Base Prospectus

IREN S.p.A.

(a company limited by shares incorporated under the laws of the Republic of Italy)

€4,000,000,000
Euro Medium Term Note Programme

Under the €4,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus, Iren S.p.A. ("**Iren**" or the "**Issuer**") may from time to time issue certain non-equity securities ("**Notes**") in bearer form denominated in any currency.

This document constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has been approved as such by the Central Bank of Ireland (the "**Central Bank**") as competent authority in the Republic of Ireland for the purposes of the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. This Base Prospectus (as supplemented from time to time) is valid to 16 July 2025. The Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-months validity period.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for Notes to be admitted to the Official List and to trading on its regulated market. The Programme also allows for the issue of Notes that are: (i) admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as the Issuer and the relevant Dealer(s) (as defined below) may agree or (ii) not admitted to listing, trading or quotation by any competent authority, stock exchange and/or quotation system.

This Base Prospectus is available for viewing on Euronext Dublin's website (*https://live.euronext.com*) and the information incorporated by reference in this Base Prospectus may be accessed on the Issuer's website (*www.gruppoiren.it*) (see "*Information Incorporated by Reference*").

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*" on page 16.

The Programme has been rated "BBB" by Fitch Ratings Ireland Limited ("**Fitch**") and "BBB" by S&P Global Ratings Europe Limited ("**S&P**"). In addition, the Issuer's long-term default and its senior unsecured debt have been rated "BBB" by Fitch and "BBB" by S&P. Both Fitch and S&P are established in the EEA and registered as credit rating agencies under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

Mediobanca

Dealers

Goldman Sachs International
Mediobanca

IMI – Intesa Sanpaolo
UniCredit

16 July 2024

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this document and declares that, to the best of its knowledge, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**"), together with a document specific to such Tranche called final terms (the "**Final Terms**"). This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. The Issuer accepts responsibility for the information contained in the Final Terms in respect of each Tranche of Notes issued under the Programme. Other than the information which is incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*"), the information on the websites to which this Base Prospectus makes reference does not form part of this Base Prospectus. Any website referred to in this document has not been scrutinised or approved by the Central Bank.

The Issuer has confirmed to the Dealers (as defined in "*Certain Definitions*" below) that this Base Prospectus (including, for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates make any representation or warranty as to the accuracy or completeness of information contained in this Base Prospectus or any other document or information provided by or on behalf of the Issuer in connection with the Programme or any issue of Notes under the Programme. Accordingly, neither the Dealers nor any of their respective affiliates accept any liability for this Base Prospectus or any such document or information, or for the distribution of any of the foregoing.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented by a supplement or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since any such date or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date shown in the document containing that information.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have

made its own investigation and appraisal of the condition (financial or otherwise), prospects and credit-worthiness of the Issuer.

Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Notes issued as Green Bonds and Step Up Notes: The Issuer may issue Notes under the Programme referred to as "Green Bonds", the proceeds of which are to be used to finance or refinance, in whole or in part, Eligible Green Projects (as defined and set out in further detail in the section entitled "*Use of Proceeds*" below). The Issuer may also issue "Step Up Notes" under the Programme, whereby the interest payable is subject to upward adjustment in certain circumstances linked to the achievement of sustainability targets, as specified in the Conditions. None of the Issuer and the Dealers accepts any responsibility for any environmental and sustainability assessment of any such Notes or makes any representation or warranty or assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable" or similar labels (including any expectations or requirements in respect of any legislation, regulations, standards or guidelines) or any requirements arising from the use of such labels as they evolve over time. Neither are any of the Dealers responsible for the use of proceeds for any Notes issued as Green Bonds or the monitoring or impact of such use of proceeds, nor are they responsible for the setting of any sustainability targets under Step Up Notes or the monitoring of compliance with such targets or the impact of non-compliance. No representation or assurance is given by the Issuer and the Dealers as to the suitability or reliability of any opinion, report or verification by any third party made available in connection with an issue of Notes issued as Green Bonds or any Step Up Notes, nor does any such opinion, report or verification constitute a recommendation by any Dealer to buy, sell or hold any such Notes. Furthermore, if any such Notes are, or are intended to be, listed or admitted to trading on a dedicated "green", "sustainable" or other equivalently-labelled segment of a stock exchange or trading venue, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. Neither the Issuer nor any of the Dealers represents that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor do they assume any responsibility for facilitating any such distribution or offering.

No action has been taken by the Issuer or the Dealers which is intended to permit a public offering of the Notes or the distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PRIIPs / IMPORTANT – UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger (as named in "*General Description of the Programme*" below) nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance / Target Market" which will

outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: A determination will be made in relation to each issue about whether, for the purpose of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") UK MiFIR Product Governance Rules, any Dealer subscribing for any Tranche of Notes is a manufacturer in respect of that Tranche, but otherwise neither the Arranger (as defined below) nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance / Target Market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

For a description of certain other restrictions on the offering, sale and delivery of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see the section entitled "*Subscription and Sale*" below. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €4,000,000,000 and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes, calculated in accordance with the provisions of the Dealer Agreement (as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement and publication of a supplement to this Base Prospectus.

BENCHMARKS REGULATION: Amounts payable under the Notes may be calculated by reference to certain reference rates, including the Euro Interbank Offered Rate ("**EURIBOR**") or the Constant Maturity Swap rate ("**CMS Rate**"), in each case as specified in the relevant Final Terms. If any such reference rate constitutes a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**EU Benchmarks Regulation**"), the Final Terms will indicate whether or not that benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the EU Benchmarks Regulation (the "**EU Benchmarks Register**"). As at the date of this Base Prospectus: (1) EURIBOR is provided and administered by the European Money Markets Institute ("**EMMI**"), which is included on the EU Benchmarks Register; and (2) the CMS Rate is provided and administered by ICE Benchmark Administration Limited ("**IBA**"), which is not included on the EU Benchmarks Register. As far as the Issuer is aware, the transitional provisions of Article 51 of the EU Benchmarks Regulation apply, such that IBA is currently not required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence). Not every reference rate will fall within

the scope of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

CRA REGULATION: Notes issued pursuant to the Programme may be rated or unrated. The Final Terms will specify the details of any rating attributable to a Tranche of Notes issued under the Programme. Where a Tranche of Notes is rated, its rating will not necessarily be the same as any rating applicable to the Issuer. Furthermore, a rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Final Terms relating to rated Notes will also disclose whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No. 1060/2009, (as amended, the "**CRA Regulation**") or (2) issued by a credit rating agency which is certified under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating does not fall within one of the categories set out above. Any credit rating agency registered under the CRA Regulation will be entered on the list of registered credit rating agencies maintained by ESMA, which may be consulted on the following page on its website:

https://www.esma.europa.eu/supervision/credit-rating-agencies/risk

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

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

CERTAIN DEFINITIONS

In this Base Prospectus, unless otherwise specified or where the context requires otherwise:

(i) "**affiliate**" means, in relation to a person (the "**first person**"), another person that, either directly or indirectly (through one or more intermediate persons): (a) controls or is controlled by the first person; or (b) is under common control with the first person;

(ii) references to "**billions**" are to thousands of millions;

(iii) "**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg;

(iv) references to the "**Conditions**" are to the terms and conditions relating to the Notes set out in this Base Prospectus in the section "*Terms and Conditions of the Notes*" and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions;

(v) the "**Dealers**" means Goldman Sachs International, Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A. and UniCredit Bank GmbH, together with any additional Dealer appointed by the Issuer under the Programme from time to time, either for a specific issue or on an ongoing basis;

(vi) references to "**€**", "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;

(vii) "**Euroclear**" means Euroclear Bank S.A./N.V.;

(viii) "**Group**" means the Issuer and its consolidated subsidiaries;

(ix) "**ICSDs**" means Clearstream, Luxembourg and Euroclear;

(x) "**IFRS**" means International Financial Reporting Standards, as adopted by the European Union;

(xi) the "**Issuer**" means Iren S.p.A.;

(xii) references to a "**Member State**" are to a Member State of the European Economic Area;

(xiii) references to a "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) purchased by one Dealer, be to such Dealer and, in the case of an issue of Notes being (or intended to be) purchased by more than one Dealer, be to the lead manager of such issue; and

(xiv) the "**Securities Act**" means the United States Securities Act of 1933, as amended.

STABILISATION

In connection with the issue of any Tranche of Notes under the Programme, the Dealer (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Such stabilising shall be conducted in accordance with all applicable laws, regulations and rules.

THIRD PARTY INFORMATION

This Base Prospectus contains information sourced from the *Autorità di Regolazione per Energia Reti e Ambiente* (Regulatory Authority for Energy, Networks and the Environment or "**ARERA**". Such information has been reproduced accurately in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by those organisations, no facts have been omitted which would render such reproduced information inaccurate or misleading.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus contains certain performance measures ("**APM**") which, although not recognised as financial measures under Italian GAAP or IFRS, are used by the management of the Issuer to monitor the Group's financial and operating performance. In particular:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), Net Working Capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale). For further details on the construction of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position presented in the annexes to the consolidated financial statements. This APM is used by the Group in

the context of internal and external documents and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the reporting period and previous periods or years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Net Financial Debt: calculated as the sum of non-current financial liabilities net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents. This APM is used by the Group in the context of documents both internal to the Group and external and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with that of the previous periods or years.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities. This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's operational efficiency, including by comparing the reporting period with that of the previous periods or years.

Gross operating profit or loss (EBITDA): calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses. Gross operating profit or loss is explicitly shown as a subtotal in the financial statements. This APM is used by the Group in the context of both internal and external documents and is a useful tool for assessing the Group's operating performance (both as a whole and for the individual Business Units), including by comparing the operating profit or loss for the reporting period with that for previous periods or years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Operating profit or loss (EBIT): calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments and financial income and expense. Operating profit or loss is explicitly shown as a subtotal in the financial statements.

Free Cash Flow: determined as the sum of operating cash flow and cash flow from investing activities as indicated in the statement of cash flows.

Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of grants related to assets. This APM is used by the Group in the context of internal and external documents, and measures the financial resources absorbed to purchase durable goods in the year.

Gross operating profit or loss (EBTDA) margin: calculated by dividing the gross operating profit or loss by revenue. This APM is used by the Group in the context of both internal and external documents and is a useful instrument for assessing the Group's operating performance (both as a whole and for individual Business Units), determined as a percentage between gross operating profit and value of revenue.

Net Financial Debt/Equity: determined as the ratio between Net Financial Debt and equity including non-controlling interests. This APM is used by the Group in the context of both internal and external documents and is a useful instrument for assessing the financial structure in terms of the impact of the different sources of financing (third-party funds and own funds).

Investors should note that:

- these measures are not recognised as performance criteria under IFRS;

- they shall not be adopted as alternatives to operating profit, profit for the year, operating and investing cash flow, net financial position or other measures consistent with IFRS, Italian GAAP or any other generally accepted accounting principles; and
- they are used by management to monitor the performance of the business and its management, but are not indicative of historical operating results, nor are they intended to be predictive of future results.

Furthermore, since companies do not all calculate these measures in an identical manner, the Issuer's presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on any such data.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus shall have the same meanings in this description.

