the Reference Abengoa Acquisition (including the date of such consummation); and

(i) the occurrence of the ASSA Acquisition Date.

Each notice pursuant to this Section 6.03 (other than Section 6.03(e)) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe in reasonable detail all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. (a) Pay and discharge, as the same shall become due and payable, (i) all its material Tax liabilities, assessments and governmental charges or levies upon it or its properties or assets unless the same are being contested in good faith and with respect to which adequate reserves have been made in accordance with IFRS (to the extent required thereby) and (ii) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (b) timely file all Tax returns required to be filed.

6.05 Preservation of Existence, Center of Main Interests and Establishments, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; and (d) in the case of each Loan Party incorporated in a country which has adopted the Regulation, for the purposes of the Regulation, maintain its center of main interest (as that term is used in Article 3(1) of the Regulation) in its original jurisdiction and not maintain an "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

6.06 Maintenance of Properties. (a) Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, (i) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted and (ii) make all necessary repairs thereto and renewals and replacements thereof, and (b) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance. Maintain with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time of the relevant coverage is placed or renewed, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

6.08 Compliance with Laws. Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with IFRS consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such other Loan Party, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such other Loan Party, as the case may be.

6.10 Inspection Rights. Permit representatives and independent contractors of each Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided that the foregoing shall, unless an Event of Default has occurred and is continuing, occur not more than twice during any fiscal year of the Borrower (but not shorter than 48 hours advanced notice); provided, further, so long as no Event of Default shall have occurred and be continuing, any visit pursuant to this Section in excess of once per calendar year by any Agent shall be at the expense of the Lenders; provided, further, that when an Event of Default exists any Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice. Notwithstanding anything to the contrary herein, none of the Loan Parties or any of their respective Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter (a) that constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by applicable Law or any *bona fide* binding agreement entered into with a non-affiliated third party or (c) that is subject to attorney-client or similar privilege or constitutes attorney work product.

6.11 Use of Proceeds. Use the proceeds of the Loans for general corporate purposes, including to finance, subject to all applicable consents, approvals and authorizations of Governmental Authorities and other third parties, Acquisitions, and to pay certain costs, fees and expenses in connection therewith and the consummation of the transactions contemplated by this Agreement.

6.12 Covenant to Guarantee Obligations and Give Security.

(a) Upon (x) the formation or acquisition of any new direct or indirect Subsidiary (other than any Immaterial Subsidiary, any Non-Recourse Subsidiary or any Subsidiary satisfying the requirements of Section 6.12(c)(ii)(A) or (ii)(B), as applicable) by any Loan Party, (y) a Non-Recourse Subsidiary no longer qualifying as a Non-Recourse Subsidiary but remaining a direct or indirect Subsidiary of any Loan Party or (z) any Subsidiary ceasing to satisfy the requirements of Section 6.12(c)(ii)(A) or (ii)(B), as applicable, then, in each case, the Borrower shall, at the Borrower's expense:

(i) within thirty (30) days after any such event, cause such Subsidiary, and cause each direct and indirect parent of such Subsidiary (if it has not already done so), to duly execute and deliver to each Agent a Guarantor Accession Agreement or a guaranty or guarantor accession agreement in form and substance satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' obligations under the Loan Documents;

(ii) within thirty (30) days after any such event, furnish to each Agent (A) a description of the real and personal properties of such Subsidiary, in detail satisfactory to each Agent, and (B) such documents of the types described in Sections 4.02(a)(vi) and 4.02(a)(vii);

(iii) within forty five (45) days after any such event, cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to duly execute and deliver to each Agent a Pledge Agreement or a supplement to a Pledge Agreement, as specified by and in form and substance satisfactory to each Agent (including delivery of all certificates, if any, representing the Equity Interests in and of, and Indebtedness owed to or by, such Subsidiary, and other instruments of the type specified in Sections 4.01(a)(iii)), securing payment of all the Secured Obligations of such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such personal properties;

(iv) within forty five (45) days after any such event, cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to take whatever action (including the filing of UCC financing statements, if applicable) may be necessary or advisable in the opinion of any Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid and subsisting Liens on the properties purported to be subject to the Pledge Agreements delivered pursuant to this Section 6.12, enforceable against all third parties in accordance with their terms; and

(v) within sixty (60) days after any such event, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Agents and the other Secured Parties, of counsel for the Loan Parties acceptable to the Administrative Agent and qualified in the relevant jurisdiction as reasonably determined by the Administrative Agent, as to the matters contained in clauses (i), (iii) and (iv) above, and as to such other matters as the Administrative Agent may reasonably request.

(b) In furtherance of the foregoing provisions of this Section 6.12, upon the acquisition of any Equity Interests by any Loan Party (other than in any Non-Recourse Subsidiary, in any Immaterial Subsidiary, or in any Subsidiary satisfying the requirements of Section 6.12(c)(ii)(B)) or the extension of any Indebtedness by or to any Subsidiary of the Borrower or any Guarantor (other than to any Non-Recourse Subsidiary), if such Equity Interests or Indebtedness shall not already be subject to a perfected first priority security interest in favor of the Collateral Agent for the benefit of the Secured Parties, such Loan Party shall, at the Borrower's expense, deliver and shall cause each of the applicable Loan Parties to deliver such documentation as the Collateral Agent may reasonably deem necessary in connection with the creation, perfection, protection or maintenance of such security interest, including pledge agreements, UCC financing statements, certified resolutions and other organizational and authorizing documents of the grantor of a security interest, favorable opinions of counsel (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above and the perfection of the Collateral Agent's Liens thereunder) and other items of the types required to be delivered pursuant to Section 4.02 all in form, content and scope reasonably satisfactory to the Agents.

(c) Notwithstanding the foregoing, (i) to the extent that any limitations or restrictions set forth in any Contractual Obligation to which the Borrower or Abengoa Concessions Brasil Holding S.A., ASO Holding LLC and Mojave Holding LLC is a party prevent such Subsidiary from guaranteeing the Obligations of the Borrower or any other Guarantor, such Subsidiary shall not be required to become a Guarantor hereunder, (ii) (A) to the extent that any limitations or restrictions set forth in Contractual Obligations (to the extent entered into in good faith) to which any Subsidiary of the Borrower or any Guarantor is a party prevent such Subsidiary from guaranteeing the Obligations of the Borrower or any other Guarantor, such Subsidiary shall not be required to become a Guarantor hereunder during any time that such limitation or restriction remains in effect or (B) to the extent that applicable Law prohibits a Subsidiary from guaranteeing obligations of its Affiliates, such Subsidiary shall not be required to become a Guarantor hereunder to the extent prohibited from doing so under applicable Law during any time that such applicable Law remains in effect, and (iii) (A) to the extent that any limitations or restrictions set forth in Contractual Obligations (to the extent entered into in good faith) to which any Subsidiary of the Borrower or any Guarantor is a party prevent such Subsidiary from pledging the Equity Interests of its Affiliates, such Subsidiary shall not be required to become an Equity Pledgor hereunder in respect of such Equity Interests during any time that such limitation or restriction remains in effect or (B) to the extent that applicable Law prohibits a Subsidiary from pledging the Equity Interests of its Affiliates, such Subsidiary shall not be required to become an Equity Pledgor hereunder in respect of such Equity Interests to the extent prohibited from doing so under applicable Law during any time that such applicable Law remains in effect; provided that the Borrower or such Subsidiary shall exercise commercially reasonable efforts to remove any limitation, restriction, or prohibition in any Refinancing or Indebtedness evidencing such limitation, restriction, or prohibition, in each case of Section 6.12(c)(i), (ii) and (iii).

(d) Notwithstanding anything to the contrary herein or in any other Loan Document (including Section 4.01(a)(iii), Section 4.02(a)(iv), Section 6.12(a)(iii) and Section 6.12(b) of this Agreement), neither the Borrower nor any Subsidiary of the Borrower shall be required to pledge any Indebtedness if (i) the creation of a Lien on such Indebtedness is restricted by, and with respect to which a Lien has been created or is purported to be created under, any Contractual Obligation evidencing or securing Non-Recourse Indebtedness or (ii) the creation of a Lien on such Indebtedness is restricted under Contractual Obligations evidencing or securing Non-Recourse Indebtedness.

(e) The Borrower shall promptly provide to the Administrative Agent a certificate signed by its Responsible Officer describing in reasonable detail the reason(s) that prevent any Subsidiary from becoming a Guarantor, pledging Equity Interests or pledging any Indebtedness pursuant to Section 6.12(a), Section 6.12(b) or Section 6.12(c).

(f) Notwithstanding anything to the contrary in this Section 6.12, in the case of a Subsidiary incorporated under the laws of the Republic of South Africa, the foregoing provisions of this Section 6.12 shall be subject to the prior receipt by such Subsidiary of the relevant South African Exchange Control Approval in respect of such Subsidiary granting the guaranty or becoming party to the accession agreement, the Pledge Agreement or a supplement to a Pledge Agreement (as the case may be) referred to in this Section 6.12.

6.13 Compliance with Environmental Laws. Except as would not reasonably be expected to have a Material Adverse Effect: (a) comply, and cause all lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and Environmental Permits; (b) timely obtain and renew all Environmental Permits necessary for its operations and properties; (c) and conduct any investigation, study, sampling and testing, and undertake any cleanup, response or other corrective action necessary to address all Hazardous Materials at, on, under or emanating from any of properties owned, leased or operated by it in accordance with the requirements of all Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with IFRS.

6.14 Further Assurances.

(a) Within ten (10) Business Days after the Tranche B Closing Date, each Agent shall have received, in form and substance satisfactory to the Agents, evidence of the completion of the following actions, recordings and filings of or with respect to the amendment to the Initial Pledge Agreement governed by Mexican law, including the receipt of any necessary approvals of any Governmental Authority, that any Agent may reasonably deem necessary in order to protect the Liens created thereby:

(i) such amendment has been recorded as a public deed and such public deed has been registered in the Sole Registry of Guaranties Over Goods (*Registro Único de Garantías Mobiliarias*) of the relevant Guarantor; and

(ii) such amendment has been registered by the Secretary of the Board of Directors in the Shareholders' Registry Book (*Libro de Registro de Accionistas*) of such Guarantor.

