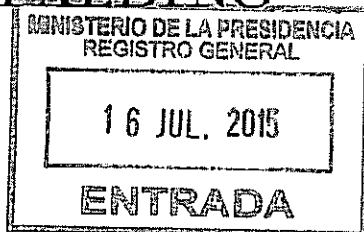


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July 16, 2015

The Honorable Mariano Rajoy Brey
Prime Minister of the Kingdom of Spain
Presidency of the Government
Complejo de La Moncloa
Avda. Puerta de Hierro s/n
28071 Madrid, Spain

The Honorable Rafael Catalá Polo
Minister of Justice of the Kingdom of Spain
Ministry of Justice
San Bernardo, 45
28071 Madrid, Spain

The Honorable José Manuel Soria López
Minister of Industry, Energy and Tourism of the
Kingdom of Spain
Ministry of Industry, Energy and Tourism
Paseo de la Castellana, 160
28046 Madrid, Spain

Without Prejudice
For Settlement Purposes Only

**Re: INVESTMENTS OF TRIODOS SICAV II-TRIODOS RENEWABLES
EUROPE FUND, TRIODOS S II LUXCO S.À.R.L. IN SPAIN, and
TRIODOS INVESTMENT MANAGEMENT**

**Notice of Legal Dispute Arising Under the Energy Charter Treaty and
Offer of Amicable Settlement**

Dear Sirs,

We write as counsel to Triodos SICAV II-Triodos Renewables Europe Fund, Triodos S II LuxCo S.à.r.l., and Triodos Investment Management (referred to herein as the “Investors”) and hereby notify you of an existing legal dispute between the Investors and the Kingdom of Spain (“Spain”).

The Investors are companies or other organizations duly organized in accordance with the laws of the Grand Duchy of Luxembourg and therefore each is an Investor of a Contracting Party under the Energy Charter Treaty (the “ECT”). The acts and omissions of Spain described below constitute serious and repeated breaches of the protections accorded to the Investors’ investments in Spain under the ECT, in violation of international law.

The purpose of this letter is to summarize the nature of the legal dispute between the Investors and Spain and to invite Spain to resolve the dispute amicably, in accordance with Article 26 of the ECT. This notice letter informs Spain that all measures it has taken and may

take that alter the legal and financial regimes governing the investments described herein or that otherwise adversely impact the revenues the Investors reasonably expected to earn from those investments constitute a legal dispute under the ECT. The Investors also request an opportunity to amicably resolve this dispute with Spain.

This letter is expressly made without prejudice to any positions that the Investors may adopt in a subsequent international arbitration proceeding, should the parties fail to reach an amicable resolution of this matter within the three-month period contemplated in Article 26 of the ECT. For the avoidance of doubt, the contents of this letter are intended to be illustrative rather than exhaustive, and the Investors expressly reserve their right to assert claims based on any misconduct by Spain in the course of an eventual arbitration proceeding.

The Investors acquire, finance, and manage renewable energy facilities across Europe. Since early 2008, Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. invested in the following five photovoltaic power parks:

- Photovoltaic park Carpio Fotovoltaica S.L.U. (“**El Carpio**”), located in Castilla y Leon, which has an installed capacity of approximately 3.48 MW and entered into operation in February 2011. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. own 100% of this facility.¹
- Photovoltaic park Lucentum Energia S.L. (“**Lucentum**”), located in Castilla la Mancha, which has an installed capacity of approximately 3.00 MW and entered into operation in September 2008. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. own 50% of this facility, which is comprised of 30 plants of 100 kW.²
- Photovoltaic park Los Cabezos I-XX S.L. (“**Los Cabezos**”), located in Andalucia, which has an installed capacity of approximately 1.84 MW and entered into operation in September 2008. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. own 50% of this facility, which is comprised of 20 plants of 40 kW, 90kW, and 100kW.³

¹ Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. hold this facility through Spanish subsidiary Carpio Fotovoltaica S.L.U.

² Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. hold this facility through Spanish companies Lucentum Energía, S.L.U., Majano de Tocon Solar 1 S.L., Majano de Tocon Solar 2 S.L., Majano de Tocon Solar 3 S.L., Majano de Tocon Solar 4 S.L., Majano de Tocon Solar 5 S.L., Majano de Tocon Solar 6 S.L., Majano de Tocon Solar 7 S.L., Majano de Tocon Solar 8 S.L., Majano de Tocon Solar 9 S.L., Majano de Tocon Solar 10 S.L., Majano de Tocon Solar 11 S.L., Majano de Tocon Solar 12 S.L., Majano de Tocon Solar 13 S.L., Majano de Tocon Solar 14 S.L., Majano de Tocon Solar 15 S.L., Majano de Tocon Solar 16 S.L., Majano de Tocon Solar 17 S.L., Majano de Tocon Solar 18 S.L., Majano de Tocon Solar 19 S.L., Majano de Tocon Solar 20 S.L., Majano de Tocon Solar 21 S.L., Majano de Tocon Solar 22 S.L., Majano de Tocon Solar 23 S.L., Majano de Tocon Solar 24 S.L., Majano de Tocon Solar 25 S.L., Majano de Tocon Solar 26 S.L., Majano de Tocon Solar 27 S.L., Majano de Tocon Solar 28 S.L., Majano de Tocon Solar 29 S.L., Majano de Tocon Solar 30 S.L.

³ Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. hold this facility through Spanish companies Plantas Fotovoltaicas Los Cabezos I, S.L., Plantas Fotovoltaicas Los Cabezos II, S.L., Plantas Fotovoltaicas Los Cabezos III, S.L., Plantas Fotovoltaicas Los Cabezos IV, S.L., Plantas Fotovoltaicas Los Cabezos V, S.L., Plantas Fotovoltaicas Los Cabezos VI, S.L., Plantas Fotovoltaicas Los Cabezos VII, S.L., Plantas Fotovoltaicas Los Cabezos VIII, S.L., Plantas Fotovoltaicas Los Cabezos IX, S.L., Plantas Fotovoltaicas

- Photovoltaic park Aznalcollar/Mysolar Proyectos (“**Aznalcollar**”), located in Andalucía, which has an installed capacity of approximately 1.89 MW and entered into operation in July 2008. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. own 50% of this facility, which is comprised of 18 plants of 100 kW and one plant of 90kW.
- Photovoltaic park Generacion Solar Investment S.L. (“**GSI**”), located in Castilla la Mancha, which has an installed capacity of approximately 1.24 MW and entered into operation in May 2008. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. own 51% of this facility, which is comprised of 8 plants of capacities ranging from 60 to 600 kW.⁴

Triodos Investment Management manages those facilities for Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l.

The Investors made the foregoing investments in Spain in reliance on certain incentive regimes that Spain specifically established to attract the type of projects that the Investors own and operate. Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. acquired four of the photovoltaic projects mentioned above with the expectation that those photovoltaic plants would benefit from the remunerative regime established in Royal Decree 661/2007 of May 25, regulating the activity of electrical energy generation by means of renewable facilities (“**RD 661**”). They continued investing in Spain in reliance on the remunerative regime established in Royal Decree 1578/2008 of September 26, 2008 (“**RD 1578**”).

Both RD 661 and RD 1578 contained attractive remuneration schemes that made creating photovoltaic facilities in Spain worthwhile and economically viable. The Investors would not have invested in Spain by acquiring, financing, managing, and operating those photovoltaic facilities in the absence of the incentives included in that legislation.

RD 661 set forth attractive feed-in tariffs for electricity generated by renewable energy sources, including the Lucentum, Los Cabezos, Aznacollar and GSI solar parks. Spain specifically guaranteed that 100% of the feed-in tariff offered in RD 661 would remain available to renewable energy plants benefitting from the regime for 25 years and, thereafter, the plants would be entitled to 80% of the initial feed-in tariff throughout their remaining