Issuer:	Iren S.p.A.
Arranger:	Mediobanca – Banca di Credito Finanziario S.p.A.
Dealers:	Goldman Sachs International Intesa Sanpaolo S.p.A. Mediobanca – Banca di Credito Finanziario S.p.A. UniCredit Bank GmbH and any other Dealer appointed from time to time by the Issuer, either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent and Paying Agent:	The Bank of New York Mellon
Listing Agent:	Arthur Cox Listing Services Limited
Approval, Listing and Admission to Trading:	This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus pursuant to the Prospectus Regulation. Application has been made for Notes issued under the Programme to be admitted to trading on the regulated market of Euronext Dublin and to be listed on the Official List of Euronext Dublin. Notes may be listed or admitted to trading (as the case may be) on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes may also be issued which are neither listed nor admitted to trading on any market.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to €4,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the Issue Date, the Interest Commencement Date, the Issue Price and the amount and the date of the first payment of interest may be different in respect of different Tranches and each Tranche may comprise Notes of different denominations.

Final Terms:	Notes issued under the Programme will be issued pursuant to this Base Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes, together with the relevant Final Terms.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not specified in the relevant Final Terms as a New Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, whereas each Global Note which is specified in the relevant Final Terms as a New Global Note will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The Final Terms will specify whether or not the Notes are issued in the form of a New Global Note. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. For further information, see the section of this Base Prospectus entitled "*Forms of the Notes*".
Currencies:	Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application).
Issue Price:	Notes may be issued at any price, as specified in the relevant Final Terms.

Maturities:	Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the Issuer.
Redemption:	Subject to any purchase and cancellation or early redemption or repayment, the Notes will be redeemable at par.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms. In the case of redemption at the option of the Issuer, the Final Terms may specify that the right to redeem the Notes may be exercised by the Issuer (i) unconditionally (on certain dates) and/or (ii) conditionally, once the aggregate outstanding principal amount of a Series of Notes falls below a specified threshold (clean-up call). In the case of redemption at the option of the Noteholders, the Final Terms may specify that the right to require redemption of the Notes may be exercised by Noteholders (i) unconditionally (on certain dates) and/or (ii) conditionally, upon the occurrence of certain change of control events.
Tax Redemption:	Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons, as described in Condition 12(b) (*Redemption for tax reasons*).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination of the two and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Benchmark discontinuation:	As set out in further detail in Condition 8 (*Benchmark Replacement*), on the occurrence of a Benchmark Event and subject to certain conditions, the Issuer will use its reasonable endeavours to appoint as soon as reasonably practicable, at the Issuer's own expense, an Independent Reference Rate Adviser to determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments. If the Issuer is unable to appoint an Independent Reference Rate Adviser or the Independent Reference Rate Adviser appointed by it fails to determine a Successor Rate or Alternative Rate, the Issuer (acting in good faith and in a commercially reasonable manner) may itself determine a Successor Rate or, failing which, an Alternative Rate.
Step Up Notes:	Notes bearing interest at a fixed or floating rate may be subject to a Step Up Option if the Final Terms indicate that the Step Up Option is applicable. The Rate of Interest for Step Up Notes will be the Rate of Interest specified in the relevant Final Terms but will be increased by the Step Up Margin specified in those Final Terms for any Interest Period commencing on or after the Interest Payment Date immediately following the occurrence of a Step Up Event.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note issued under the Programme will be €100,000 (or, where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 15 (*Events of Default*).
Taxation:	All payments in respect of Notes will be made free and clear of withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer will (subject to the exceptions set out in Condition 14 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

	As more fully set out in Condition 14 (*Taxation*), the Issuer shall not be liable in certain circumstances to pay any additional amounts to holders of the Notes, including (but not limited to) where any payment, withholding or deduction is required pursuant to Decree No. 239 on account of Italian substitute tax, as defined therein in relation to interest or premium payable on, or other income deriving from, the Notes.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by English law. Condition 19 (*Meetings of Noteholders; Noteholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders are subject to compliance with mandatory provisions of Italian law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 16 July 2024, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings	The Programme has been rated "BBB" by Fitch and "BBB" by S&P. In addition, the Issuer's long-term default and its senior unsecured debt have been rated "BBB" by Fitch and "BBB" by S&P. Notes issued pursuant to the Programme may be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Italy, France and Japan, see "*Subscription and Sale*" below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the sectors in which it operates, together with all other information contained in this Base Prospectus, including in particular, the risk factors described below, and any document incorporated by reference in this Base Prospectus.

The risks set out below are those which the Issuer believes, based on information currently available to it, to be specific to the Issuer and/or to the Notes and material for taking an informed investment decision. However, the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered material risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risks that are specific to the Issuer are presented in three categories and those specific to the Notes are presented in three categories, in each case with the most material risk factors presented first in each category and the remaining risk factors presented in an order which is not intended to be indicative either of the likelihood that each risk will materialise or of the magnitude of their negative impact on the business, financial condition and results of operations of the Issuer and the Group.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any information incorporated by reference in this Base Prospectus, and reach their own views, based upon their own judgment and upon advice from such financial, legal, tax and other professional advisers as they deem necessary, prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER

The risks under this heading are divided into the following categories:

- *Regulatory risks*
- *Risks related to the business activities and industries of the Issuer and the Group*
- *Financial risks*

Regulatory risks

Evolution in legislative and regulatory framework for the electricity, district heating, natural gas, waste and water sectors

The Group mainly operates in the electricity, district heating, natural gas, waste and water sectors, which are subject to several laws and regulations, whether at European or national and regional level, as well as the regulations of certain authorities, including the Italian Regulatory Authority for Energy, Networks and Environment (*Autorità di Regolazione per Energia Reti e Ambiente*) ("**ARERA**"), an independent body created under Italian Law No. 481 of 14 November 1995 for the purposes of protecting consumer interests and promoting the competition, efficiency and distribution of services with adequate levels of quality, through regulatory and control activities. For further information, see "*Regulation*", below. Changes in applicable legislation and regulation, and the manner in which they are interpreted could affect the Group's earnings and operations, either positively or negatively, both through the effect on current operations and also through the impact on the cost and revenue-earning capabilities of current and future planned developments in sectors in which the Group conducts its business, directly or through its subsidiaries. Such changes could include different tax rates, tariff

calculation methods, new legislation and policies in the areas of energy and the environment or alterations in safety or other workplace laws or changes in the regulation of cross-border transactions.

In addition, public policies related to water, waste, energy (mostly electricity, gas, district heating and LNG), energy efficiency and/or air emissions may have an impact on the overall market and particularly the public sector, in which the Group operates. Furthermore, regulation of a particular sector may affect many aspects of the Group's business and, in many respects, determines the manner in which it conducts its business and the fees it charges or obtains for its products and services. Any new or substantially altered laws, regulations and/or standards may adversely affect Iren's business, financial condition and results of operations.

The Group is also required to comply with certain quality standards for the sale of natural gas, electricity and district heating to end users, as well as certain standards of security, continuity and commercial quality with respect to natural gas distribution, integrated water services and electricity distribution. Failure to comply with these standards may result in the Group having to pay indemnities to end users, penalties and/or fines and could adversely affect the Issuer's business, financial condition and results of operations.

The Group is dependent on concessions from national and local authorities for its regulated activities

For the year ended 31 December 2023, regulated activities (such as electricity and gas distribution, integrated water services, waste management)[1] accounted for 49 per cent. of the Group's EBITDA[2] while the remaining was represented by semi-regulated activities (such as district heating, urban waste disposal and incentives for power generation by renewable energy sources (16 per cent.)) and non-regulated activities (such as power generation, special waste and the Market business unit (35 per cent.))[3]. Most of the regulated and semi-regulated activities are dependent on concessions from national and local authorities (electricity distribution, integrated water service, district heating, gas distribution, hydroelectric generation, waste management and public lighting) that vary in duration across the Group's business areas. For further information on the concessions granted to Iren and its subsidiaries, their original expiry dates and the extension regime applicable to them, see *"Description of the Issuer – Concessions*" below.

No assurance can be given that the Group will be successful in renewing its existing concessions or in obtaining new concessions in order to carry on its business once its existing concessions expire, or that any new concessions entered into or renewals of existing concessions will be on terms similar to those of its current concessions. Any failure by the Group to obtain new concessions or renew existing concessions, in each case on similar or otherwise favourable terms, could adversely affect the Group's business, financial condition and results of operations.

In relation to hydroelectric power, a public tendering procedure for the granting of concessions for water exploitation is required by Legislative Decree No. 79 of 16 March 1999. In addition, Law. No. 12 of 11 February 2019 ("**Law 12/2019**") has redefined the regulatory framework on concessions for hydroelectric purposes by amending article 37 of Law Decree No. 83 of 22 June 2012. In particular,

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[1] For a description of Gross operating profit (EBITDA), see "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

[3] Regulated activities mean activities granted on concession to the Issuer whose revenues are protected by a system of tariffs established by the competent authorities (i.e. ARERA or the Regions for waste collection management) and are not subject to volume-risk.

Semi-regulated activities mean activities whose revenues are predictable over time since those revenues are (i) either pre-determined by a system of tariffs which is regulated by the competent authorities or (ii) are originated from fixed price formulas. Revenues are partly subject to volume-risk.

Law No. 12/2019 provides for the transfer to the Regions of ownership of hydroelectric projects when concessions expire or in cases of withdrawal or revocation. Under Law No. 12/2019, the potential risks mainly relate to:

- excessive charges due to (i) a possible increase in the ordinary fee and (ii) the additional fee to be paid for expired concessions; and
- the procedures for the reassignment of expired concessions.

In addition, each concession is governed by agreements with the relevant grantor requiring the relevant concession holder to comply with certain obligations (including performing regular maintenance) and is subject to penalties or sanctions for non-performance or default under the relevant concession. Failure by a concession holder to fulfil its material obligations under a concession can, if such failure is left unresolved, lead to early termination by the grantor of the concession. Furthermore, in accordance with general principles of Italian law, a concession can be terminated early for reasons of public interest. Finally, ARERA and the other competent authorities (such as the Italian Antitrust Authority and the Privacy Guarantor) are entitled to carry out inspections in relation to the Issuer's regulated activities and has power to levy significant fines or other disqualification measures (such as the suspension of activities) in the event of non-compliance.

Both in the case of expiry of a concession at its stated expiry date and in the case of early termination for any reason whatsoever, each concession holder must continue to operate a concession until it is replaced by the incoming concession holder. In addition, the outgoing concession holder may be required to transfer all the assets relating to the operation of the concession to the grantor or to the incoming concession holder. The outgoing concession holder is normally entitled to compensation based on the residual value of investments made by it in the concession. However, partly due to uncertainties over, *inter alia*, the valuation criteria applied to such investments and the interpretation of the applicable law, the amount and date of payment of any such compensation could be easily challengeable and be subject to disputes.

Where any Group company is a borrower under any loan agreements, the termination of a concession may have serious contractual consequences, such as mandatory prepayment of the loan by the Group company. In addition, the loss of a concession may result in litigation, *inter alia*: (i) by or against the incoming concession holder, if any, with respect to the determination of the compensation to be paid to them, even if the method of determination of the compensation is clearly defined in the concessions or by national rules; and (ii) by users of the service performed by the Group under the concession.