(b) Notwithstanding the requirements set forth in Section 6.12, within ten (10) Business Days after the date Abengoa Solar South Africa (Pty) Ltd becomes a Subsidiary of the Borrower (the "ASSA Acquisition Date") or, with respect to Section 6.14(b)(i)(C) and any requirement in this Section 6.14(b) that requires the South African Exchange Control Approval referred to in Section 6.14(b)(i)(C), within sixty (60) days after the ASSA Acquisition Date, each Agent and each Lender shall have received a pledge agreement substantially in the form of Exhibit I (the "South African Pledge Agreement"), duly executed by the Equity Pledgors in respect of all Equity Interests in Abengoa Solar South Africa (Pty) Ltd, together with:

(i) evidence, in form and substance satisfactory to the Agents, of the completion of the following actions, recordings and filings of or with respect to the South African Pledge Agreement, including the receipt of any necessary approvals of any Governmental Authority, that any Agent may reasonably deem necessary in order to perfect and protect the Liens created thereby:

(A) certificates representing the Pledged Equity Interests referred to in the South African Pledge Agreement accompanied by undated stock powers or instruments of transfer executed in blank;

(B) certified copies of reports or searches equivalent to UCC and tax lien searches, and other completed requests for information, each dated on, after or recently before the ASSA Acquisition Date, listing all effective financing statements, lien notices or comparable documents (together with copies of such financing statements and documents) that name any Equity Pledgor party to the South African Pledge Agreement as debtor and that are filed in those jurisdictions in which any Equity Pledgor is organized or maintains its principal place of business, together with copies of such other financing statements and evidence of termination of any such effective financing statements which encumber the Collateral covered or intended to be covered by the South African Pledge Agreement (other than the financing statements with respect to any Liens permitted under Section 7.01); and

(C) a copy of the relevant South African Exchange Control Approval in relation to the entry into and performance by Abengoa Solar South Africa (Pty) Ltd of its obligations under the Loan Documents to which it is a party and such South African Exchange Control Approval is not subject to any conditions which are not acceptable to the Administrative Agent;

(ii) copies of the resolutions of the board of directors and the shareholders of Abengoa Solar South Africa (Pty) Ltd, in a form acceptable to the Administrative Agent, authorizing Abengoa Solar South Africa (Pty) Ltd to provide the Guaranty and perform its obligations thereunder;

(iii) an opinion of Bowman Gilfillan Inc., South African counsel to the Loan Parties, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the ASSA Acquisition Date; and

(iv) an opinion of Werksmans Attorneys, South African counsel to the Global Coordinator, addressed to, and in form and substance satisfactory to, the Agents and each Lender party to this Agreement on the ASSA Acquisition Date.

(c) This Agreement has been executed in a private document. Each party hereto shall be entitled to request to the others the formalization of this Agreement and/or a Loan Document into a public deed before a Spanish Notary Public at any time. The Borrower shall bear all costs and expenses relating to such formalization. The public deed by which this Agreement is raised to the status of public document will confirm in Spain the guarantee granted by a Spanish Guarantor under Article X and the appointment of the Administrative Agent and the Collateral Agent under Article IX. Each of the Borrower, any Spanish Guarantor and any Secured Party shall be required to be a party to the formalization of this Agreement and/or a Loan Document into a public deed before a Spanish Notary Public at any time.

(d) Promptly upon request by any Agent, or any Lender through the Administrative Agent, (i) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as any Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Loan Documents, (B) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (C) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder, (D) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so and (E) facilitate the realization of the Collateral.

6.15 Interest Rate Hedging. Subject to the provisions of Section 7.01(a)(x) and Section 7.02(a)(xi), maintain, on each day (each, a "reference date") after the sixtieth (60th) day after the Tranche B Closing Date, interest rate Swap Contracts with Hedge Banks covering a notional amount of not less than 75% of the Tranche A Outstanding Amount for not less than two (2) years after such reference date.

6.16 Information Regarding Collateral. Not effect any change (i) in any Loan Party's legal name, (ii) in the location of any Loan Party's chief executive office, (iii) in any Loan Party's identity or organizational structure or (iv) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given each Agent not less than fifteen (15) days' prior written notice (in the form of certificate signed by a Responsible Officer), or such lesser notice period agreed to by each Agent, of its intention so to do, clearly describing such change and (B) it shall have taken all action reasonably satisfactory to the Agents to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. The Borrower agrees to promptly provide, or cause the applicable Loan Parties to promptly provide, the Agents with certified Organization Documents reflecting any of the changes described in the preceding sentence.

6.17 Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it and enforce each such Material Contract in accordance with its terms, except, in any case, where the failure to do so, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

6.18 Maintenance of Listing. In the case of the Borrower, at all times use commercially reasonable efforts to maintain a listing of Borrower's capital stock on the NASDAQ Stock Market, the NYSE stock exchange or any successor stock exchange.

6.19 Debt Rating. In the case of the Borrower, obtain at least one Debt Rating within twelve (12) months after the Tranche B Closing Date and thereafter maintain at least one Debt Rating.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than Obligations in respect of indemnification, expense reimbursement, tax gross up or any contingent obligations, in each case, for which no claim has been made), no Loan Party shall (nor shall any Loan Party permit, if specified below, any Non-Recourse Subsidiary to):

7.01 Liens. Create, incur, assume or suffer to exist, or permit any Subsidiary (including any Non-Recourse Subsidiary) to create, incur, assume or suffer to exist, any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, or sign or file or suffer to exist under the UCC or other Law of any jurisdiction a financing statement (or equivalent filing or registration) that names any Loan Party or any of its Subsidiaries (including any Non-Recourse Subsidiary) as debtor, or assign any accounts or other right to receive income, other than the following:

(a) With respect to the Borrower or any other Loan Party and their respective Subsidiaries (other than any Non-Recourse Subsidiaries):

(i) Liens pursuant to any Loan Document;

(ii) Liens existing on the date hereof and listed on Schedule 5.08(b) and any renewals or extensions thereof, provided that (A) the property covered thereby is not changed (other than after-acquired property that is affixed or incorporated into the property covered thereby), (B) the amount secured or benefited thereby is not increased except as contemplated by Section 7.02(a)(iii), (C) the direct or any contingent obligor with respect thereto is not changed, and (D) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.02(a)(iii);

(iii) Liens securing Indebtedness under cash pooling and Swap Contracts and Liens securing or arising by reason of any netting or set off arrangement entered into in the ordinary course of banking or other trading activities;

(iv) Liens on cash and cash equivalents securing Indebtedness incurred to finance an acquisition of assets or a business or multiple businesses; provided that within 180 days from the date the related Indebtedness was incurred, such cash or cash equivalents are used to (A) fund an Acquisition (or a similar transaction), including any related fees and expenses, and the related Indebtedness is (I) secured by Liens otherwise permitted under this covenant or (II) unsecured; or (B) retire or repay the Indebtedness that it secures and to pay any related fees and expenses;

(v) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(vi) Liens securing insurance premium financing arrangements;

(vii) Liens in favor of credit card companies pursuant to agreements therewith;

(viii) Liens securing cash management services in the ordinary course of business;

(ix) Liens on Equity Interests owned by a Guarantor in any Non-Recourse Subsidiary pursuant to a Non-Recourse Indebtedness Pledge Agreement;

(x) other Liens on the Collateral securing Indebtedness permitted under Section 7.02(a)(xi); provided that the lenders or providers of such Indebtedness shall have executed or acceded to the Intercreditor Agreement prior to or concurrently with the incurrence of such Indebtedness and Liens; and

(b) With respect to the Borrower or any other Loan Party and their respective Subsidiaries (including any Non-Recourse Subsidiaries):

(i) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS or security has been posted in respect thereof;

(ii) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or any similar pension benefit plan;

(iii) deposits to secure the performance of statutory obligations, surety and appeal bonds incurred in the ordinary course of business;

(iv) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(h);

(v) Liens securing Indebtedness permitted under Section 7.02(b)(i);

(vi) Liens of a Non-Recourse Subsidiary in respect of Non-Recourse Indebtedness;

(vii) Liens of a Non-Recourse Subsidiary permitted pursuant to any Contractual Obligation evidencing or securing Non-Recourse Indebtedness to which it is a party;

(viii) Liens on property of any Non-Recourse Subsidiary or Subsidiary of a Guarantor that is not itself a Guarantor existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided that such Liens were not created in contemplation of such merger, consolidation or Investment and do not extend to any assets other than those of the Person merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary, and the applicable Indebtedness secured by such Lien is permitted under Section 7.02(b)(i);

(ix) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(xi) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(xii) non-exclusive outbound licenses of patents, copyrights, trademarks and other intellectual property rights granted by the Borrower or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business of the Borrower or such Subsidiary;

(xiii) any agreement to lease, option to lease, license, sub-lease or other right to occupancy assumed or entered by or on behalf of the Borrower or any Subsidiary in the ordinary course of its business;

(xiv) reservations, limitations, provisos and conditions, if any, expressed in any grants from any Governmental Authority or any similar authority; and

(xv) Liens on real estate in connection with the financing of the acquisition or development thereof, provided that facilities are or will be located on such property or assets primarily for the use of the Borrower or any of its Subsidiaries.