Los Cabezos X, S.L., Plantas Fotovoltaicas Los Cabezos XI, S.L., Plantas Fotovoltaicas Los Cabezos XII, S.L., Plantas Fotovoltaicas Los Cabezos XIII, S.L., Plantas Fotovoltaicas Los Cabezos XIV, S.L., Plantas Fotovoltaicas Los Cabezos XV, S.L., Plantas Fotovoltaicas Los Cabezos XVI, S.L., Plantas Fotovoltaicas Los Cabezos XVII, S.L., Plantas Fotovoltaicas Los Cabezos XVIII, S.L., Plantas Fotovoltaicas Los Cabezos XIX, S.L., Plantas Fotovoltaicas Los Cabezos XX, S.L., Plantas Fotovoltaicas Los Cabezos, S.L., Mysolar Proyectos-1, S.L., Mysolar Proyectos-2, S.L., Mysolar Proyectos-3, S.L., Mysolar Proyectos-4, S.L., Mysolar Proyectos-5, S.L., Mysolar Proyectos-6, S.L., Mysolar Proyectos-7, S.L., Mysolar Proyectos-8, S.L., Mysolar Proyectos-9, S.L., Mysolar Proyectos-11, S.L., Mysolar Proyectos-12, S.L., Mysolar Proyectos-13, S.L., Mysolar Proyectos-14, S.L., Mysolar Proyectos-15, S.L., Mysolar Proyectos-16, S.L., Mysolar Proyectos-17, S.L., Mysolar Proyectos-18, S.L., Mysolar Proyectos-19, S.L., Mysolar Proyectos-20, S.L.

⁴ Triodos SICAV II-Triodos Renewables Europe Fund and Triodos S II LuxCo S.à.r.l. hold this facility through Spanish subsidiaries Generación Solar Investment, S.L., GSI Akisol, S.L., GSI Comensol, S.L., GSI Decisol, S.L., GSI Fidesol, S.L., GSI Maquesol, S.L., GSI Nerosol, S.L., GSI Octosol, S.L., GSI Pangisol, S.L., and Conjunto Solar Mejorada, S.L.

operating lives. As a further guarantee of Spain's commitment to the incentive program under RD 661, that legislation expressly stated that future revisions of the economic regime of renewable energy projects would not apply to facilities already commissioned and operating under the regime.

The enrollment period for projects under RD 661 was limited in time, and once it closed, Spain enacted a second incentive program, RD 1578, to further encourage new investments in photovoltaic facilities. RD 1578 also contained an attractive pricing system for electricity produced by renewable sources, which was available to the projects benefitting from that regime for a period of 25 years. The Investors expected El Carpio to benefit from the full extent of the RD 1578 pricing regime.

Despite the legal guarantees explicitly and implicitly provided under RD 661 and RD 1578 regimes, Spain subsequently amended both decrees and substantially altered the legal and economic regimes applicable to the photovoltaic facilities. Spain's various amendments to RD 661 and RD 1578, the most egregious of which are summarized below, breach the ECT and international law and entitle the Investors to compensation for the damages they have suffered.

In 2010, Spain approved at least two pieces of legislation that reduced the remuneration available to the photovoltaic facilities. Royal Decree 1565/2010, regulating and amending certain aspects related to the activity of generating electricity under the special regime (as amended in March 2011), cancelled the right of the projects to receive premium pricing after year 30 of their operating lives, despite the clear wording in RD 661 that these projects would be entitled to 80% of the incentivized remuneration throughout their operating lives after year 25. Additionally, Royal Decree-Law 14/2010, establishing emergency measures for correction of the tariff deficit, placed limitations on the annual operating hours eligible for incentivized compensation of photovoltaic facilities. That change meant that the facility owners could only sell electricity generated from their plants beyond the eligible hour threshold at market prices, rather than feed-in tariff prices. Both acts substantially decreased the profits and revenues that the Investors anticipated for the plants when they acquired them.

A further alteration to the economic regimes governing the plants and established in RD 661 and RD 1578 occurred on December 27, 2012. Spain enacted Law 15/2012, which introduced an alleged "tax" on the value of electricity generation, established at a 7% rate of the total amount of income received for production of energy. That measure, which directly reduced the remuneration guaranteed to the plants under RD 661 and RD 1578, also violates the ECT and international law.

Moreover, in February 2013, Spain enacted Royal Decree-Law 2/2013, which amended the method for updating the incentivized pricing formulas in RD 661 and RD 1578 by de-linking them from the general Consumer Price Index and substituting a lower index. This too reduced the remuneration to which the photovoltaic plants were entitled and which the Investors reasonably expected when deciding to invest in Spain.

The foregoing material alterations to the legal and economic regimes guaranteed in RD 661 and RD 1578 — in reliance on which the Investors made their investments — caused significant damage to them. However, the treaty-breaching conduct described above pales in

comparison to Spain's violations of the ECT through the enactment of Royal Decree-Law 9/2013, on July 12, 2013 ("**RDL 9**") and its implementing measures.