Risks from compliance with environmental laws and regulations

Compliance with environmental laws, rules and regulations requires the Group to incur significant costs relating to environmental monitoring, installation of pollution control equipment, emission fees, maintenance and upgrading of facilities, performing clean-ups and obtaining permits. The costs of compliance with existing environmental legal requirements or those not yet adopted may increase in the future. Any increase in such costs, unless promptly recovered, could have an adverse impact on the Group's business, financial condition and results of operations.

Furthermore, risks of environmental and health and safety accidents and liabilities are inherent in many of the Group's operations. The Group may incur significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental laws and regulations, such as Law No. 68/2015 which has introduced into Italian legislation a number of new criminal offences related to environmental liabilities (so called "*ecoreati*"). Such laws and regulations required the Iren Group to adopt preventive or remedial measures and may influence the Group's business decision and strategy. Failure to comply with environmental requirements in the territories where the Group operates may lead to fines, litigation, loss of licences and temporary or permanent curtailment of operations.

Notwithstanding the Issuer's belief that the operational policies and standards adopted and implemented throughout the Group to ensure the safety of its operations are of a high standard, it is always possible that incidents such as blow-outs, spill-over, contamination and similar events will occur and result in damage to the environment, employees and/or local communities. The Group has accrued risk provisions aimed at coping with existing environmental expenses and liabilities. Despite this, the Group may in the future incur significant environmental expenses and liabilities in addition to the amounts already accrued owing to: (i) unknown contamination; (ii) the results of ongoing or future surveys on the environmental status of certain of the Group's industrial sites, as required by applicable regulations on contaminated sites; and (iii) the possibility that proceedings will be brought against the Group in relation to such matters. Any such increase in costs could have an adverse effect on the Group's business, financial condition and results of operations.

Risks relating to changes in levels of tariffs

As referred to under "*Description of the Issuer*" below, the Group operates, *inter alia*, in the water, waste as well as gas, electricity and energy distribution sectors and is exposed to a risk of variation in the tariffs applied to end users. Applicable tariffs payable by end users are determined and adjusted by regulators (such as the ARERA) and may be subject to variations resulting from changes in the tariff method or from the periodic revisions resulting from investigations by the relevant authority concerning, *inter alia*, efficiency improvements and the actual implementation of planned investments or the achievement of quality standards. Uncertainties as to how to establish tariffs and any decrease in tariffs, also as a consequence of changes in related laws and regulations, could have an adverse impact on the business, financial condition and results of operations of the Group.

Risks related to the business activities and industries of the Issuer and the Group

Iren's ability to achieve its strategic objectives could be impaired if the Group is unable to maintain or obtain the required licences, permits, approvals and consents

The strategic development plan of the Group provides for considerable investments in all Group's business sectors, ranging from the development of renewable plants (photovoltaic and wind) to the construction or upgrading of district heating networks (*teleriscaldamento*), the upgrading of its hydroelectric plants and the consolidation of its presence in the power and gas distribution sectors, and water and waste treatment sectors. The above activities entail Group exposure to regulatory, technical, commercial, economic and financial risks related to the obtaining of the relevant permits and approvals from regulatory, legal, administrative, tax and other authorities and agencies. The processes for obtaining these permits and approvals are often lengthy, complex, unpredictable and costly. If Iren and its subsidiaries are unable to maintain, obtain or comply with the relevant permits and approvals, this could impair the Group's ability to achieve its strategic objectives and, in turn, could adversely affect the Issuer's business, financial condition and results of operations.

Risks relating to market liberalisation resulting in greater competition

Some of the sectors in which the Group operates have recently undergone a process of gradual liberalisation, which has been implemented in different ways and according to different timetables. For example, for microbusinesses with installed power less than 15 KW capacity the *maggior tutela* (or enhanced protection) regime in the electricity sector terminated with effect from 1 April 2023. For domestic customers, the *maggior tutela* (or enhanced protection) regime in the gas sector terminated with effect from 10 January 2024 whilst in the electricity sector the expiry date is set for July 2024.

As a result, new competitors may enter some of the Group's markets and the Group's ability to develop its businesses and improve financial results may be constrained by new competition.

In its electricity business, from the production to the supply and sale businesses, the Group competes with national and international producers and traders which sell electricity in the Italian market to industrial, commercial and residential clients. This could have an impact on the prices paid or achieved in the Group's electricity production and trading activities. Similarly, in its natural gas business, Iren faces increasing competition from both national and international natural gas suppliers. Increasingly higher levels of competition in the Italian natural gas market could entail reduced natural gas selling margins. Furthermore, a number of national gas producers from countries with large gas reserves have begun to sell natural gas directly to end users in Italy, potentially threatening the market position of companies like Iren, which resell gas purchased from producing countries to end users.

Although the Group has sought to face the challenge of liberalisation by increasing its presence and client base in free (*i.e.*, non-regulated) areas of the energy markets in which it competes, it may not be successful in doing so. Any failure by the Group to respond effectively to increased competition may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risks related to the variability of weather and atmospheric conditions

Iren's business includes hydroelectric generation and, accordingly, Iren is dependent upon rainfall in the areas where its hydroelectric generation facilities are located. If there is a drought, the output of Iren's hydroelectric plants is depleted. At the same time, the electrical business is affected by atmospheric conditions such as average temperatures, which influence consumption. Significant changes in weather conditions from year to year may affect demand for natural gas and electricity, as in colder years the demand is normally higher and may also have a negative impact on the electric generation system in terms of performance of thermoelectric power plants and variability of wind farms production. Accordingly, the results of operations of the gas and electricity segment and, to a lesser extent, the comparability of results over different periods, may be affected by such changes in weather conditions.

In addition, Iren has identified risks related to climate change by distinguishing between physical risks and transition risks associated with changes in the weather. Physical risks resulting from changing climatic conditions are divided into acute physical risks – if related to local catastrophic natural events (e.g. floods, heat waves, fires etc.) – and chronic physical risks – if related to long-term climate change (e.g. global warming, rising sea levels, water scarcity etc.). The transition to a low carbon economy could entail extensive changes in government policies, with consequent regulatory, technological and market changes. Depending on the nature and speed of these changes, transition risks may result in a varying level of financial and reputational risk for the Group.

Furthermore, power plants and natural gas fields are exposed to extreme weather phenomena that could result in material disruption to the Issuer's operations and consequent loss or damage to properties and facilities (in this respect, see also, to the relevant extent, "*Operational risks from ownership and management of power stations, waste management and distribution networks and plants*" above). All of the above could adversely affect the Issuer's business, financial condition and results of operations.

Operational risks from ownership and management of power stations, waste management and distribution networks and plants

The main operational risk to which the Issuer is exposed is linked to the ownership and management of power stations, waste management assets and distribution networks and plants. These power stations and other assets are exposed to risk of malfunctions and/or interruption in service that can cause significant damages to the assets themselves and, in more serious cases, production capacity may be compromised. These risks include extreme weather phenomena, adverse meteorological conditions, natural disasters, fire, terrorist attacks, sabotage, mechanical breakdown of or damage to

equipment or processes, accidents and labour disputes. In particular, any such events could cause damage or destruction of the Group's property, plant and equipment and, in more serious cases, production capacity may be compromised. Furthermore, any damage or destruction of the Group's facilities could, in turn, result in injuries to third parties or damage to the environment, along with ensuing lawsuits and penalties imposed by the relevant authorities. In addition, the Group's distribution networks are exposed to malfunctioning and service interruption risks which may be beyond its control and may result in increased costs. The Issuer's insurance coverage may not be sufficient to fully compensate such losses.

Iren believes that its systems of prevention and protection within each operating area (which works according to the frequency and gravity of the particular events, its ongoing maintenance plans, the availability of strategic spare parts and insurance cover) enable the Group to mitigate the economic consequences of potentially adverse events that might be suffered by any of its plants or networks. However, there can be no assurance that maintenance and spare parts' costs will not rise, that insurance products will continue to be available on reasonable terms or that any one event or series of events affecting any one or more plants or networks will not have an adverse impact on the Issuer's business, financial condition and results of operations.

Risks relating to white certificates

Under the applicable legislation, the Group's distribution systems operators ("**DSOs**") in the electricity and gas sectors are required to achieve certain annual targets for energy saving, as determined by the decree of the Ministry of Ecological Transition for the four years from 2021 to 2024. Such targets are represented by a certain number of so-called "white certificates" which the Group must obtain. For this purpose, the Group continually invests in activities which may lead to obtaining "white certificates", an energy efficiency improvement and a higher efficiency cogeneration development. If the Group is unable to obtain the sufficient number of "white certificates" to achieve the relevant annual target, it will need to purchase them on the market. Furthermore, if it then fails to deliver the required number of "white certificates" to the *Gestore dei Servizi Energetici* (the "**GSE**", which is the public authority responsible for granting "white certificates"), it will be subject to a penalty imposed by the relevant authority, in addition to having to purchase the missing number of "white certificates".

In the last few years, the market price of "white certificates" has significantly increased up to a stabilised level of around €250 per certificate as at the date of this Base Prospectus. Several interventions implemented by ARERA have, however, mitigated the financial impact on the DSOs from high certificates prices. The Group, in order to comply with its energy saving obligations, intends to produce "white certificates" directly and to buy them on the market (up to the amount needed to match the annual target). Nevertheless, if the number of "white certificates" directly produced by the Group is lower than expected and/or if the price of "white certificates" continues to increase in the future, the Group will incur higher costs, which could adversely affect its business, financial condition and results of operations.

Risks related to information technology, operation technology and cyber risk

The Group's operations are supported by complex information systems, specifically regarding its technical, commercial and administrative divisions. In particular, information technology risks arise from both internal and external threats, which can compromise business continuity or cause civil liability damage to third parties in the event of loss or disclosure of sensitive data. The operational risks regarding information technology are closely related to the business of the Group, which operates network infrastructures and plants, including by remote control, accounting operational management, invoicing systems and energy commodity trading platforms. Indeed, Iren Energia's operations with the Power Exchange (*Borsa Elettrica*) are critical, and any accidental unavailability of the system could have considerable economic consequences due to the inability to submit energy sale or purchase offers. At the same time, problems related to supervision and data acquisition on physical systems

could cause plant shutdowns, leading to collateral and potentially severe damage. Moreover, a breakdown of invoicing systems could also result in delays in issuing bills and collecting payments, along with potential reputational damage.

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

The Group intends to pursue a strategic plan of growth and development, particularly in the natural gas sales and distribution, electricity generation, sales and distribution waste collection and treatment, district heating, integrated water services sectors, energy efficiency, e-mobility and other value added services. The strategic plan is prepared on the basis of critical assumptions and estimates relating to future trends and events that may affect the sectors in which the Group operates, such as estimates of customer demand and changes to the applicable regulatory framework. There can be no assurance that the Group will achieve the objectives under its strategic plan. For example, if any of the events and circumstances taken into account in preparing the strategic plan do not occur, the future business, financial condition, cash flow and/or results of operations of the Group could be different from those envisaged and the Group may not achieve its strategic plan, or do so within the expected timeframe, which could adversely affect its business, results of operations and financial condition.