7.02 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness (or permit any Non-Recourse Subsidiary to do so), except:

(a) With respect to the Borrower or any other Loan Party and their respective Subsidiaries (other than any Non-Recourse Subsidiaries):

(i) Indebtedness under the Loan Documents;

(ii) Indebtedness of a Subsidiary of the Borrower owed to the Borrower or a Subsidiary of the Borrower (other than a Non-Recourse Subsidiary), which Indebtedness shall be otherwise permitted under the provisions of Section 7.03;

(iii) the Senior Notes and Indebtedness outstanding on the date hereof and listed on Schedule 7.02(a)(iii);

(iv) obligations (contingent or otherwise) existing or arising under any Swap Contract (including any Secured Hedge Agreement), provided that (A) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates and not for speculative purposes and (B) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(v) Guarantees of the Borrower or any of its Subsidiaries (other than Non-Recourse Subsidiaries) in respect of Indebtedness (other than intercompany Indebtedness) otherwise permitted hereunder of the Borrower or any other Guarantor;

(vi) guarantees by any Loan Party and their respective Subsidiaries in the ordinary course of business of obligations of such Loan Party or Subsidiary to non-affiliated suppliers, customers, franchisees and licensees; provided that each such Subsidiary may only incur such Indebtedness with respect to another Subsidiary that is the direct or indirect parent of such Subsidiary;

(vii) Indebtedness of the Loan Parties and their respective Subsidiaries providing for indemnification, adjustment of purchase price or similar price or similar obligations in connection with the acquisition of any business, assets or Equity Interest of a Subsidiary after the Tranche B Closing Date;

(viii) Indebtedness constituting reimbursement obligations with respect to letters of credit, banker's acceptances or similar instruments or obligations issued in the ordinary course of business; provided that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within seven days;

(ix) Indebtedness under cash pooling arrangements and Swap Obligations (with respect to currency risk, interest rate risks, commodity risks and price risks) in the ordinary course of business;

(x) (A) the factoring of accounts receivable and (B) reverse factoring or confirming or accounts payable, in each case arising in the ordinary course of business pursuant to customary arrangements;

(xi) other Indebtedness of a Loan Party if, on the date such Loan Party incurs any such Indebtedness:

(A) such Indebtedness is senior Indebtedness (whether unsecured or secured to the extent permitted pursuant to Section 7.01(a)(x));

(B) the Average Life of such Indebtedness is not shorter than the Average Life of the Facilities;

(C) the Borrower maintains a Leverage Ratio of no greater than (I) prior to January 1, 2016, 5.25:1.00, (II) on and after January 1, 2016 and prior to January 1, 2017, 5.00:1.00 and (III) on and after January 1, 2017, 4.75:1.00, in each case immediately before and immediately after giving Pro Forma Effect to the incurrence of such Indebtedness (assuming for such purposes that the Facilities are fully funded) and, if applicable, the repayment of the Loans or the Acquisition(s) to be financed with the proceeds of such Indebtedness, such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or 6.01(b) as though such Indebtedness had been incurred as of the first day of the Measurement Period covered thereby;

(D) no Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness; and

(E) an Officer's Certificate of such Loan Party certifying that the requirements set forth in clauses (A) through (D) above have been satisfied is delivered to the Administrative Agent;

provided that the aggregate amount of any Indebtedness (including Indebtedness existing or arising under any Secured Hedge Agreement) that may be secured by the Collateral at any one time outstanding shall not exceed the greater of (x) US$550,000,000 and (y) an amount such that, after giving effect to the incurrence thereof, the Borrower could incur not less than US$1.00 of additional Indebtedness and still maintain a Leverage Ratio of no greater than 3.50:1.00; and

(xii) additional Indebtedness of the Borrower or any of its Subsidiaries so long as:

(A) no Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness and an Officer's Certificate of such Person certifying the absence of such Event of Default is delivered to the Administrative Agent; and

(B) the proceeds of such Indebtedness are applied to prepay the Loans in accordance with Section 2.03(b)(ii).

(b) With respect to the Borrower or any other Loan Party and their respective Subsidiaries (including any Non-Recourse Subsidiaries):

(i) (A) Non-Recourse Indebtedness incurred by a Non-Recourse Subsidiary, and (B) Non-Recourse Indebtedness incurred by any Loan Party in respect of, and solely to the extent of, any collateral secured by a Non-Recourse Indebtedness Pledge Agreement, and, in the case of clauses (A) and (B), any Refinancing thereof to the extent such Refinanced Indebtedness constitutes Non-Recourse Indebtedness;

(ii) Indebtedness of the Loan Parties and their respective Subsidiaries (including Non-Recourse Subsidiaries) incurred in respect of worker's compensation claims, self-insurance obligations, performance, surety and similar bonds and completion guarantees provided by the Borrower and its Subsidiaries (including Non-Recourse Subsidiaries) in the ordinary course of business;

(iii) Indebtedness of a Non-Recourse Subsidiary permitted pursuant to any Contractual Obligation evidencing or securing Non-Recourse Indebtedness to which it is a party;

(iv) Indebtedness arising from honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business; provided that such Indebtedness is disbursed within seven days of incurrence; and

(v) advance payments received from customers for goods and services purchased and credit periods in the ordinary course of business.

7.03 Investments. Make or hold any Investments, except:

(a) Investments held by the Borrower and the other Loan Parties in the form of Cash Equivalents;

(b) (i) Investments by the Borrower and the other Loan Parties in their respective Subsidiaries outstanding on the date hereof and set forth on Schedule 5.08(c), (ii) additional Investments by any Loan Party in another Loan Party or in a Non-Recourse Subsidiary; (iii) Investments of the Borrower in any Subsidiary and Investments of any Subsidiary in the Borrower or in another Subsidiary and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property);

(c) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(d) Guarantees permitted by Section 7.02; and

(e) Investments in respect of any Acquisition if: (i) immediately before and immediately after giving Pro Forma Effect to such Acquisition, no Default or Event of Default shall have occurred and be continuing and (ii) immediately after giving Pro Forma Effect to such Acquisition, the Borrower and its Subsidiaries shall be in pro forma compliance with all of the covenants set forth in Section 7.11, such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or 6.01(b).

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Loan Party may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Loan Party is merging with another Subsidiary that is not a Loan Party, such Loan Party shall be the continuing or surviving Person;

(b) any Loan Party may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Loan Party;

(c) any Non-Recourse Subsidiary may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to a Loan Party;

(d) the Loan Parties may consummate, subject to Section 7.03, each Acquisition; and

(e) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, in connection with any acquisition permitted under Section 7.03, any Loan Party (other than the Borrower) may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided, however, that in each case, immediately after giving effect thereto, (x) in the case of any such merger to which any Loan Party (other than the Borrower) is a party, such Loan Party is the surviving Person, (y) there is no existing Material Adverse Effect or any event or circumstance, either individually or in the aggregate, that would reasonably be expected to have a Material Adverse Effect, and (z) the Borrower and its Subsidiaries shall be in pro forma compliance with all of the covenants set forth in Section 7.11, such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or 6.01(b) as though such acquisition had been consummated as of the first day of the fiscal period covered thereby.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, or permit any Non-Recourse Subsidiary to make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that such property is exchanged for credit against the purchase price of similar replacement property;

(d) Dispositions of property by any Loan Party (other than the Borrower) to a Loan Party;

(e) Dispositions permitted by Section 7.04;

(f) Dispositions permitted to be made by any Non-Recourse Subsidiary pursuant to any Contractual Obligation evidencing or securing Non-Recourse Indebtedness to which it is a party; and

(g) Dispositions in respect of Liens for Non-Recourse Indebtedness permitted by Section 7.01;

(h) Dispositions permitted by Section 7.06; and

(i) Dispositions by a Loan Party or any of its Subsidiaries not otherwise permitted under this Section 7.05 to the extent that, (i) no Event of Default has occurred and is continuing at the time of and immediately after giving effect to such Disposition, (ii) after giving Pro Forma Effect to such Disposition, the Borrower shall be in pro forma compliance with all of the covenants set forth in Section 7.11, such compliance to be determined on the basis of the financial information most recently delivered to the Agent and the Lenders pursuant to Section 6.01(a) and (iii) such Disposition shall be for fair market value; provided that, after giving effect to any such Disposition of less than 100% of the Equity Interests of any Non-Recourse Subsidiary, the Borrower shall retain Control of such Non-Recourse Subsidiary.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Loan Party (other than the Borrower) may make Restricted Payments to any other Loan Party and any other Person that owns a direct Equity Interest in such Loan Party, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) any Loan Party may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) any Loan Party may purchase, redeem or otherwise acquire its common Equity Interests with the proceeds received from the substantially concurrent issue of new common Equity Interests; and

(d) the Borrower may (i) declare or pay cash dividends to its stockholders and (ii) purchase, redeem or otherwise acquire for cash Equity Interests issued by it; provided that immediately prior to any such Restricted Payment, and after giving effect thereto, (x) no Event of Default shall have occurred and be continuing or would result therefrom and (y) the Borrower shall be in compliance on a pro forma basis with each of the financial covenants set forth in Section 7.11.

7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Loan Parties on the date hereof or any business substantially related or incidental thereto or permit any Non-Recourse Subsidiary to do so.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than such transactions (a) existing as of the Tranche A Closing Date or (b) on fair and reasonable terms substantially as favorable to such Loan Party as would be obtainable by such Loan Party at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that such requirement will not apply to any such transaction or series of such related transactions if the Borrower delivers to the Administrative Agent, with respect to such transaction or series of related transactions, a board resolution attached to an Officer's Certificate in which a Responsible Officer certifies that such transaction or series of related transactions complies with this Section 7.08 and that such transaction or series of related transactions has been approved by a majority of the disinterested members of the board of directors (or persons performing similar functions) of the Borrower.

7.09 Burdensome Agreements. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Loan Party to make Restricted Payments to the Borrower or any Guarantor or to otherwise transfer property to the Borrower or any Guarantor, (ii) of any Subsidiary (other than a Non-Recourse Subsidiary) of the Borrower to Guarantee the Indebtedness of the Borrower or (iii) of the Borrower or any Subsidiary (other than a Non-Recourse Subsidiary) of the Borrower to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that this clause (iii) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.02(b)(i) solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.10 Use of Proceeds. Use the proceeds of any Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Leverage Ratio. Permit the Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than (i) prior to January 1, 2016, 5.50:1.00, (ii) on and after January 1, 2016 and prior to January 1, 2017, 5.25:1.00 and (iii) on and after January 1, 2017, 5.00:1.00.