RDL 9 retroactively abolished the incentivized pricing system guaranteed to the Investors' renewable energy facilities under RD 661 and RD 1578. Instead of the attractive pricing systems that induced the Investors to invest under RD 661 and RD 1578, compensation under the new regime is limited to remuneration based on the electricity market price, supplemented when necessary to obtain a "reasonable return of the investment" (as unilaterally defined by Spain). The new regime bases the compensation scheme on estimates of the costs and revenues of a "standard" electricity-generating plant and links the so-called "reasonable rate of return" to the yield of the Spanish Government's bonds over a ten-year period. In other words, the profits that electricity producers like the Investors could hope to make on their investments in Spain are now strictly in the hands of Spain.

Significantly, under the new regime, Spain intends to consider the historical profitability of facilities when determining whether they have reached a "reasonable rate of return." Any project that is deemed to have already exceeded a reasonable level of return will only be entitled to receive the market price for electricity going forward. Act 24/2013, dated December 26, 2013, on the Electricity System, confirmed the scheme established in RDL 9 and added that any payments made to the Investors and other electricity producers may be further reduced to balance the electricity system's revenues and expenses.

On June 6, 2014, Spain enacted Royal Decree 413/2014, and on June 16, 2014, Spain enacted Ministerial Order IET/1045/2014 to further implement RDL 9 and establish specific remuneration parameters for existing facilities. The resulting remunerative regime that is now governed by RDL 9, Act 24/2013, Royal Decree 413/2014, and Ministerial Order IET/1045/2014 will cause further severe harm to the Investors' investments.

The specific acts described above, as well as related acts and omissions of Spain since 2010, constitute serious and material violations of the protections accorded to the Investors and their investments under the ECT. In particular, the ECT requires Spain to: (i) at all times accord fair and equitable treatment to investments; (ii) provide the most constant protection and security to investments; (iii) refrain from impairing the management, maintenance, use, enjoyment, or disposal of investments by unreasonable or discriminatory measures; (iv) treat investments in accordance with international law; (v) observe any obligations it has entered into with an investor or in relation to an investment; and (vi) refrain from unlawfully expropriating an investment.

Spain's conduct clearly violates those provisions, and we are confident that any arbitral tribunal constituted to hear this dispute would reach that conclusion and order Spain to pay compensation to the Investors. By way of example only — and without prejudice to any future arguments that our clients may make in a subsequent arbitration proceeding — Spain's direct and indirect reductions to the remuneration schemes in place when the Investors began developing and operating their photovoltaic facilities plainly violate the ECT's "fair and equitable treatment" and "impairment" standards, as well as Spain's obligations with respect to the Investors and their investments.

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Spain's violations of the ECT have resulted in substantial harm to the Investors' investments, caused significant loss of revenues of the renewable energy plants, and jeopardize their future operation. Spain's treaty-breaching conduct has also resulted in the devaluation of the Investors' facilities and other assets, increased operating costs, lost business opportunities, and other adverse consequences deriving from the legal and financial uncertainty that Spain has created, including a reduction to the management fee that Triodos Investment Management receives as investment manager.

Although we have little doubt that the Investors would prevail in an international arbitration proceeding against Spain, our clients remain hopeful that an amicable resolution can be achieved and resort to arbitration can be avoided. Should Spain wish to pursue such a resolution, we stand ready to discuss the matter with its representatives or duly-appointed counsel. Any response to this invitation by Spain should be directed to our attention, as the legal representatives of the Investors.

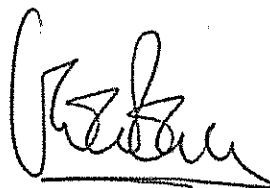
If no amicable solution has been reached within three months of the present date, the Investors will proceed to international arbitration against Spain in accordance with Article 26 of the ECT.

Moreover, the Investors demand that Spain refrain from engaging in any other conduct that would materially aggravate the existing dispute between the parties. Should Spain fail to do so, the Investors expressly reserve their right to request relief from an international arbitral tribunal constituted in accordance with the ECT or any other appropriate body. If forced to resort to international arbitration, the Investors will seek the full measure of damages to which they are entitled under the ECT and applicable international law.

Sincerely,



Ken Fleuriet
King & Spalding



Verónica Romaní Sancho
Gómez-Acebo & Pombo

cc: Mr. Carlos María de Lojendio y Pardo Manuel de Villena
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