Group's future attempts to acquire additional businesses and its ability to integrate those businesses

The Issuer's business strategy involves acquisitions and investment transactions. The success of this strategy depends partially on its ability to identify successfully and acquire suitable companies and other assets on acceptable terms as well as its ability to identify suitable strategic partners and conclude satisfactory terms with them. Furthermore, acquisitions require the integration and combination of different management systems, strategies, procedures, services, client bases and distribution plants and networks, with the aim of streamlining the business structure and operations of the newly enlarged group. Any acquisition could expose the Issuer and the Group to risks connected with the integration of new businesses, which may involve, for example, undisclosed events, circumstances or liabilities of the acquired businesses and distributions plants that could result in additional investment, operating costs or delays in integration or failure to achieve the expected synergies. Any inability to implement the Group's acquisition strategy or a failure in any particular implementation of its strategy could have an adverse impact on its business, financial position and results of operations.

Risks relating to joint ventures and partnerships

In recent years, the Group has entered into various partnerships. The Group may enter into further joint ventures or partnerships in the future with the same or other parties. The possible benefits or expected returns from such joint ventures and partnerships may be difficult to achieve or may prove to be less valuable than the Group currently estimates. Furthermore, such investments are inherently risky as the Group may not be in a position to exercise full influence over the management of the joint venture company or partnership and the business decisions taken by it. In addition, joint ventures and partnerships bear the risk of difficulties that may arise when integrating people, operations, technologies and products. All of the above circumstances could have a material adverse effect on the Group's business, financial condition and results of operations.

Although the Group aims to participate only in ventures in which its interests are aligned with those of its partners, it cannot guarantee that its interests will remain so aligned. Although strategic joint ventures are intended to be stable operational structures, contracts governing such projects typically include provisions for terminating the venture or resolving deadlock. The dissolution of business ventures can be both lengthy and costly and the Group cannot give any assurance that any strategic alliances will endure for a period of time compatible with its strategy.

Group's future business performance is partly dependent on its ability to win new contracts and to renew and extend existing contracts

With regard to the business in which the Group operates in competition, the Group's success depends on its ability to retain and renew existing customers and contracts, to maintain volumes under existing contracts and to obtain and successfully negotiate new or expanded customer contracts. The Group's current and prospective customers may move to competitors, cease operations, terminate contracts with the Group or increase pricing pressure as a result of a merger or acquisition, changes in strategy or product offerings, financial or operational constraints, or for strategic reasons cease to require waste management or other services. The Group's material customer contracts contain termination provisions that allow customers to terminate their agreement with the Group for a number of reasons including an event of force majeure that prevents the Group from providing services or its customers from acquiring services, a failure to perform to benchmark service levels or a material breach of contract not remedied within a certain period or that is incapable of remedy. Termination of these contracts could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to legal proceedings

The Group is a defendant in a number of legal proceedings (including civil, labour, governmental, administrative, antitrust and tax proceedings), which are incidental to its business activities and may, from time to time, be subject further litigation and to investigations by taxation and other authorities. In its consolidated financial statements as at 31 December 2023, the Issuer made provisions for risks related to charges and various disputes, including legal proceedings. The Group cannot predict with any certainty the ultimate outcome of any of the claims currently pending against it, nor is it able to foresee future claims or investigations against it or their likely outcomes or financial impact, which may be in excess of its existing provisions. Furthermore, violations of anti-corruption rules, as well as of the infringement of regulations for the protection of workers' health and safety and the environment, may also result in sanctions against the Issuer and its subsidiaries based on the administrative liability of entities as outlined in Legislative Decree No. 231 of 8 June 2001.

In addition, it cannot be ruled out that the Group will in future years incur significant losses in addition to amounts already provided for in connection with pending legal claims or future claims or investigations, owing to: (i) uncertainty regarding the final outcome of such proceedings, claims or investigations; (ii) the occurrence of new developments that management could not take into consideration when evaluating the likely outcome of such proceedings, claims or investigations; (iii) the emergence of new evidence and information; and (iv) the underestimation of likely future losses. Adverse outcomes in existing or future proceedings, claims or investigations could therefore have an adverse effect on the business, financial condition and results of operations of Iren.

The loan agreements entered into by the Issuer and Group companies contain restrictive covenants

The loan agreements of the Group, in line with market practice, contain certain restrictive covenants, such as financial covenants, *pari passu* ranking clauses, negative pledges, change of control clauses and limitations on transactions outside the ordinary course of business and the incurrence of additional indebtedness exceeding specified thresholds. In addition, covenants such as the negative pledge and change of control clauses and covenants requiring the maintenance of particular financial ratios may limit the Group's ability to acquire or dispose of assets or incur new financial indebtedness.

Should market conditions deteriorate or fail to improve, or the Group's operating results decrease in the future, the Issuer may have to request amendments or waivers to its covenants and restrictions. However, there can be no assurance that the Issuer will be able to obtain such relief. A breach of any of these covenants or restrictions could result in a default and acceleration that would, subject to certain

thresholds, permit its creditors to declare all amounts borrowed to be due and payable, together with accrued and unpaid interest, and the commitments of the relevant lenders to make further extensions of credit could be terminated. The Issuer and the Group's future ability to comply with financial covenants and other conditions, as well as its ability to make scheduled payments of principal and interest or to refinance existing borrowings, depends on future business performance, which is subject to economic, financial, competitive and other factors. All of the above could have an adverse impact on the business, financial condition and results of operations of the Group.

Risks related to external factors including, inter alia, the overall economy in the Group's principal markets and the geopolitical context

The Group's profitability may be impacted by several external factors, including the economy (such as gross domestic product and inflation), dynamics of the financial markets, energy market conditions (which may be characterised by extreme volatility in the prices of gas, electricity, and other raw materials), political interventions (such as emergency measures under national and European natural gas contingency plans or measures intended to establish prioritisation and rationing of natural gas supplies to individual customers), along with difficulties connected to global logistics chains and increased competition in the free market, as well as the geopolitical context.

In particular, electricity and gas consumption are strongly affected by the level of economic activity and gross domestic product in Italy. This could affect and slow down the demand for energy and put pressure on sales margins due also to greater competition. If demand were to continue to be sluggish or if there were another reversal in demand without corresponding adjustments in the margins charged by the Group on its sales or without an increase in its market share, then the revenues in most of the Group's business areas would be reduced and its future growth prospects would be limited. Any such scenario would adversely affect Group's business, results of operations and financial condition.

With respect to the geopolitical context, the ongoing Russian invasion of Ukraine significantly affected electricity and gas prices in 2022, causing sharp price rises (with a peak in summer 2022 and then gradually reducing), with extremely elevated daily growth rates and high volatility, leading to higher inflation. More recently, the conflict in the Middle East, as well as the attacks launched by Yemeni Houthi rebels in the Red Sea area, have affected, and continue to affect energy market prices (both gas and electricity), which have not yet returned to pre Covid-19 levels. Similarly, any other conflicts involving areas of crucial importance in both commercial and geopolitical terms may have a significant impact on the energy markets and may therefore have a negative impact on the Group's business, financial condition and results of operations. Furthermore, any such conflicts may exacerbate other risks described in this section.

Financial risks

Credit risk

Credit risk represents Iren's exposure to potential losses that may be incurred if a commercial or financial counterparty fails to meet its obligations. The main credit risks for the Group arise from trade receivables from the sale of electricity, district heating (*teleriscaldamento*), gas and the provision of energy, water and waste management services. The Group seeks to address this risk with policies and procedures regulating the assessment of customers' and other financial counterparties' credit standing, the monitoring of expected collection flows, the issue of reminders, the granting of extended credit terms if necessary, the taking of prime bank or insurance company guarantees and the implementation of suitable recovery measures. In addition, the Group has adopted a Credit Risk Policy in order to manage credit risk linked to events that may have an adverse impact on the achievement of credit-management targets. Nevertheless, and notwithstanding any indemnification mechanism in the event of non-payment by customers and even though the Group has set aside provisions in its balance sheet, there can be

no assurance that the steps taken by the Group to manage and monitor credit risks are effective to limit the Group's exposure to losses, which could adversely affect its business, financial condition and results of operations.

Risks associated with fluctuations in the prices of certain commodities

The Group is exposed to price risk, including currency risk, on the energy commodities traded, such as electricity, natural gas and environmental emission certificates. Fluctuations in the prices of these commodities directly impact both purchases and sales, either through direct pricing or indexing formulae.

In particular, Iren must manage risks associated with the misalignment between the index-linking formulae governing Iren's purchase price for gas and electricity and the index-linking formulae linked to the price at which Iren may sell these commodities. In addition, the recent past have witnessed highly significant increases in the cost of electrical energy and natural gas, also as a consequence of the Russian invasion of Ukraine, together with the imposition of sanctions and export controls against Russia and Russian interests, has lead to further volatility in the market.

Although the Group is committed to limiting its exposure to commodity price risk through the use of specific derivative instruments, both by aligning the indexing of the commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets, Iren cannot fully eliminate its exposure to substantial variations in fuel, raw material or electricity prices, or any significant interruption in supplies. Any failure to manage the risk of significant fluctuations in the price of commodities properly could have a negative impact on the Issuer's business, financial condition and results of operations.

Interest rate risk

The Group is exposed to interest rate fluctuations especially with regard to the measurement of financial expenses related to indebtedness, which may affect the cost of financing and/or the fair value of financial liabilities and therefore could adversely affect the business, financial condition and results of operations of the Group. The interest rate risk varies depending on whether such indebtedness is at a fixed or floating rate. At 31 December 2023, 13% of the Group's borrowings were at a floating rate, already considering the results of hedging activities implemented by the Group. The total fair value of the above interest rate hedging contracts, obtained from netting the positive and negative positions, was a negative €2,279 thousand at 31 December 2023.

Funding and liquidity risks

Liquidity risk is the risk that new financial resources are not available (funding liquidity risk) or that the Issuer is unable to convert assets into cash on the market (asset liquidity risk), meaning that it may not be able to meet its payment commitments. Iren's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions as well as on credit rating attributed to the Issuer (in this respect, see risk factor headed "*Risks associated with the rating of the Issuer*" below). Borrowing requirements of the Group's companies are pooled by the Group's central finance department in order to optimise the use of financial resources and manage net positions and the funding of portfolio consistently with management's plans while maintaining a level of risk exposure within prescribed limits. If insufficient sources of financing are available in the future for any reason, the Group may be unable to meet its funding requirements, which could materially and adversely affect its business, financial condition and results of operations.

The Issuer is dependent on its subsidiaries to cover its operating expenses and dividend payments

As a holding company, among the Issuer's principal sources of funds are dividends from subsidiaries. The Issuer expects that dividends received from subsidiaries and other sources of funding available to the Issuer will continue to cover its operating expenses, including its obligations in respect of the Notes. However, the Issuer's subsidiaries have no obligation, contingent or otherwise, to pay any amounts due under the Notes or to make funds available to the Issuer to enable it to pay any amounts due under the Notes. Those subsidiaries may at any time have other liabilities, actual or contingent, including indebtedness owing to trade creditors or to secured and unsecured lenders or to the beneficiaries of guarantees given by those subsidiaries. If the Group became insolvent and a liquidation ensued, creditors of a subsidiary, including, without limitation, trade creditors, would be entitled to the cash proceeds from the liquidation of that subsidiary's assets (including any revenues) before any of those assets could be used to make a distribution upwards to its shareholders (i.e. the Issuer). As a result, in a liquidation scenario the revenues generated by a subsidiary of the Issuer will first be applied to the pay that subsidiary's creditors rather than to satisfy the Issuer's obligations in respect of the Notes.