(b) Debt Service Coverage Ratio. Permit the Debt Service Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 2.00:1.00.

7.12 Anti-Corruption Laws. (a) Directly or indirectly use the proceeds of any Loan for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, or other similar legislation in other jurisdictions or (b) fail to (i) conduct its businesses in compliance with applicable anti-corruption Laws or (ii) maintain policies and procedures designed to promote and achieve compliance with such Laws.

7.13 Sanctions. Directly or indirectly, use, lend, contribute or otherwise make available the proceeds of any Loan or other transaction contemplated by this Agreement to any Person, (a) to fund any activities of or business with, or for the benefit of, any Prohibited Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or (b) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in any of the Facilities or Loans, whether as Lender, Arranger, Agent or otherwise). The Borrower shall not (and shall ensure that none of its Affiliates will) fund all or any part of any payment in connection with the Loan out of proceeds derived from business or transactions with a Prohibited Person, or from any action which is in breach of any Sanctions.

7.14 Amendments of Organization Documents. Amend any of its Organization Documents, other than amendments (a) that do not, taken as a whole, materially adversely affect the interests of any Agent, any Lender or any Secured Party in their capacity as such or (b) with the prior written consent of the Required Lenders.

7.15 Accounting Changes. Make any change in (a) accounting policies or reporting practices, except as required by IFRS, or (b) fiscal year.

7.16 Prepayments, Etc. of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy, prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness, except (a) the prepayment of the Loans in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments, prepayments or redemptions of Indebtedness set forth in Schedule 7.02 and Refinancings of such Indebtedness in compliance with Section 7.02(a)(iii), and (c) other prepayments thereof to the extent that, contemporaneously with the making thereof, such Loan Party makes a proportionate prepayment or repayment of the principal amount then outstanding of the Loans in accordance with the provisions of Section 2.03(a).

7.17 Amendment, Etc. of Indebtedness. Amend, modify or change in any manner any term or condition of any Indebtedness set forth in Schedule 7.02, except (a) any refinancing, refunding, renewal or extension thereof permitted by Section 7.02(a)(iii), (b) to the extent that such amendment, modification or change does not materially adversely affect the interests of any Agent, any Lender or any Secured Party in their capacity as such or (c) with the prior written consent of the Required Lenders.

7.18 Residency Undertaking. Change its residence for Tax purposes.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to (i) pay when and as required to be paid herein, any amount of principal of any Loan, or (ii) pay within three (3) days after the same becomes due any interest on any Loan, or any fee due hereunder, or (iii) pay within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05(a), 6.11, 6.12, 6.14(a), 6.15, 6.18, 6.19 or Article VII or (ii) any of the Equity Pledgors fails to perform or observe any material term, covenant or agreement contained in each Pledge Agreement to which it is a party; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or 8.01(b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after written notice by any Agent to the Borrower; or

(d) Representations and Warranties. Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect on the date as of which made or deemed made; provided that no Event of Default will occur under this Section 8.01(d) if the failure to comply is susceptible of being remedied and is remedied within thirty (30) days after written notice by any Agent or any Lender to the Borrower; or

(e) Cross-Default. Any Loan Party or any Material Non-Recourse Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder), or (B) fails to observe or perform any other agreement or condition relating to any Indebtedness (other than Indebtedness hereunder) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the applicable Threshold Amount beyond the period of grace, if any, provided in the instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or cash collateral in respect thereof to be demanded; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Material Non-Recourse Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or suspends or threatens to suspend making payments on its debts, or makes an assignment or composition or similar arrangement for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, administrator, administrative receiver, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted or a moratorium is declared in respect of any indebtedness of such Person without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding or any UK Insolvency Proceeding occurs; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Material Non-Recourse Subsidiary becomes (or is deemed or declared under applicable Law) unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Material Non-Recourse Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding the applicable Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of the Borrower to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any Loan Document or any material provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations (other than Obligations in respect of indemnification, expense reimbursement, tax gross-up or any contingent obligations, in each case, for which no claim has been made), ceases to be in full force and effect; or any Loan Party or any of the holders of Equity Interests in any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document, or any court or any other Governmental Authority of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any Loan Document or material provision thereof is invalid or unenforceable in accordance with the terms thereof; or any Loan Party denies in writing that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document or any material provision thereof; or

(k) Change of Control. There occurs any Change of Control; or

(l) Collateral Documents. Any Collateral Document after delivery thereof pursuant to Section 4.01, 6.12 or 6.14 shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Liens permitted under Section 7.01) on any portion of the Collateral purported to be encumbered pursuant to the Collateral Documents; or

(m) Subordination. (i) The subordination provisions of the documents evidencing or governing any subordinated Indebtedness (the "Subordination Provisions") shall (subject to the Legal Reservations), in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable subordinated Indebtedness; or (ii) the Borrower or any other Loan Party shall, directly or indirectly, disavow or contest in any manner (A) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) that the Subordination Provisions exist for the benefit of the Agents and the Lenders or (C) that all payments of principal of or premium and interest on the applicable subordinated Indebtedness, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions.

8.02 Remedies upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(c) exercise, or, subject to the terms of the Intercreditor Agreement, direct the Collateral Agent to exercise, on behalf of itself and the other Secured Parties, any or all rights and remedies, powers or discretion available to it and the other Secured Parties under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code, the obligation of each Lender to make Loans shall automatically terminate, and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of any Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Section 2.12, be applied by the Collateral Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agents (and any of their appointees or delegates) and amounts payable under Article III) payable to the Administrative Agent or the Collateral Agent in their respective capacities as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause *Second* payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations arising under the Loan Documents, ratably among the Lenders in proportion to the respective amounts described in this clause *Third* payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and Obligations then owing under Secured Hedge Agreements, ratably among the Lenders and the Hedge Banks in proportion to the respective amounts described in this clause *Fourth* held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

In the event of any conflict between the terms of the waterfall set forth in the Intercreditor Agreement and this Section 8.03, the terms of the Intercreditor Agreement shall govern.

ARTICLE IX
AGENTS

9.01 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints and designates and authorizes each Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of this Agreement or any other Loan Document, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX are solely for the benefit of the Agents and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) HSBC CTC shall act as the Collateral Agent under the Loan Documents, and each of the Lenders (including in its capacity as a potential Hedge Bank) hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, HSBC CTC, as Collateral Agent, and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent, shall be entitled to the benefits of all provisions of this Article IX and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the Collateral Agent under the Loan Documents) as if set forth in full herein with respect thereto.

(c) Notwithstanding anything herein to the contrary, the exercise of any right or remedy by the Collateral Agent, for the benefit of the Secured Parties, hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Article IX with respect to the Collateral Agent, the terms of the Intercreditor Agreement shall govern, including (i) Section 15 of the Intercreditor Agreement, which shall prevail over the provisions of Section 9.06 with respect to the Collateral Agent, and (ii) Sections 17 and 18 of the Intercreditor Agreement, which shall prevail over the provisions of Section 11.04(a) and (b) with respect to the Collateral Agent. In the event the Collateral Agent decides, or is required to decide, to take any action hereunder, it shall take such action only in accordance with the terms and conditions of the Intercreditor Agreement. So long as the Intercreditor Agreement remains in effect, the terms "Lender" and "Lenders" in this Article IX when used with respect to the Collateral Agent shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Hedge Bank in respect of a Secured Hedge Agreement.

9.02 Rights as a Lender. Each Person serving as an Agent hereunder or under any other Loan Document shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and each Agent's duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, no Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, nor shall any Agent be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity;

(iv) shall incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence solely beyond the control of such Agent (including but not limited to any act or provision of any present or future Law or regulation or Governmental Authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility); and

(v) shall be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any other Loan Document.

(b) No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment. Each Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to such Agent by the Borrower or a Lender.

(c) No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral (and no Agent shall be liable for any shortfall which arises upon the enforcement of its rights in the Collateral), or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent.

(d) The Administrative Agent shall be entitled to deal with money paid to it by any Person for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except that it shall not be liable to account to any Person for any interest or other amounts in respect of the money.

(e) An Agent may refuse to perform any duty or exercise any right or power unless it receives an indemnity from the Lenders reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in performing such duty or exercising such right or power.

(f) Notwithstanding anything else to the contrary herein, if an Agent shall request instructions from the Required Lenders with respect to any discretionary action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by such Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by such Agent in connection with this Agreement or any other Loan Document, then the Agent requesting such instructions shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Lenders, and, in any such event, such Agent shall not incur any liability to any Person by reason of so refraining. Without limiting the generality of the foregoing, no Lender shall have any right of action whatsoever against any Agent as a result of such action or inaction hereunder or under any other Loan Document in accordance with the instructions of the Required Lenders. This provision is intended solely for the benefit of Agents and its successors and permitted assigns and is not intended to and will not entitle the other parties hereto to any defense, claim or counterclaim, or confer any rights or benefits on any party hereto.

9.04 Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, each Agent may presume that such condition is satisfactory to such Lender unless such Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent or Collateral Agent, as applicable. No Agent shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Agents.

(a) Any Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within sixty (60) days after the retiring Agent gives notice of its resignation (or such earlier date as may be agreed to by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to) on behalf of the Lenders appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If any Person serving as an Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrower and such Person remove such Person as Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Collateral Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such Collateral until such time as a successor Collateral Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as an Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article IX and Section 11.04 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

(d) Any entity into which any Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which such Agent in its individual capacity shall be a party, or any entity to which substantially all of the corporate trust business of such Agent in its individual capacity may be transferred, shall be the Administrative Agent or Collateral Agent, as applicable, under this Agreement and the other Loan Documents without further action other than the execution and delivery of an accession agreement to the Intercreditor Agreement (if required thereunder) in accordance with Section 11.06.