Risks associated with the rating of the Issuer

As at the date of this Base Prospectus, the long-term ratings assigned to the Issuer are BBB with a positive outlook by Fitch and BBB with a stable outlook by S&P. Credit ratings play a critical role in determining the cost for entities accessing the capital markets in order to borrow funds and the rate of interest they can achieve. Any downgrades in the rating assigned to the Issuer could limit its access to the capital markets and increase the cost of raising funds and/or refinancing existing debt, which would have an adverse effect on the Issuer's financial condition, results of operations and cash flows. See also "*Credit ratings may not reflect all risks*" below.

MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES

The risks under this heading are divided into the following categories:

- *Risks relating to Notes that may be issued under the Programme*
- *Risks relating to the structure of a particular issue of Notes*
- *Risks relating to the market generally.*

Risks relating to Notes that may be issued under the Programme

Reliance on Euroclear and Clearstream, Luxembourg

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper (as the case may be) for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary or common safekeeper (as the case may be) for Euroclear and Clearstream, Luxembourg for distribution to their account holders.

A holder of a beneficial interest in a Global Note must therefore rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests

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

As a result, if Euroclear or Clearstream fails to ensure due and punctual payment of principal or interest to a Noteholder or fails to enable a Noteholder to exercise its right to vote at a Noteholders' meeting, then that Noteholder will not have any recourse against the Issuer for any loss resulting from that failure. Furthermore, the Issuer gives no assurance to Noteholders as to their ability to recover any such loss from Euroclear or Clearstream.

The Notes are unsecured

The Notes constitute unsecured obligations of the Issuer and, save as provided in Condition 5 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer and its Subsidiaries over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will, in respect of such assets, rank in priority over the Notes and other unsecured indebtedness of the Issuer. Consequently, in any distribution of the proceeds from the liquidation of the Issuer's assets, secured creditors will be paid in full before any secured creditors (including Noteholders) and, as a result, Noteholders may not be paid in full or at all.

Redemption for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions at the amount specified in the Final Terms, together with interest accrued up to the date of redemption. In that event, principal will be repaid to Noteholders and interest will cease to accrue. Any such circumstances will be beyond the control of investors and, to the extent that those Notes offered a favourable yield or other terms, there can be no assurance that investors will be able to reinvest the proceeds from the redemption of those Notes in comparable securities on similar terms.

Change of law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, although certain provisions relating to the Notes are subject to compliance with certain mandatory provisions of Italian law, such as those applicable to Noteholders' meetings and to the appointment and role of the Noteholders' representative (*rappresentante comune*). No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Base Prospectus, which may affect, for example, the extent to which the Notes:

- remain legal investments for certain Noteholders,
- can continue to be used as collateral for various types of borrowing; or
- remain attractive investments to potential buyers or can otherwise be freely traded.

The unforeseen consequences of any such change could have a material adverse effect on the marketability and/or value of Notes or on the right of certain investors to continue holding the Notes and, under those circumstances, certain investors may be compelled to sell their Notes at a loss. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

Tax changes in Italy

Italian Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 ("**Law 111**"), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "**Tax Reform**"). According to Law 111, the Tax Reform could significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. As a result, the information provided in this Base Prospectus may not reflect the future tax landscape accurately.

The amendments that may be introduced to the tax regime of financial incomes and capital gains could increase taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return on their investment.

Decisions at Noteholders' meetings bind all Noteholders

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the terms and conditions relating to the Notes. As summarised in Condition 19(a) (*Meetings of Noteholders*) of the Terms and Conditions of the Notes, these provisions permit defined majorities at those meetings to bind all Noteholders, including those who did not attend and vote at the relevant meeting or who voted against the relevant proposal. Possible modifications to the Notes approved by meetings of Noteholders include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes and changing the amendment provisions. Any such modification may have an adverse impact on Noteholders' rights and on the market value of the Notes.

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

The provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders' meetings where the issuer is an Italian listed company. As at the date of this Base Prospectus, the Issuer is a listed company but, if its shares cease to be listed on a securities market while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders' meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings contained in the Agency Agreement and summarised in the Conditions will correctly reflect mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes. Any of the above changes could reduce the ability of Noteholders to influence the outcome of any vote at a Noteholders' meeting and, as described in further detail in "*Decisions at Noteholders' meetings bind all Noteholders*" above, the outcome of any such vote will be binding on all Noteholders, including dissenting and abstaining Noteholders, and may have an adverse impact on Noteholders' rights and on the market value of the Notes.

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

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such

additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including in particular withholding or deduction of Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996, which may apply even if the Noteholder is eligible to receive payments free of Italian substitute tax but fails to comply with certain requirements, such as the making of a declaration of non-residence in Italy or other similar claim for an exemption. Prospective investors in the Notes should consult their own tax advisers as to whether any of those exceptions could be relevant to them. Where those exceptions do apply, the required withholding or deduction of such taxes will be made for the account of the relevant Noteholders and the Issuer will not be obliged to pay any additional amounts to those Noteholders. As a result, those Noteholders will receive lower amounts of interest than they would otherwise have been entitled to receive and the Issuer will be under no obligation to assist them in recovering any sum that has been withheld or deducted from the Italian tax authorities. To the extent that any such withholding or deduction is not recoverable, the effective yield of the Notes for those Noteholders will be significantly lower than originally envisaged.

See also "*Tax changes in Italy above*".

Withholding under U.S. Foreign Account Tax Compliance Act

Certain non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all or a portion of payments made, pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"). Whilst the Notes are held through the ICSDs, in all but the most remote circumstances, it is not expected FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries (including any clearing system other than an ICSD) in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payments to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives a payment) with any information, forms or other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any local law intended to implement an inter-governmental agreement, if applicable) and provide each custodian or intermediary with any information, forms or other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligation under the Notes is discharged once it has paid the ICSDs and the Issuer therefore has no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how it may affect them.

Risks relating to the structure of a particular issue of Notes

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as the interest rate on the Notes being

redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

In addition, where a Clean-up Call is applicable (i.e. redemption exercisable by the Issuer conditionally upon the aggregate outstanding principal amount of the Notes of a Series being less than or equal to a specified percentage of the aggregate of the initial principal amount of each Tranche of that Series), there is no obligation on the Issuer to inform investors if and when the relevant threshold has been (or is about to be) reached and the Issuer's right to redeem will be exercisable even if, immediately prior to the serving of a notice of exercise of the call option, the Notes may have been trading significantly above par, thereby potentially resulting in a loss of capital invested.

Change of control

The Notes may contain provision for a put option upon the occurrence of certain change of control events relating to the Issuer, which will entitle the Noteholders under certain circumstances to require the Issuer to redeem all outstanding Notes at 100 per cent. of their principal amount. However, it is possible that the Issuer will not have sufficient funds at the time of the change of control to make the required redemption of Notes. If there are not sufficient funds for the redemption, Noteholders may receive less than the principal amount of the Notes if they elect to exercise such right. Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer's financial position.

Fixed Rate Notes

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

Floating Rate Notes

Notes with variable interest are subject to fluctuations in interest rate levels and can be volatile investments. In particular, potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest (unless they are subject to a floor);
- in particular where the reference rate used to calculate the applicable interest rate turns negative, the interest rate will be below the margin, if any, or may be zero and, accordingly, where the rate of interest is equal to zero, the holders of such Floating Rate Notes may not be entitled to interest payments for certain or all periods;
- the Reference Rate may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if they are structured to include caps or floors, or a combination of both or other similar related features, the effect of changes in the Reference Rate on interest payable is likely to be magnified; and

- the timing of changes in the Reference Rate may affect the actual yield to investors, even if the average level is consistent with their expectations.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate component minus a rate based upon a reference rate such as Euribor. The market values of those Notes are typically more volatile than those of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate which, either at the Issuer's election or otherwise, is converted from a fixed rate to a floating rate or, in the case of Floating to Fixed Rate Notes, from a floating rate to a fixed rate. Switching of the interest rate is likely to affect the market value of those Notes, since it may result in a lower rate, especially where switching occurs at the Issuer's option. If switching from a fixed rate to a floating rate occurs, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on the Issuer's other Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may be lower than the rates on other Notes and may remain at a lower level until maturity. If switching from a floating rate to a fixed rate occurs, there can be no assurance that the resulting fixed interest rate will be substantially in line with the rate of the Issuer's other Fixed Rate Notes or with prevailing market rates, either at the time of the switchover or for the remainder of the life of those Notes. In any of the above circumstances, if interest paid to Noteholders is at a lower rate than was previously applicable or is below market rates for comparable securities, this may also have an impact on the market value and liquidity of the Notes.

Notes linked to or referencing benchmarks

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR and the CMS rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are still to be implemented whilst others are already effective, including (at EU level) the EU Benchmarks Regulation, which applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, the Regulation:

- requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed); and
- prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may:

- discourage market participants from continuing to administer or contribute to the "benchmark";
- trigger changes in the rules or methodologies used in the "benchmark"; or

- lead to the discontinuance, unavailability or disappearance of the "benchmark".

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark" (including EURIBOR and the CMS rate).

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Notes linked to reference rates that are unavailable or discontinued

General

Following the discontinuation of LIBOR, there are significant doubts about the continuing use in financial markets transaction of other forward-looking interbank offered rates, such as EURIBOR. In response to concerns expressed by its administrator, EMMI, as to whether it could guarantee compliance with the Benchmarks Regulation, a methodological reform was carried out in 2019 and, as a result, EMMI has since been authorised as a benchmark administrator and included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. However, the long-term sustainability of EURIBOR depends on factors such as the continued willingness of its panel of contributing banks to support it, and whether or not there is sufficient activity in its underlying market. The absence of these factors may cause EURIBOR to perform differently compared to the past and may have other consequences which cannot be predicted.

Further market and regulatory developments in relation to benchmark rates such as EURIBOR may have significant consequences. Developments in this area are ongoing and could increase the costs and risks of administering or otherwise participating in the setting of a benchmark rate, such that market participants are discouraged from continuing to administer or contribute to them. In addition, ongoing legislative reforms and changes in market appetite may also lead to changes in the rules or methodologies used in the benchmark and/or cause a benchmark to perform differently with respect to the past or to be discontinued and could have other consequences which at present cannot be predicted. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes which reference a benchmark.

Temporary unavailability of Relevant Screen Page

The Terms and Conditions of the Notes provide for certain fallback arrangements if a published benchmark, including an inter-bank offered rate such as EURIBOR or other relevant reference rates (as well as mid-swap rates and any page on which such benchmark may be published), becomes temporarily unavailable. Where the Rate of Interest linked to a Reference Rate that is determined by reference to a Relevant Screen Page and the Relevant Screen Page is not available or the relevant rate does not appear on the Relevant Screen Page, the Terms and Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Reference Rate), the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Uncertainty as to the continuation of the Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Reference Rate is discontinued may adversely affect the value of, and return on, the Notes.

Benchmark Events

If a Benchmark Event occurs (which includes, but is not limited to, the permanent discontinuation of an Original Reference Rate or an announcement that an Original Reference Rate will be permanently discontinued in the future), the Issuer shall use its reasonable endeavours to appoint an Independent Reference Rate Adviser to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, as well as an Adjustment Spread, if applicable. In addition, if the Issuer is unable to appoint and consult with an Independent Reference Rate Adviser or the Independent Reference Rate Adviser is not able to determine a Successor Rate or Alternative Rate, the Issuer (acting in good faith and in a commercially reasonable manner) may itself determine a Successor Rate or an Alternative Rate (and an Adjustment Spread, if applicable).

The use of any Successor Rate or Alternative Rate, either with or without the application of an Adjustment Spread, may result in Notes linked to or referencing the Original Reference Rate performing differently from how they would if the Original Reference Rate were to continue to apply in its current form, which may include payment of a lower Rate of Interest. Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Reference Rate Adviser (or, failing that, the Issuer), the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

Potential for a fixed rate return

The Issuer may be unable to appoint and consult with an Independent Reference Rate Adviser or the Independent Reference Rate Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes. Where this occurs, the Issuer (acting in good faith and in a commercially reasonable manner) may itself determine a Successor Rate or an Alternative Rate but, if it is unable or unwilling to do so, before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the existing Rate of Interest.

Under the above circumstances, the Issuer will continue to attempt to appoint and consult with an Independent Reference Rate Adviser in a timely manner before the next succeeding Interest Determination Date to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Periods (as necessary) or, failing that, determine those rates itself. However, there can be no assurance that a Successor Rate or an Alternative Rate will be successfully determined.

Applying the initial Rate of Interest or the Rate of Interest applicable to the last preceding Interest Period will result in Notes linked to or referencing the relevant benchmark performing differently from how they would do if the relevant benchmark were to continue to apply or if a Successor Rate or Alternative Rate could be determined, which in each case may result in payment of a lower Rate of Interest. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Reference Rate Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If a Successor Rate or Alternative Rate remains undetermined for the life of the relevant Notes, the initial or existing Rate of Interest will continue to apply to maturity, which will result in the Floating Rate Notes becoming, in effect, fixed rate Notes. If that occurs, there can be no assurance that the resulting fixed interest rate will be substantially in line with the rate of the Issuer's other Fixed Rate Notes or with prevailing market rates, either at the time of the switchover or for the remainder of the life of those Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Denominations and restrictions on exchange for Definitive Notes

Notes may be issued in denominations comprising (i) a minimum denomination of €100,000 or its equivalent in another currency (the "**Minimum Denomination**") and (ii) amounts which are greater than the Minimum Denomination but which are integral multiples of a smaller amount (such as €1,000). Where this occurs, Notes may be traded in amounts in excess of the Minimum Denomination that are not integral multiples of the Minimum Denomination. In such a case, a holder who as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes so as to hold an amount equal to an integral multiple of the Minimum Denomination. In addition, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Green Bonds

General

The Issuer may issue Notes the proceeds of which it intends to apply specifically for projects and activities that promote climate-friendly and other environmental purposes. Where it does so, the relevant Final Terms may describe the Notes as "green bonds" ("**Green Bonds**"), issued in accordance with the Issuer's 2022 Sustainable Finance Framework, which is aligned with principles set out by the International Capital Market Association ("**ICMA**") and the Loan Market Association (the "**LMA**").

Prospective investors should have regard to the information on the use of proceeds in this Base Prospectus and the Final Terms regarding such use of proceeds and must:

- determine for themselves the relevance of such information for the purpose of any investment in such Notes;
- assess the suitability of that investment in light of their own circumstances; and
- make any other investigation they deem necessary.

No assurance is given by the Issuers or the Dealers that the use of such proceeds for the funding of any green project will satisfy, either in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment portfolio mandates.

No assurance regarding compliance with any established criteria or consensus

Despite legislation introduced in recent years by the EU, there is currently no clearly established definition (legal, regulatory or otherwise) of a "green" project or other equivalent label nor is there any market consensus at present as to what precise attributes are required for a particular project to be defined as such, and no assurance can be given that any clear definition or consensus will develop over time.

The EU has enacted a range of legislation with the aim (among other matters) of providing a basis for determining the definitions of "green", "sustainable" and similar labels, including in particular:

- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**Taxonomy Regulation**"), which came into force in July 2020;
- the Taxonomy Climate Delegated Act, introducing a first set of technical screening criteria to be used to define which activities contribute to climate change adaptation and mitigation objectives under the Taxonomy Regulation, coming into force on 1 January 2022;
- the EU Taxonomy Complementary Climate Delegated Act, covering certain nuclear and gas activities, which has been applicable since January 2023;
- the regulatory technical standards under Commission Delegated Regulation (EU) 2022/1288 specifying details of the content and presentation of information relating to the "do no significant harm" principle under the Taxonomy Regulation, which has been applicable since January 2023; and
- further delegated act and annexes containing the technical screening criteria for the remaining four environmental objectives under the Taxonomy Regulation - namely sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems - all applicable since January 2024.

In addition, the EU has introduced a voluntary standard for green bonds (the "**EuGB Standard**"), setting out four main requirements:

- allocation of funds raised by the green bond in compliance with the Taxonomy Regulation;
- full transparency on allocation of the green bond proceeds;
- monitoring and compliance activities carried out by an external reviewer; and
- registration of external reviewers with ESMA and subject to its supervision.

The EuGB Standard Regulation came into force on 20 December 2023 and applies from 21 December 2024.

No assurance is or can be given to investors that their expectations or requirements will be met in relation to the "green" performance objectives of any project towards which proceeds of the Notes are to be applied or, more generally, as to compliance of Notes issued as Green Bonds with any "green" or similar labels, including any objectives or labelling under the above legislation. Similarly, no assurance is or can be given to investors that no adverse events will occur during the implementation of any green or sustainable project. In addition, any variance from legislation, standards and guidelines at the date of issue of any Notes may become more significant over time, as further legislation, standards or guidelines are introduced, with changes to the scope of activities and other amendments to reflect technological progress.

At present, any Green Bonds issued under the Programme are not currently expected to be compliant with the EU-GB Standard and are only intended to comply with the requirements and processes in the Issuer's Sustainable Finance Framework. As at the date of this Base Prospectus, it is not clear whether the EuGB label could have an impact on the pricing of bonds that provide for a green use of proceeds but do not comply with the EuGB Standard or its optional disclosure regime, including any Green Bonds issued under the Programme. Any non-compliance could result in reduced liquidity or lower demand or could otherwise affect the market price of any such Green Bonds.

Second-party opinion

Information relating to the use of proceeds in the issue of any Notes related to the Green Bonds and the process of independent verification is set out in the Issuer's 2022 Sustainable Finance Framework,

which is available for viewing on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/en/investors/financial-profile/sustainable-finance.html*).

Furthermore, in connection with any Notes that are stated to be Green Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue further a second-party opinion(S) confirming that the relevant green and/or low carbon projects comply with the broad categorisation of eligibility for those projects under the principles set out by ICMA and/or the LMA and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental sustainability projects (any such past or future second-party opinion, a "**Green Bond Second-party Opinion**"). In relation to any Green Bond Second-party Opinion, prospective investors should be aware that:

- it is not part of this Base Prospectus and will not be incorporated in it at any later date;
- its providers are not currently subject to any specific regulatory or other regime or oversight and Noteholders have no recourse against them;
- the Green Bond Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced using the net proceeds from the issue of the relevant Notes;
- it will not constitute a recommendation to buy, sell or hold securities and will only be current as at the date it is released;
- prospective investors must determine for themselves its relevance for the purpose of any investment in Notes issued for any of the purposes stated in the Final Terms; and
- no assurance or representation is given to investors that it will reflect any present or future criteria or guidelines with which investors or their investments are required to comply.

In addition, a withdrawal of any Green Bond Second-party Opinion may affect the value of such Notes and/or have consequences for certain investors with portfolio mandates to invest in green assets.

Non-compliance

While it is the intention of the Issuer to apply the proceeds of any Green Bonds in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that any related green and/or low carbon projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule, and, accordingly, neither can it be guaranteed that the proceeds of the relevant Notes will be totally or partially disbursed for such projects. Nor can there be any assurance that such green or low carbon projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer.

None of the above events nor any other failure to comply with the objectives regarding the use of proceeds of any Notes described in the Final Terms will constitute an event of default under those Notes, including any failure to comply with any reporting obligations and regardless of the extent of any such non-compliance. Nevertheless, any such event or failure may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

Step Up Notes

General

The interest rate relating to Step Up Notes is subject to upward adjustment in certain circumstances linked to the achievement of sustainability targets, as specified in the Conditions and the relevant Final

Terms. No assurance is given by the Issuer or the Dealers that the criteria for any sustainability target in Step Up Notes or the level at which any performance indicator is set will satisfy, either in whole or in part, any investor's requirements or any future legal or quasi-legal standards for investment in assets with sustainability characteristics. In addition, the interest rate adjustment in respect of Step Up Notes depends on a definition of each Step Up Indicator, which may be inconsistent with investor requirements or expectations or other definitions relevant to those indicators.

Prior to making any investment in Step Up Notes, prospective investors should:

- determine for themselves the suitability of the criteria underlying any sustainability targets and the level at which any performance indicator is set;
- assess the suitability of their investment in light of their own circumstances; and
- make any other investigation they deem necessary.

If any Step Up notes fail to satisfy investor expectations as to their suitability as an investment, such failure may adversely affect the market price of those Notes and/or their marketability.

Step Up Notes are distinct from Green Bonds and are not being marketed as such, since the Issuer expects to use the net proceeds from the issue of those Notes for general corporate purposes and or refinancing of existing indebtedness and does not intend to allocate those proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations typically associated with Green Bonds.

No assurance regarding compliance with any established criteria or consensus

Despite a range of legislation introduced in recent years by the EU (see "*Green Bonds - No assurance regarding compliance with any established criteria or consensus*" above), there is currently no clearly established definition (legal, regulatory or otherwise) of what may be regarded as "sustainability-linked" or any other equivalent label, nor is there any market consensus at present as to what precise attributes are required for a particular objective or target to be defined as such, and there is no certainty that any clear definition or consensus will develop over time.

The Issuer gives no assurance that any performance indicators applicable to Step Up Notes or any independent verification as to the achievement of those targets will meet any or all investor expectations regarding the Step Up Notes, including any expectation concerning compliance with regulations, standards or guidelines arising from the use of the expression "sustainability-linked" or any other equivalent label. Neither does the Issuer give any assurance that any of the Group's performance targets qualifying as "sustainable" or "sustainability-linked" will be achieved or that any adverse consequences will not arise from the Group seeking to achieve (or failing to achieve) those targets. Furthermore, the requirements arising from the use of the expression "sustainability-linked" or similar labels may evolve over time and, as a result, any variance from legislation, standards and guidelines at the date of issue of any Step Up Notes may become more significant.