(e) The Administrative Agent shall resign in accordance with Section 9.06(a) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Administrative Agent under the Loan Documents, either:

(i) the Administrative Agent fails to respond to a request under Section 3.01(e) (insofar as that Section relates to FATCA) and a Lender reasonably believes that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Administrative Agent pursuant to Section 3.01 (insofar as that Section relates to FATCA) indicates that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Administrative Agent notifies the Borrower and the Lenders that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a party hereto will be required to make a FATCA Deduction that would not be required if the Administrative Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

9.07 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Arrangers listed on the cover page hereof shall have any powers, duties or liabilities responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as an Agent or a Lender hereunder.

9.09 Collateral Agent May File Proofs of Claim; Credit Bidding.

(a) In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Collateral Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent or any other Secured Party shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise (i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due to the Lenders and the Agents under Sections 2.07 and 11.04) allowed in such judicial proceeding; and (ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Collateral Agent and, if the Collateral Agent shall consent to the making of such payments directly to the Lenders, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their agents and counsel, and any other amounts due to the Agents under Sections 2.07 and 11.04.

(b) Nothing contained herein shall be deemed to authorize the Collateral Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Collateral Agent to vote in respect of the claim of any Lender or in any such proceeding.

(c) The Secured Parties hereby irrevocably authorize the Collateral Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (i) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar Laws in any other jurisdictions to which a Loan Party is subject, or (ii) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Collateral Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (A) the Collateral Agent shall be authorized to form one or more acquisition vehicles to make a bid, (B) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Collateral Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (k) of Section 11.01 of this Agreement, and (C) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

9.10 Collateral and Guaranty Matters. Without limiting the provisions of Section 9.09, the Lenders (including in their capacity as Hedge Banks and potential Hedge Banks) irrevocably authorize the Administrative Agent or the Collateral Agent, as applicable, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than Obligations in respect of indemnification, expense reimbursement, tax gross-up or any contingent obligations, in each case, for which no claim has been made), (ii) that is sold or otherwise Disposed of or to be sold or otherwise Disposed of as part of or in connection with any sale or other Disposition permitted hereunder or under any other Loan Document to a Person that is not a Loan Party, or (iii) if approved, authorized or ratified in writing in accordance with Section 11.01;

(b) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary or becomes a Non-Recourse Subsidiary, in each case as a result of a transaction permitted under the Loan Documents; and

(c) to subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(b)(v).

Upon request by the any Agent at any time, the Required Lenders will confirm in writing each Agent's authority to release or subordinate the Collateral Agent's interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the applicable Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the Collateral Agent's release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

9.11 Secured Hedge Agreements. Except as otherwise expressly set forth herein or in any Collateral Document, no Hedge Bank that obtains the benefits of Section 8.03 or any Collateral by virtue of the provisions hereof or of any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Collateral Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Hedge Agreements.

9.12 Financial Services and Markets Act.

(a) The Administrative Agent is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority of the United Kingdom. Nothing in this Agreement shall require the Administrative Agent to carry on an activity of the kind specified by any provision of Part II (other than Article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 of the United Kingdom or to lend money to the Borrower in its capacity as Administrative Agent.

(b) Notwithstanding anything in any Loan Document to the contrary, the Collateral Agent shall not do, or be required to do, anything which might constitute a regulated activity for the purpose of the FSMA, unless it is authorized by applicable Law to do so or otherwise to undertake any activity that may breach the FSMA or any requirement of the Prudential Regulation Authority of the United Kingdom or the Financial Conduct Authority of the United Kingdom or any requirement of any applicable regulatory authority or Law. The Collateral Agent shall have the discretion at any time:

(i) To delegate any of the functions which are to be performed by an authorized Person under the FSMA to any other agent or Person which also has the necessary authorizations and licenses; and

(ii) To apply for authorization under the FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so;

provided that the Collateral Agent shall not be responsible for the negligence or misconduct of any delegate under clause (i) except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Collateral Agent acted with gross negligence or willful misconduct in the selection of such delegate.

9.13 Parallel Debt.

(a) For the purposes of this Section 9.13, "Corresponding Obligations" means each Loan Party's Obligations, other than the Parallel Debt.

(b) Notwithstanding any other provision of the Loan Documents, each Loan Party hereby irrevocably and unconditionally undertakes to pay to the Agents, as creditor in their own right, acting on their own behalf and not as representative and/or agent of the Lenders, an amount equal to the Corresponding Obligations (such payment undertaking by each Loan Party to the Agents is hereinafter referred to as the "Parallel Debt").

(c) The Agents shall have their own independent right to demand payment of the Parallel Debt irrespective of any discharge of any Loan Party's obligation to pay those amounts to the Lenders resulting from failure by it to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve its entitlement to be paid those amounts.

(d) Any amount due and payable by any Loan Party to an Agent under this Section 9.13 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Loan Documents and any amount due and payable by any Loan Party to the other Lenders under those provisions shall be decreased to the extent that such Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 9.13.

(e) Each of the parties to this Agreement hereby acknowledges that: (i) the Parallel Debt constitutes undertakings, obligations and liabilities of each Loan Party to the Agents which are transferable and separate and independent from and without prejudice to the Corresponding Obligations; (ii) the Parallel Debt represents the Agents' own separate and independent claim to receive payment of the Parallel Debt from each Loan Party and (iii) the Liens granted under the Loan Documents to the Agents to secure the Parallel Debt is granted to the Agents in their capacity as creditors of the Parallel Debt and shall not be held in trust, it being understood that the amount which may become payable by each Loan Party under or pursuant to the Parallel Debt from time to time shall never exceed the aggregate amount which is payable under the relevant Corresponding Obligations from time to time.

(f) For the purposes of this Section 9.13, each Agent acts in its own name and on behalf of itself (albeit for the benefit of the Lenders and each subsequent maker of any Loan by its making thereof) and not as agent or representative of any of the Lenders and each subsequent maker of any Loan by its making thereof.

(g) To the extent an Agent irrevocably receives any amount in payment of the Parallel Debt (the "Received Amount"), the Corresponding Obligations shall be reduced by an aggregate amount (the "Deductible Amount") equal to the Received Amount in the manner as if the Deductible Amount were received as a payment of the Corresponding Obligations. For the avoidance of doubt, to the extent the Collateral Agent irrevocably receives any amount in payment of the Corresponding Obligations, the Parallel Debt shall be reduced accordingly as if such payment was received as a payment of the Parallel Debt. All amounts received or recovered by an Agent from or by the enforcement of any security interest granted to secure the Parallel Debt shall be applied in accordance with this Agreement.

(h) Without limiting or affecting any Agent's rights against the Loan Parties (whether under this Section 9.13 or under any other provision of the Loan Documents), each Loan Party acknowledges that (i) nothing in this Section 9.13 shall impose any obligation on any Agent to advance any sum to any Loan Party or otherwise under any Loan Document, except in its capacity as Lender, and (ii) for the purpose of any vote taken under any Loan Document, such Agent shall not be regarded as having any participation or commitment other than those which it has in its capacity as a Lender or, if applicable, a Hedge Bank.

ARTICLE X
GUARANTY

10.01 Guaranty. Each Guarantor hereby, jointly and severally, absolutely and unconditionally guarantees, as a guaranty of payment and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of the Borrower to the Secured Parties, and whether arising hereunder or under any other Loan Document or any Secured Hedge Agreement (including all renewals, extensions, amendments, refinancings and other modifications thereof and all costs, attorneys' fees and expenses incurred by the Secured Parties in connection with the collection or enforcement thereof). The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and *prima facie* evidence for the purpose of establishing the amount of the Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

10.02 Rights of Lenders. Each Guarantor consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Agents and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

10.03 Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of the Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of the Borrower or any other Loan Party; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Borrower or any other Loan Party; (c) the benefit of any statute of limitations affecting such Guarantor's liability hereunder; (d) any right to proceed against the Borrower or any other Loan Party, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; and (f) to the fullest extent permitted by Law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations.

10.04 Obligations Independent. The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against such Guarantor to enforce this Guaranty whether or not the Borrower, any other Loan Party or any other person or entity is joined as a party.

10.05 Subrogation. Each Guarantor shall not exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the Commitments and the Facilities are terminated. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Obligations, whether matured or unmatured.

10.06 Termination; Reinstatement. This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until all Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash and the Commitments and the Facilities with respect to the Obligations are terminated. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any other Loan Party is made, or any of the Secured Parties exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guaranty.

10.07 Subordination. Each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Borrower or any other Loan Party owing to such Guarantor, whether now existing or hereafter arising, including any obligation of the Borrower or any other Loan Party to such Guarantor as subrogee of the Secured Parties or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Secured Parties so request, any such obligation or indebtedness of the Borrower or any other Loan Party to such Guarantor shall be enforced and performance received by such Guarantor as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Secured Parties on account of the Obligations, but without reducing or affecting in any manner the liability of such Guarantor under this Guaranty.

10.08 Stay of Acceleration. If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against the Borrower or any other Loan Party under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by the Guarantors immediately upon demand by the Secured Parties.

10.09 Condition of Borrower. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower, the other Loan Parties and any other guarantor such information concerning the financial condition, business and operations of the Borrower, the other Loan Parties and any such other guarantor as such Guarantor requires, and that none of the Secured Parties has any duty, and such Guarantor is not relying on the Secured Parties at any time, to disclose to such Guarantor any information relating to the business, operations or financial condition of the Borrower, the other Loan Parties or any other guarantor (such Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

10.10 Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty or the grant of the security interest under the Loan Documents, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under this Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article X voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section 10.10 shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Qualified ECP Guarantor intends this Section 10.10 to constitute, and this Section 10.10 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

10.11 Mexican Guarantors. Each Mexican Guarantor incorporated under the Laws of Mexico hereby unconditionally and irrevocably waives any right to which it may be entitled (including the rights to *excusión*, *orden*, *división* and *subrogación*), to the extent applicable, under Articles 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2826, 2827, 2828, 2830, 2835, 2836, 2837, 2838, 2839, 2840, 2842, 2844, 2846, 2847, 2848 and 2849 of the Federal Civil Code (*Código Civil Federal*) and the corresponding provisions of the Civil Codes of the States of Mexico and the Federal District of Mexico (or any successor provisions).

10.12 Spanish Guarantee Limitations. The Guarantees and indemnities of each Spanish Guarantor under the Loan Documents shall:

(a) not extend to any obligation incurred by any Loan Party as a result of such Loan Party borrowing (or guaranteeing the borrowing of) funds (but only in respect of those funds) under the Loan Documents for the purpose of:

(i) acquiring quotas (*participaciones sociales*) representing the share capital of such Spanish Guarantor or shares (*acciones*) or quotas (*participaciones sociales*) representing the share capital of a company within its Relevant Group; or

(ii) refinancing a previous debt for the acquisition of quotas (*participaciones sociales*) representing the share capital of such Spanish Guarantor or shares (*acciones*) or quotas (*participaciones sociales*) representing the share capital of a company within its Relevant Group; and

(b) not be deemed undertaken or incurred by a Spanish Guarantor to the extent that the same would constitute unlawful financial assistance under Section 2 of Chapter VI of Title IV of the Spanish Companies Law, and, in that case, all provisions of this Agreement shall be construed accordingly in the sense that, in no case, can any Guarantee or security given by a Spanish Guarantor secure repayment of the abovementioned funds,

provided that any Guarantee or security given by a Spanish Guarantor shall benefit such Spanish Guarantor, any of the companies within its Relevant Group or its Relevant Group as a whole.

For the purposes of this Section 10.12, a reference to the "Relevant Group" of a Spanish Guarantor shall mean such Spanish Guarantor and any other companies constituting a group as such term is defined under Article 42 of the Spanish Commercial Code (*Código de Comercio*). The limitations set forth in this Section 10.12 shall apply *mutatis mutandis* to any security created by a Spanish Guarantor under the Collateral Documents and to any guarantee, indemnity, any similar obligation resulting in a payment obligation and payment including setoff pursuant to the Loan Documents and made by any Spanish Guarantor.

ARTICLE XI
MISCELLANEOUS

11.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Agents, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive (i) any condition set forth in Section 4.02 or (ii) Section 4.03(e), in each case without the prior written consent of all Tranche B Lenders;

(b) without limiting the generality of clause (a) above, waive any condition set forth in Section 4.03 (other than Section 4.03(e)) as to any Borrowing under the Tranche B Facility without the prior written consent of the Required Tranche B Lenders;

(c) waive any condition set forth in Section 4.03 as to any Borrowing under the Tranche A Facility without the prior written consent of the Required Tranche A Lenders;

(d) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(e) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under such other Loan Document without the written consent of each Lender entitled to such payment;

(f) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (ii) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of (i) the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" (except as otherwise provided in clause (ii) or clause (iii) below) or to waive any obligation of the Borrower to pay interest at the Default Rate pursuant to Section 2.06(b)(iii) or (B) to amend any financial covenant hereunder (or any defined term used therein), (ii) the Required Tranche A Lenders shall be necessary to amend the definition of "Default Rate" insofar as it applies to amounts payable under, or waive any obligation of the Borrower to pay interest at the Default Rate pursuant to, Section 2.06(b)(i) or Section 2.06(b)(ii) with respect to the Tranche A Loans or interest thereon, and (iii) the Required Tranche B Lenders shall be necessary to amend the definition of "Default Rate" insofar as it applies to amounts payable under, or waive any obligation of the Borrower to pay interest at the Default Rate pursuant to, Section 2.06(b)(i) or Section 2.06(b)(ii) with respect to the Tranche B Loans or interest thereon;

(g) change Section 2.11 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender, or change (i) Section 8.03 or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans among the Facilities from the application thereof set forth in the applicable provisions of Section 2.03(b) or Section 2.04(b), respectively, without the written consent of each Lender;

(h) (i) change any provision of this Section 11.01 or the definition of "Required Lenders" without the written consent of each Lender; (ii) change the definition of "Required Tranche A Lenders" without the written consent of each Tranche A Lender; (iii) change the definition of "Required Tranche B Lenders" without the written consent of each Tranche B Lender; or (iv) change any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender affected thereby;

(i) release all or substantially all of the Collateral in any transaction or series of related transactions, except as shall be otherwise provided in any Collateral Document or any other Loan Document, without the written consent of each Lender; provided that, with respect to Collateral Documents that the Lenders are not party to, the Collateral Agent may agree to such an amendment, waiver or consent provided it has received an instruction to do so from the Administrative Agent on behalf of each Lender;

(j) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Guarantor from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by an Agent acting alone); or

(k) impose any greater restriction on the ability of any Lender under any Facility to assign any of its rights or obligations hereunder without the written consent of (i) if such Facility is the Tranche A Facility, the Required Tranche A Lenders and (ii) if such Facility is the Tranche B Facility, the Required Tranche B Lenders;

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by an Agent in addition to the Lenders required above, affect the rights or duties of such Agent under this Agreement or any other Loan Document; and (ii) a Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders, all Tranche A Lenders, all Tranche B Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders, all Tranche A Lenders, all Tranche B Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such non-consenting Lender in accordance with Section 11.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section 11.13 (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

Notwithstanding anything in this Section 11.01 to the contrary, Schedule 2.01 may be amended and restated pursuant to an Increase Joinder.

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except as provided in subsection (b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows:

(i) if to the Borrower or any other Loan Party or any Agent, to the address, facsimile number, electronic mail address specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number or electronic mail address specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b). Any notice required to be delivered to the Administrative Agent by the Borrower pursuant to Article II (including Committed Loan Notices and prepayment notices) must be faxed to the Administrative Agent at its facsimile number set forth in Schedule 11.02, regardless of whether it is delivered to the Administrative Agent in any other manner permitted under this Section 11.02.

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article II by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall any Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any other Loan Party, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or an Agent's transmission of Borrower Materials or notices through the Platform, any other electronic messaging service, or through the Internet.

(d) Change of Address, Etc. Each Loan Party and each Agent may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address or facsimile number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Agents and Lenders. The Agents and the Lenders shall be entitled to rely and act upon any notices (including Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the each Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower.

11.03 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender or any Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.11), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 2.11, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Lenders, the Agents and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agents and the Lenders) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents (including, with respect to the Collateral Agent, taking and holding Collateral and perfecting security interests therein) or any amendments, modifications or waivers of or consents to the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all documented out-of-pocket expenses incurred by any Agent or any Lender (including the documented fees, charges and disbursements of any counsel for any Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents and with respect to the Collateral, including its rights under this Section 11.04, or (B) in connection with Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans. The foregoing costs and expenses shall be paid by the Borrower together with any applicable value added taxes.

(b) Indemnification by the Borrower. The Borrower shall indemnify each Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the documented fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials at, on, under or emanating from any property owned, leased or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee; (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction; or (z) do not arise from any act or omission by the Borrower or any of its Affiliates and are brought by an Indemnitee against any other Indemnitee (other than losses, claims, damages, liabilities, or related expenses involving claims against any Agent in its capacity as such). Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section 11.04 to be paid by it to any Agent (or any sub-agent thereof) or any Related Party, and without relieving the Borrower of its obligation to do so, each Lender severally agrees to pay to such Agent (or any such sub-agent) or such Related Party such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any such sub-agent) in its capacity as such, or against any Related Party acting for such Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.10(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the Borrower shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section 11.04 shall be payable not later than ten (10) Business Days after demand therefor.

(f) Collateral Agent Priority. The Collateral Agent may, in priority to any payment to any other Secured Party, indemnify itself from the Collateral in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Section 11.04 and shall have a Lien on the Collateral and the proceeds of the enforcement of the Secured Parties' security interest in the Collateral for all amounts payable to it hereunder.

(g) Survival. The agreements in this Section 11.04 and the indemnity provision of Section 11.02(e) shall survive the resignation of any Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to each Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by such Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 11.06(b), (ii) by way of participation in accordance with the provisions of Section 11.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.06(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section 11.06 and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section 11.06 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in Section 11.06(b)(i)(A), the aggregate amount of the Commitments (which for this purpose includes Loans outstanding thereunder) or, if the Commitments are not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than US$1,000,000 unless the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each total or partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned and as to all or a portion of its rights and obligations among either or both Facilities;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by other subsections of this Section 11.06 and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to an Eligible Assignee that is not a bank, Lender, Affiliate of a Lender or Approved Fund; provided that (x) no such Borrower consent shall be required if an Event of Default has occurred and is continuing at the time of such assignment and (y) the Borrower shall be deemed to have consented unless it has objected by written notice to the Administrative Agent within ten (10) Business Days after having received notice of such assignment; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of US$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. No assignment under this subsection (b) of Section 11.06 shall be effective until the Administrative Agent has satisfied its "*know your customer*" requirements with respect to the assignee, and the Administrative Agent shall not be obligated to execute any Assignment and Assumption until such requirements with respect to the assignee have been satisfied, provided that the Administrative Agent shall not unreasonably delay its determination of the satisfaction of "*know your customer*" requirements.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to any Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(vii) Status of Assignee Lender and Assigning Lender. Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section 11.06, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 11.06.

(viii) No Increased Costs. The Borrower shall not be required to pay to the relevant assignee Lender an amount pursuant to Section 3.01 or Section 3.04 in excess of the amount that the Borrower would have been required to pay to the assigning Lender if the relevant assignment had not been made, unless the circumstances giving rise to such greater amount result from a Change in Law or otherwise did not exist at the time of such assignment. This Section 11.06(b)(viii) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Tranche B Facility.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (such agency being solely for tax purposes and not subject to any fiduciary or other implied duties), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, at any reasonable time and from time to time upon reasonable prior notice (but not more frequently than once per calendar month).