Disclosure and independent verification

Information relating to the sustainability criteria applicable to Step Up Notes and the process of independent verification is set out in the Issuer's 2022 Sustainable Finance Framework, which is available for viewing on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/en/investors/financial-profile/sustainable-finance.html*).

Documents containing that information, as well as any Limited Assurance Report or any other past or future reports, certifications and/or opinions, are not part of the Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme.

In relation to any Limited Assurance Report or any other opinion, certification or other independent verification relating to Step Up Notes:

- no such report or verification is a recommendation by the Issuer, the Dealers, any External Verifier or any other provider of any such report or verification, or by any other person, to buy, sell or hold Step Up Notes;
- neither the External Verifier nor any other provider of any such report or verification is currently subject to any specific regulatory or other regime or oversight;
- Noteholders have no recourse against the Issuer, any of the Dealers, the External Verifier or any other provider of any such report or verification for the content of any such report or verification,
- such report or verification is only current as at the date it was initially issued;
- for the purpose of any investment in the Step Up Notes, prospective investors must determine for themselves the relevance or adequacy of any Limited Assurance Report or any other report or verification and/or the suitability or reliability of any External Verifier or any other provider of any such report or verification;
- if a Limited Assurance Report or any other such report or verification is withdrawn or if it concludes that the Group is not complying in whole or in part with any matters on which the verifier is opining, this may have a material adverse effect on the value of the Step Up Notes and/or have adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

As described in "*Green Bonds*" above, a basis for the determination of the definitions of "green" and "sustainability-linked" has been established pursuant to the Taxonomy Regulation. While the Group's sustainability strategy (which embeds the key performance indicators to which the Step Up Notes are linked) and its related investments aim to be aligned with the relevant objectives for the EU Taxonomy Regulation, until the technical screening criteria for such objectives have been developed, it is not known to what extent the investments planned in the Group's sustainability strategy will satisfy those criteria. Accordingly, once the technical screening criteria are established, there is no certainty as to the extent to which the investments planned in the Group's sustainability strategy will be aligned with the EU guidelines. Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any Limited Assurance Report or any other opinion, report or certification of any third party in connection with the offering of Step Up Notes. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

Non-compliance

Although the Issuer targets decreasing its Scope 1 GHG Emissions Intensity, Scope 3 GHG Emissions and Water Leaks Intensity and increasing its Total Waste Treated in Material Recovery Plants, there can be no assurance of the extent to which it will be successful in doing so or that any future investments it makes in furtherance of this target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact. Adverse environmental impacts may occur during the design, construction and operation of any investments that the Issuer makes in furtherance of those targets and such investments may become controversial or criticised by activist groups or other stakeholders. In addition, a Step Up Event will not occur if the Issuer fails to satisfy its targets in relation to Step Up Indicators as a result of a Step Up Exclusion Event. In addition, the Issuer will be entitled to modify the method and basis for calculation of Step Up Indicators in the event of a Recalculation Event.

Finally, no Event of Default will occur under the Step Up Notes, nor will the Issuer be required to repurchase or redeem any Step Up Notes, if the Issuer fails to comply with its Step Up Thresholds.

Risks related to the market generally

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In an illiquid market, an investor might not be able to sell his Notes at fair market prices or at all. In addition, the Notes might not be listed on a stock exchange or admitted to trading on any securities market or other trading facility and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market price of the Notes may be adversely affected.

The liquidity and market value of the Notes may also be significantly affected by factors such as variations in the Group's annual and interim results of operations, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Group.

Delisting of Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system, as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the relevant Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. Where an issue of Notes is rated, investors should be aware that:

- such rating will reflect only the views of the rating agency and may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes;
- a rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency; and
- notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes.

Furthermore, in general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation.

Transfers of Notes may be restricted

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

INFORMATION INCORPORATED BY REFERENCE

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

1. the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2023 contained in the Issuer's Annual Report at 31 December 2023;
2. the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2022 contained in the Issuer's Annual Report at 31 December 2022;
3. the unaudited consolidated interim financial information of the Issuer as at and for the three months ended 31 March 2024 contained in the Issuer's Consolidated Quarterly Report at 31 March 2024; and
4. the terms and conditions relating to Notes issued under the Programme since 9 May 2023, as set out in the Issuer's base prospectus dated 9 May 2023,

in the case of 1 to 3 above, together with the accompanying notes and, where applicable, auditors' reports.

Any statement contained in this Base Prospectus or in any of the above documents incorporated by reference in this Base Prospectus shall be deemed to be modified or superseded by any statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation.

The annual financial statements and interim financial information referred to above are available both in the original Italian and in English. Only the English language versions are incorporated by reference in, and form part of, this Base Prospectus. The English language versions are direct translations from the Italian language documents but, in the event of any inconsistencies or discrepancies between the Italian and English language versions, the original Italian versions will prevail.

Access to documents

Each of the above documents have been previously filed with the Central Bank of Ireland and can be accessed at the following addresses on the Issuer's website:

- Annual Report at 31 December 2023:

  https://www.gruppoiren.it/content/dam/iren/documents/en/investors/result-center/2023/fy/ENG_Relazione%20e%20Bilanci2023.pdf

- Annual Report at 31 December 2022:

  https://www.gruppoiren.it/content/dam/iren/documents/en/governance/shareholders%27-meeting/2023/Annual%20report%20at%2031%20December%202022.pdf

- Quarterly Report at 31 March 2024:

  https://www.gruppoiren.it/content/dam/iren/documents/en/investors/result-center/2024/3m/Relazione%20Trimestrale%20Consolidata%2031.03.2024_EN_DEF.pdf

- Base prospectus relating to the Programme dated 9 May 2023:

  https://www.gruppoiren.it/content/dam/iren/documents/it/investitori/profilo-finanziario/programma-emtn/tabella/2023%20Programma%20EMNT%20EURO%204%20miliardi.pdf?view=yes

In addition, the Issuer will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all the documents

containing information incorporated by reference. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Base Prospectus. Such documents will also be available, without charge, at the specified office of the Fiscal Agent.

Websites (including the Issuer's website) and their content do not form part of this Base Prospectus.

Cross-reference list

The following table shows where the information incorporated by reference in this Base Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Base Prospectus and is either not relevant or covered elsewhere in this Base Prospectus.

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FORMS OF THE NOTES

Introduction

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in a new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Eurosystem eligibility

Notes in NGN form are intended to be in a form that allows such Notes to be in compliance with requirements for their recognition as eligible collateral for monetary policy and intra-day credit operations of the central banking system for the euro (the "**Eurosystem**"), subject to certain other criteria being fulfilled (including denomination in euro and listing on an EU regulated market or on a non-regulated market accepted by the European Central Bank).

TEFRA

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note without interest coupons, interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs.

Save as set out below, where interests in the Permanent Global Note are exchangeable for Definitive Notes, such Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where exchange may occur only in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (1) a minimum denomination of €100,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 nor more than €199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without interest coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without interest coupons, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note, without interest coupons, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs.

Save as set out below, where interests in the Permanent Global Note are exchangeable for Definitive Notes, such Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where exchange may occur only in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (1) a minimum denomination of €100,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 nor more than €199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, together with the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

1. **Introduction**

(a) ***Programme***: Iren S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**").

(b) ***Final Terms***: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") and the terms and conditions applicable to any such Tranche are these terms and conditions (the "**Conditions**"), together with the relevant Final Terms.

(c) ***Agency Agreement***: The Notes are the subject of an amended and restated issue and paying agency agreement dated 16 July 2024 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon as fiscal agent (in such capacity, the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as paying agent (in such capacity, the "**Paying Agent**" and together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

(d) ***The Notes***: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office each of the Paying Agents, the initial Specified Offices of which are set out below.

(e) ***Summaries***: Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) ***Definitions***: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" means the amount specified as such in the relevant Final Terms;

"**acting in concert**" means pursuant to an agreement, arrangement or understanding (whether formal or informal), whereby two or more Persons co-operate, through the acquisition or holding of voting rights exercisable at a shareholders' meeting of an entity by any of them, either directly or indirectly, for the purposes of obtaining or consolidating control of such entity;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero) or the formula or methodology for calculating a spread, which in either case is to be applied to the Successor Rate or the Alternative Rate (as the case may be) and which:

(i) (in the case of a Successor Rate) is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made or in the case of an Alternative Rate) the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Reference Rate Adviser or the Issuer (as applicable) determines that no such spread, formula or methodology is customarily applied) the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) (if the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith determines that no such industry standard is recognised or acknowledged) the Independent Reference Rate Adviser or the Issuer (as applicable) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means:

(i) an alternative benchmark or screen rate which the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith, determines in accordance with Condition 8(d) (*Successor or Alternative Rate*) is in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and with a comparable duration to the relevant Interest Periods; or

(ii) if the Independent Reference Rate Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Reference Rate Adviser or the Issuer (as applicable) determines in its discretion (acting in a commercially reasonable manner and in good faith) is most comparable to the Original Reference Rate;

"**Benchmark Amendment**" has the meaning given to it in Condition 8(f) (*Benchmark Amendments*);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified future date (the "**Specified Future Date**"), cease publication of the Original Reference Rate, either permanently or indefinitely, in circumstances where no successor administrator has been, or will be, appointed that will continue publication of the Original Reference Rate; or

(iii) a public statement by the supervisor of the administrator, or by the administrator, of the Original Reference Rate that the Original Reference Rate:

(A) has been or will, by a Specified Future Date, be permanently or indefinitely discontinued; or

(B) will, by a Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(iv) a public statement by the supervisor of the administrator, or by the administrator, of the Original Reference Rate that, in the view of such supervisor or administrator, such Original Reference Rate is no longer representative of an underlying market; or

(v) any event or circumstance whereby it has or will, by a specified date within the following six months, become unlawful for any Calculation Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation, if applicable),

provided that, in the case of paragraphs (ii) and (iii) above, where the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

"**Benchmarks Regulation**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (as amended, supplemented or superseded from time to time);

"**Business Day"** means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, means one or more of the conventions set out below and specified as being applicable to that date in the relevant Final Terms and, if so specified, may mean different conventions in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**Not Applicable**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms;

a "**Change of Control**" shall be deemed to occur if:

(i) Permitted Holders hold at least 30 per cent. of the share capital of the Issuer and any Person or group of Persons other than Permitted Holders, acting in concert, at any time holds or obtains more than 50 per cent. of the voting rights normally exercisable at the Issuer's ordinary and extraordinary shareholders' meetings; or

(ii) Permitted Holders hold less than 30 per cent. of the share capital of the Issuer and any Person or group of Persons, acting in concert (whether or not they include Permitted Holders), at any time holds or obtains more than 50 per cent. of the voting rights normally exercisable at the Issuer's ordinary and extraordinary shareholders' meetings;

"**Change of Control Notice**" means a notice from the Issuer to Noteholders describing the relevant Change of Control Put Event and indicating the relevant Put Option Exercise Period and Optional Redemption Date (Put);

a "**Change of Control Put Event**" shall be deemed to occur if:

(i) a Change of Control occurs;