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 11.06 (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 11.06; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under subsection (b) of this Section 11.06 and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. The foregoing shall not apply in relation to Section 3.01, to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with Section 3.01(e)(ix) if the Loan Party making the payment has not made an appropriate DTTP2 filing pursuant to Section 3.01(e)(x) in respect of that Treaty Lender. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.09 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.11 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.07 Treatment of Certain Information; Confidentiality. Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 11.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers of other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 11.07 or (ii) becomes available to any Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section 11.07, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to any Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 11.07 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Agents and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such other Loan Party may be contingent or unmatured or are owed to a branch or office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.12 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agents and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its respective Affiliates under this Section 11.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of an original executed counterpart thereof.

11.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by each Agent and each Lender, regardless of any investigation made by any Agent or any Lender or on their behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws;

(e) the Administrative Agent has satisfied its "*know your customer*" requirements with respect to the applicable assignee, provided that the Administrative Agent shall not unreasonably delay its determination of the satisfaction of "*know your customer*" requirements; and

(f) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE NOTES AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ANY OTHER PARTY OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY NOTE OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY LOAN PARTY OR ANY OF THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN CLAUSE (B) OF THIS SECTION 11.14. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. The Borrower and each other Loan Party hereby irrevocably designates, appoints and empowers CT Corporation, with an office on the date hereof at 111 Eighth Avenue, New York, New York 10011, Unites States of America, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, complaints, notices and documents which may be served in any action or proceeding arising out of or relating to this Agreement. Such service may be made by mailing or delivering a copy of such process to the applicable Loan Party in care of the Process Agent at the Process Agent's address. If for any reason the Process Agent shall cease to act as such for the Borrower, the Borrower hereby agrees to designate a new designee, appointee and agent in New York City, State of New York, United States on the same terms and for the purposes of this Section 11.14 reasonably satisfactory to the Required Lenders. Notwithstanding the designation, appointment and empowerment of the Process Agent as herein set forth, each of the Borrower and each other Loan Party irrevocably consents to service of process in the manner provided for notices in Section 11.02. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

11.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.15.

11.16 Special Provisions Regarding Enforcement Under the Laws of Spain.

(a) Administrative Agent Accounting. For the purposes of Article 572 of the Spanish Civil Procedural Law (*Ley de Enjuiciamiento Civil*), the Administrative Agent, in its capacity as such (and on behalf of each Secured Party), shall open and maintain in its book a special credit account for each Secured Party. In each of such accounts the Administrative Agent shall debit the amounts owed by a Loan Party to a Secured Party, including the interest, fees, expenses, default interest, additional costs and any other amounts that are payable by a Loan Party pursuant to a Loan Document. Likewise, all amounts received by the Administrative Agent from a Loan Party pursuant a Loan Document shall be credited in that account, so that the sum of the balance of the credit account represents the amount owed by a Loan Party to a Secured Party at any time.

(b) Individual Account of Each Secured Party. In addition to the special unified account referred to in Section 11.16(a) above, each Secured Party shall open and maintain in its books a special credit account from which the interest, fees, expenses, default interest, additional costs and any other amounts that a Loan Party owes to such Secured Party hereunder shall be debited and in which all amounts received by the Secured Party from any Loan Party under the relevant Loan Document shall be credited.

(c) Determination of Balance Due Upon Enforcement Before Spanish Courts.

(i) In the event of enforcement of a Loan Document before the Spanish courts, the Administrative Agent (on behalf of the Secured Parties) shall settle the credit accounts referred to above in this Section 11.16. It is expressly agreed for purposes of enforceability via judicial or out-of-court methods pursuant to Spanish Law that the balance due from the accounts referred to in this Section 11.16 resulting from the certificate issued for such purpose by the Administrative Agent shall be deemed a liquid, due and payable amount enforceable against a Loan Party, provided that it is evidenced in a notarial document that the settlement was made in the form agreed to by the parties in the enforceable instrument documenting this Agreement (*título ejecutivo*) and that the balance due matches with the balance that appears in the corresponding open account of the Secured Party in connection to the relevant Loan Document.

(ii) The Administrative Agent shall previously notify the relevant Loan Party of the amount due as a result of the settlement.

(d) Enforcement Before the Spanish Courts.

(i) In the event that a Secured Party decides, for the purposes of the enforcement of a Loan Document (that has been raised to the status of public document in Spain) before the Spanish courts, to commence the ordinary enforcement proceeding set forth in Articles 517 *et seq*., of the Spanish Law of Civil Procedure, the parties expressly agree for purposes of Article 571 *et seq*., of such Spanish Law of Civil Procedure that the settlement to determine the summarily enforceable debt be made by the Administrative Agent (on behalf of the corresponding Secured Party). Therefore, the following will be sufficient for the commencement of the summary proceedings: (A) the notarial deed (*escritura de elevación a público*) evidencing this Agreement (or the relevant Loan Document that has been raised to the status of public document in Spain); (B) a certificate, issued by the Administrative Agent, of the debt for which the Loan Party is liable, as well as the extract of the debit and credit entries and the entries corresponding to the application of interest that determines the actual balance for which enforcement is requested and the document providing evidence (*documento fehaciente*) that the settlement of the debt has been carried out in the form agreed to in this Agreement; and (C) a notarial document providing evidence of the prior notice to the Loan Party of the amount due as a result of the settlement.

(ii) The Loan Party shall bear all Taxes, expenses and duties accruing or that are incurred on by reason of the notarial instruments referred to in the previous paragraph.

(iii) To the extent that the Laws of Spain do not contemplate the enforcement of Collateral by a collateral agent, security agent or other agent, references in this Agreement to the enforcement of any Collateral Document governed by the Laws of Spain by the Collateral Agent shall be deemed to refer to enforcement of such Collateral Document by the Secured Parties.

11.17 Judgment Currency.

(a) Obligation to Pay in Dollars. The Loan Parties' obligations under this Agreement or any of the other Loan Documents to make payment in Dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt of the full amount of the Obligation Currency expressed to be payable under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made at the rate of exchange at which HSBC could purchase Dollars with such Judgment Currency in accordance with normal banking procedures in New York City, State of New York, United States, with respect to Dollars as of the day (or, if such day is not a Business Day, on the next succeeding Business Day) on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) Additional Amounts. If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due from a Loan Party, such Loan Party covenants, to the extent permitted by applicable Law, to pay, or cause to be paid, such additional amounts, if any (but, in any event, not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the applicable rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency that could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award against it at the rate of exchange prevailing on the Judgment Currency Conversion Date. If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due that results in the Borrower paying an amount in excess of that necessary to discharge or satisfy any judgment against it, the Secured Party receiving such excess shall transfer or cause to be transferred to the Borrower the amount of such excess (net of any Taxes and reasonable and customary costs incurred in connection therewith).

(c) Determination of Amount. For purposes of determining the applicable currency equivalent or other rate of exchange under this Section 11.17, such amount shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

11.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i)(A) the arranging and other services regarding this Agreement provided by the Agents, the Arrangers and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Agents, the Arrangers and the Lenders, on the other hand, (B) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii)(A) the Agents, the Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the Loan Parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates or any other Person and (B) neither any Agent, any Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither any Agent, any Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties or any of their respective Affiliates. To the fullest extent permitted by Law, each Loan Party hereby waives and releases any claims that it may have against the Agents, the Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including Assignment and Assumptions, Committed Loan Notices, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

11.20 USA PATRIOT Act. Each Secured Party that is subject to the Patriot Act (in the case of each Agent, for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or such Agent, as applicable, to identify each Loan Party in accordance with the Patriot Act. The Borrower shall, promptly following a request by any Agent or any Lender, provide all documentation and other information that such Agent or such Lender requests in order to comply with its ongoing obligations under applicable "*know your customer*" and anti-money laundering rules and regulations, including the Patriot Act.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ABENGOA YIELD PLC,
as Borrower

By: /s/ Javier Garoz Neira
Name: Javier Garoz Neira
Title: CEO

ABENGOA CONCESSIONS INFRASTRUCTURES, S.L.U., as Guarantor

By: /s/ Javier Garoz Neira

Name: Javier Garoz Neira

Title: Representative

ABENGOA CONCESSIONS PERU S.A.,
as Guarantor

By: /s/ Carlos Colón Lasso de la Vega
Name: Carlos Colón Lasso de la Vega
Title: Representative

ACT HOLDING, S.A. de C.V.,
as Guarantor

By: /s/ Javier Garoz Neira
Name: Javier Garoz Neira
Title: Representative

ABENGOA SOLAR HOLDINGS USA INC.,
as Guarantor

By: /s/ Javier Garoz Neira
Name: Javier Garoz Neira
Title: Representative

ABENGOA SOLAR US HOLDINGS INC.,
as Guarantor

By: /s/ Javier Garoz Neira
Name: Javier Garoz Neira
Title: Representative

HSBC BANK PLC,
as Administrative Agent

By: /s/ Mathias Kocher
Name: Mathias Kocher
Title: Authorised Signatory

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED,
as Collateral Agent

By: /s/ Françoise Rivière

Name: Françoise Rivière

Title: Authorised Signatory

BANK OF AMERICA, N.A.,
as Tranche B Arranger and Global Coordinator

By: /s/ Patrick Engel
Name: Patrick Engel
Title: Director

BANCO SANTANDER, S.A.
as Tranche B Arranger

By: /s/ Raul Fernandez
Name: Raul Fernandez
Title: Syndicated Loans

By: /s/ Jacobo Alvarado
Name: Jacobo Alvarado
Title: Vice President

BARCLAYS BANK PLC,
as Tranche B Arranger

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

CITIBANK, N.A., LONDON BRANCH,
as Tranche B Arranger

By: /s/ Leslie Rubio
Name: Leslie Rubio
Title: Managing Director

HSBC BANK PLC,
as Tranche B Arranger

By: /s/ Guy Jolly
Name: Guy Jolly
Title: Vice President

ROYAL BANK OF CANADA,
as Tranche B Arranger

By: /s/ Robert Bell
Name: Robert Bell
Title: Authorised Signatory

BANK OF AMERICA, N.A.,
as Tranche A Lender and Tranche B Lender

By: /s/ Patrick Engel
Name: Patrick Engel
Title: Director

BANCO SANTANDER, S.A.,
as Tranche A and Tranche B Lender

By: /s/ Rafael Land
Name: Rafael Land
Title: Managing Director

By: /s/ Ignacio Verdes
Name: Ignacio Verdes
Title: Executive Director

CITIBANK, N.A., LONDON BRANCH,
as Tranche A and Tranche B Lender

By: /s/ Jesus Casas-Cardenal
Name: Jesus Casas-Cardenal
Title: Legal Counsel

HSBC BANK PLC, SUCURSAL EN ESPAÑA,
as Tranche A and Tranche B Lender

By: /s/ Paco Neira
Name: Paco Neira
Title: Head of Corporate Banking

By: /s/ Olga Asensio
Name: Olga Asensio
Title: Head of International CNB Spain

ROYAL BANK OF CANADA,
as Tranche A Lender and Tranche B Lender

By: /s/ Robert Bell
Name: Robert Bell
Title: Authorised Signatory

BARCLAYS BANK PLC,
as Tranche B Lender

By: /s/ Craig J. Malloy
Name: Craig J. Malloy
Title: Director

COMMITMENTS, APPLICABLE PERCENTAGES
AND HMRC DT TREATY PASSPORT SCHEME INFORMATION

TRANCHE A FACILITY

TRANCHE A LENDER	APPLICABLE PERCENTAGE	TRANCHE A COMMITMENT
Banco Santander, S.A.	20.000000000%	US$25,000,000
Bank of America, N.A.	20.000000000%	US$25,000,000
Citibank, N.A., London Branch	20.000000000%	US$25,000,000
HSBC Bank plc, Sucursal en España	20.000000000%	US$25,000,000
Royal Bank of Canada	20.000000000%	US$25,000,000
TOTAL	100.000000000%	US$125,000,000

TRANCHE B FACILITY

TRANCHE B LENDER	APPLICABLE PERCENTAGE	TRANCHE B COMMITMENT
Barclays Bank PLC	22.000000000%	US$55,000,000
Bank of America, N.A.	20.000000000%	US$50,000,000
Citibank, N.A., London Branch	20.000000000%	US$50,000,000
Royal Bank of Canada	20.000000000%	US$50,000,000
HSBC Bank plc, Sucursal en España	12.000000000%	US$30,000,000
Banco Santander, S.A.	6.000000000%	US$15,000,000
TOTAL	100.000000000%	US$250,000,000

COMMITMENTS, APPLICABLE PERCENTAGES
AND HMRC DT TREATY PASSPORT SCHEME INFORMATION

LENDER	HMRC DT TREATY PASSPORT SCHEME REFERENCE NUMBER	JURISDICTION OF TAX RESIDENCE
Banco Santander, S.A.	N/A	N/A
Bank of America, N.A.	13/B/7418/DTTP	United States
Barclays Bank PLC	N/A	N/A
Citibank, N.A., London Branch	N/A	N/A
HSBC Bank plc, Sucursal en España	N/A	N/A
Royal Bank of Canada	N/A	N/A

ADMINISTRATIVE AGENT'S OFFICE; CERTAIN ADDRESSES FOR NOTICES

BORROWER:

Abengoa Yield plc
Great West House, GW1, 17th Floor
Great West Road
Brentford, TW8 9DF, United Kingdom.
Attention: Marta Jorge García-Inés
Telephone: +34 954 93 71 11
Electronic Mail: marta.jorge@abengoayield.com

OTHER LOAN PARTIES:

Abengoa Concessions Infrastructures, S.L.U.
Campus Palmas Altas
Calle Energía Solar nº 1
41014 Sevilla, España
Attention: Marta Jorge García-Inés
Telephone: +34 954 93 71 11
Electronic Mail: marta.jorge@abengoayield.com

Abengoa Concessions Peru S.A.
Av. Canaval y Moreyra N° 562
San Isidro-Lima, Peru
Attention: Martín Paco Solimano
Telephone: +34 954 93 71 11
Electronic Mail: mpaco@abengoa.com

ACT Holding, S.A. de C.V.
Bahía de Santa Bárbara #174
Col. Verónica Anzures
C.P.11300 México DF
Attention: Javier Muro Gagliardi
Telephone: +34 954 93 71 11
Electronic Mail: jmuro@abengoayield.com

Abengoa Solar Holdings USA Inc.
National Corporate Research, Ltd.
615 South DuPont Highway
Dover, Delaware 19901
Attention: Emiliano Garcia Sanz
Telephone: +34 954 93 71 11
Electronic Mail: emiliano.garcia@abengoayield.com

Abengoa Solar US Holdings Inc.
National Corporate Research, Ltd.
615 South DuPont Highway
Dover, Delaware 19901
Attention: Emiliano Garcia Sanz
Telephone: +34 954 93 71 11
Electronic Mail: emiliano.garcia@abengoayield.com

ADMINISTRATIVE AGENT:

HSBC Bank plc
Corporate Trust & Loan Agency, Level 27
8 Canada Square
London E14 5HQ United Kingdom
Attention: Loan Agency Operations
Facsimile: +44 (0) 20 7991 4347

COLLATERAL AGENT:

HSBC Corporate Trustee Company (UK) Limited
Corporate Trust & Loan Agency, Level 27
8 Canada Square
London E14 5HQ United Kingdom
Attention: CTLA Trustee Services Administration
Facsimile: +44 (0) 20 7991 4350
Electronic Mail: ctla.trustee.admin@hsbc.com

Exhibit 8.1

Subsidiaries of Abengoa Yield plc

Subsidiary	Jurisdiction of Incorporation or Organization
ACT Energy México, S. de R.L. de C.V.	Mexico
ABY Concessions Infrastructures, S.LU.	Spain
Abengoa Concessions Perú, S.A.	Peru
Abengoa Solar Holdings USA Inc.	Arizona
ABY South Africa (Pty) Ltd	South Africa
Abengoa Solar US Holdings Inc.	Arizona
Abengoa Transmisión Norte S.A.	Peru
Abengoa Transmisión Sur, S.A.	Peru
ACT Holdings, S.A. de C.V.	Mexico
Aguas de Skikda S.P.A.	Algeria
Arizona Solar One, LLC	Colorado
ASO Holdings Company, LLC	Colorado
ATN 2, S.A.	Peru
Cadonal, S.A.	Uruguay
Carpio Solar Inversiones, S.A.	Spain
Ecija Solar Inversiones, S.A.	Spain
Extremadura Equity Investments Sárl.	Luxembourg
Geida Skikda, S.L.	Spain
Helioenergy Electricidad Uno, S.A.	Spain
Helioenergy Electricidad Dos, S.A.	Spain
Helios I Hyperion Energy Investments, S.L.	Spain
Helios II Hyperion Energy Investments, S.L.	Spain
Holding de Energía Eólica S.A.	Uruguay
Hypesol Energy Holding, S.L.	Spain
Kaxu Solar One (Pty) Ltd.	South Africa
Logrosán Equity Investments Sárl	Luxembourg
Logrosán Solar Inversiones, S.A.	Spain
Logrosán Solar Inversiones Dos, S.L.	Spain
Mojave Solar Holdings, LLC	Colorado
Mojave Solar LLC	Arizona
Palmatir S.A.	Uruguay
Palmucho, S.A.	Chile
Sanlucar Solar, S.A.	Spain
Solaben Electricidad Uno	Spain
Solaben Electricidad Dos	Spain
Solaben Electricidad Tres	Spain
Solaben Electricidad Seis	Spain
Solaben Luxembourg S.A.	Luxembourg
Solacor Electricidad Uno, S.A.	Spain
Solacor Electricidad Dos, S.A.	Spain
ABY Servicios Corporativos S.A.	Spain
Solar Processes, S.A.	Spain
Solnova Solar Inversiones, S.A.	Spain
Solnova Electricidad, S.A.	Spain
Solnova Electricidad Tres, S.A.	Spain
Solnova Electricidad Cuatro, S.A.	Spain
Transmisora Mejillones, S.A.	Chile
Transmisora Baquedano, S.A.	Chile

Exhibit 12.1

Certification by the Managing Director
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Santiago Seage, Managing Director of Abengoa Yield plc (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;

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 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) Designated 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 this 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 Company's board of directors (or persons performing the equivalent function):

   (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: February 25, 2016

By:

/s/ Santiago Seage

Name: Santiago Seage
Title: Managing Director

Exhibit 12.2

Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Francisco Martinez-Davis, Chief Financial Officer of Abengoa Yield plc (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;

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 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) Designated 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 this 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 Company's board of directors (or persons performing the equivalent function):

   (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: February 25, 2016

By:

/s/ Francisco Martinez-Davis

Name: Francisco Martinez-Davis
Title: Chief Financial Officer

Exhibit 13.1

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F for the year ended December 31, 2015 (the "Annual Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Santiago Seage, Managing Director, and Francisco Martinez-Davis, Chief Financial Officer, each certifies that, to the best of his knowledge:

1. The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Abengoa Yield plc.

Date: February 25, 2016

By: /s/ Santiago Seage
Name: Santiago Seage
Title: Managing Director

By: /s/ Francisco Martinez-Davis
Name: Francisco Martinez-Davis
Title: Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-205433, 333-205435, and 333-205436 on Form F-3 of our reports dated February 29, 2016, relating to the consolidated financial statements of Abengoa Yield plc (which report expresses an unqualified opinion and includes an explanatory paragraph relating to Note 1 to the consolidated financial statements where the Directors describe some uncertainties regarding the current situation of its main shareholder, Abengoa, S.A., and their potential effects, if any, over the accompanying consolidated financial statements as of December 31, 2015 of the Company and the Management's plans to address those uncertainties), and the effectiveness of Abengoa Yield plc's internal control over financial reporting, appearing in this Annual Report on Form 20-F of Abengoa Yield plc for the year ended December 31, 2015.

/s/ Deloitte, S.L.

Seville, Spain

March 1, 2016