(ii) a Rating Event occurs; and

(iii) the relevant Rating Agency announces publicly or confirms in writing to the Issuer that the Rating Event resulted, in whole or in part, from the occurrence of the Change of Control;

a "**Clean-up Call Event**" shall be deemed to have occurred if, at any time, Notes representing at least the Clean-up Call Threshold have been redeemed by the Issuer or purchased by the Issuer or any of its Subsidiaries and, in each case, have been cancelled in accordance with Condition 12(i) (*Cancellation*);

"**Clean-up Call Threshold**" means, in relation to the aggregate principal amount of (i) the Notes of the relevant Series originally issued and (ii) any further Notes of the same Series issued pursuant to Condition 20 (*Further Issues*), an amount expressed as a percentage of such aggregate principal amount and specified as such in the relevant Final Terms;

"**CMS Rate**" means the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent;

"**CMS Reference Banks**" means (i) where the Reference Currency is Euro, the principal office of five major banks in the Euro-zone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five major banks in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five major banks in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five major banks in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent;

"**Consolidated Revenues**" means the consolidated revenue of the Issuer, as shown in the Issuer's latest published audited consolidated annual financial statements;

"**Consolidated Total Assets**" means the consolidated total assets of the Issuer, as shown in the Issuer's latest published audited consolidated annual financial statements;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins, divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days

in such Regular Period and (b) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360, 360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996 and related regulations of implementation, as amended, supplemented and/or re-enacted from time to time;

"**Designated Maturity**" means:

(i) where the relevant Final Terms specify that Screen Rate Determination is applicable:

(A) for the purposes of Linear Interpolation (if specified in those Final Terms as applicable in respect of an Interest Period), the period of time designated in the Reference Rate; or

(B) if CMS Rate is specified as the Reference Rate, the period or periods specified as such in those Final Terms; or

(ii) where the relevant Final Terms specify that ISDA Determination is applicable, the period or periods specified as such in those Final Terms;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, (i) its principal amount or (ii) such other amount expressed as an amount due in respect of each Calculation Amount represented by such Note, as specified in the relevant Final Terms;

"**Early Redemption Date**" means the date specified in any notice to redeem the Notes given by the Issuer pursuant to Condition 12(b) (*Redemption for tax reasons*), subject to:

(i) the minimum and maximum periods of notice specified in Condition 12(b) (*Redemption for tax reasons*); and

(ii) such date being an Interest Payment Date where interest accruing for the period to (but excluding) such date is required to be calculated either (i) in accordance with the Floating Rate Note Provisions for the whole of that period or (ii) initially in another manner but in accordance with the Floating Rate Note Provisions for the remainder of that period;

"**Early Termination Amount**" means, in respect of any Note, (i) its principal amount or (ii) such other amount expressed as an amount due in respect of each Calculation Amount represented by such Note, as specified in the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro-zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other Person that takes over the administration of that rate), based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount, subject in each case to any early redemption, repayment, purchase and/or cancellation;

"**Financial Period**" means each year ended 31 December or such other financial period to which the Issuer's annual financial statements may from time to time relate;

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms;

"**Fixed Rate Component**" means, in respect of any Inverse Floating Rate Notes, the rate of interest expressed as a percentage per annum and specified as such in the relevant Final Terms;

"**Fixed Rate Interest Period(s)"** means:

(i) in the case of Fixed to Floating Rate Notes:

(A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Interest Commencement Date to, but excluding, the Switch Date; or

(B) if the relevant Final Terms specify more than one Switch Date:

(1) the period from, and including, the Interest Commencement Date to, but excluding, the first Switch Date; and

(2) each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date; or

(ii) in the case of Floating to Fixed Rate Notes:

(A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Switch Date to, but excluding, the Maturity Date; or

(B) if the relevant Final Terms specify more than one Switch Date:

(1) the period from, and including, the first Switch Date to, but excluding, the second Switch Date; and

(2) following the second Switch Date, each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date;

"**Fixed Rate Note Provisions**" means the provisions contained in Condition 6 (*Fixed Rate Note Provisions*);

"**Floating Rate Interest Period(s)**" means:

(i) in the case of Floating to Fixed Rate Notes:

(A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Interest Commencement Date to, but excluding, the Switch Date; or

(B) if the relevant Final Terms specify more than one Switch Date:

(1) the period from, and including, the Interest Commencement Date to, but excluding, the first Switch Date; and

(2) each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date; or

(ii) in the case of Fixed to Floating Rate Notes:

(A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Switch Date to, but excluding, the Maturity Date; or

(B) if the relevant Final Terms specify more than one Switch Date:

(1) the period from, and including, the first Switch Date to, but excluding, the second Switch Date; and

(2) following the second Switch Date, each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date;

"**Floating Rate Note Provisions**" means the provisions contained in Condition 7 (*Floating Rate and Inverse Floating Rate Note Provisions*);

"**Fully Consolidated Subsidiary**" means any Subsidiary whose financial statements are or are required (by law or the applicable accounting principles) to be fully consolidated on a line-by-line basis in the consolidated financial statements of the Issuer;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(i) any obligation to purchase such Indebtedness;

(ii) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(iv) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness (whether being principal, premium or interest) of any Person for money borrowed or raised;

"**Independent Reference Rate Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international capital markets appointed by the Issuer at its own expense under Conditions 8(b) (*Appointment of independent adviser*) or (e) (*Linear Interpolation*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" means the date or dates specified as such in the relevant Final Terms;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Inverse Rate**" means:

(i) if Screen Rate Determination is specified in the relevant Final Terms as the manner in which it is to be determined, the Reference Rate (or, where applicable, the arithmetic mean thereof) determined in accordance with Condition 7(c) (*Screen Rate Determination*); or

(ii) if ISDA Determination is specified in the relevant Final Terms as the manner in which it is to be determined, the ISDA Rate determined in accordance with Condition 7(d) (*ISDA Determination*);

"**Investment Grade Rating**" means any credit rating assigned by a Rating Agency which is, or is equivalent to any of the following categories:

(i) with respect to S&P and Fitch, from and including AAA to and including BBB-;

(ii) with respect to Moody's, from and including Aaa to and including Baa3,

or, in each case, any equivalent successor categories;

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any of its successors);

"**ISDA Definitions**" means:

(i) unless the Final Terms specify that the 2021 ISDA Definitions are applicable, the 2006 ISDA Definitions, as amended and updated; or

(ii) if the Final Terms specify that the 2021 ISDA Definitions are applicable, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions (including each Matrix, as defined therein, and any successor thereto),

in each case, as at the date of issue of the first Tranche of the Notes of the relevant Series and as published by ISDA and obtainable on its website (*www.isda.org*);

"**Issue Date**" means the date specified as such in the relevant Final Terms;

"**Margin**" means an amount expressed as a percentage, as specified in the relevant Final Terms;

"**Material Subsidiary**" means, at any time, any Subsidiary of the Issuer which (consolidated with its own Subsidiaries, if any) accounts for 10 per cent. or more of the Issuer's Consolidated Revenues or Consolidated Total Assets, as determined by reference to the Issuer' latest published audited consolidated annual financial statements and the latest annual financial statements of such Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries);

"**Maturity Date**" means the date specified as such in the relevant Final Terms;

"**Maximum Rate of Interest**" means, where applicable in respect of any Note, the rate specified as such in the relevant Final Terms;

"**Maximum Redemption Amount**" means, in respect of any Note, an amount specified as such in the relevant Final Terms;

"**Minimum Rate of Interest**" means, in respect of any Note, a rate of zero per cent. per annum or such other rate as is specified in the relevant Final Terms;

"**Minimum Redemption Amount**" means, in respect of any Note, an amount specified as such in the relevant Final Terms;

"**Optional Redemption Amount (Call)**" means, in respect of any Note:

(i) its principal amount;

(ii) such other amount expressed as an amount due in respect of each Calculation Amount represented by such Note, as specified in the relevant Final Terms; or

(iii) if the Final Terms specify that Issuer Call and Make Whole Amount are applicable, an amount calculated by the Calculation Agent equal to the higher of:

(A) the principal amount of such Note; and

(B) the sum of the present values of the principal amount of such Note and the Remaining Term Interest on such Note (exclusive of interest accrued to the

Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or, in the case of a leap year, 366) at the Reference Bond Rate, plus the Redemption Margin;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, (i) its principal amount or (ii) such other amount expressed as an amount due in respect of each Calculation Amount represented by such Note, as specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" means:

(i) if the Final Terms state that Issuer Call is applicable, the date or dates specified as such in the relevant Final Terms; and/or

(ii) if the Final Terms state that a Clean-up Call is applicable, the date specified in the relevant notice given by the Issuer pursuant to Condition 12(c)(iii) (*Clean-up call*);

"**Optional Redemption Date (Put)**" means:

(i) if the Final Terms state that an Investor Put is applicable, the date or dates specified as such in the relevant Final Terms; or

(ii) if the Final Terms state that a Change of Control Put is applicable, the date specified in the relevant Change of Control Notice by the Issuer, being a date not earlier than 15 nor later than 20 Business Days after expiry of the Put Option Exercise Period;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, as specified in the Final Terms, *provided that* if, following one or more Benchmark Events:

(i) such originally specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or any further) Successor Rate or Alternative Rate; and

(ii) a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate,

then the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Holders**" means the shareholders of the Issuer which are municipalities, provinces or consortiums incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000, as amended, or any Persons controlled, whether directly or indirectly, by any such municipality, province or consortium;

"**Permitted Reorganisation**" means:

(i) in the case of a Material Subsidiary which is a Fully Consolidated Subsidiary, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction, in each case whilst solvent whereby all or substantially all of the assets and undertaking of such Material Subsidiary are transferred, sold, contributed, assigned or otherwise vested in the Issuer and/or another Subsidiary of the Issuer; or

(ii) in the case of any other Material Subsidiary, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction, in each case whilst solvent whereby a substantial part of the assets and undertaking of such Material Subsidiary are transferred, sold, contributed, assigned or otherwise vested in the Issuer and/or another Subsidiary of the Issuer; or

(iii) in the case of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction, in each case whilst solvent whereby all or substantially all of the Issuer's assets and undertaking are transferred, sold, contributed, assigned or otherwise vested in a body corporate that is in good standing, validly organised and existing under the laws of the Republic of Italy, and such body corporate (A) assumes liability as principal debtor in respect of the Notes and (B) continues to carry on all or substantially all of the business of the Issuer, *provided that* no Rating Event occurs following such transaction (or prior to completion of such transaction but following a public announcement thereof); or

(iv) any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent or other similar arrangement on terms previously approved by an Extraordinary Resolution;

"**Permitted Security Interest**" means:

(i) any Security Interest arising by operation of law;

(ii) any Security Interest created by a Person which becomes a Subsidiary of the Issuer after the Issue Date, where such Security Interest already exists at the time that Person becomes a Subsidiary *provided that* (A) such Security Interest was not created in connection with or in contemplation of that Person becoming a Subsidiary of the Issuer, (B) the aggregate principal amount secured at the time when that Person becomes a Subsidiary of the Issuer is not subsequently increased and (C) the aggregate value of the assets over which all such Security Interests are created or subsist shall not at any time, either individually or in the aggregate, exceed 10 per cent. of the Issuer's Consolidated Total Assets;

(iii) any Security Interest (a "**New Security Interest**") created in substitution for any existing Security Interest permitted under paragraphs (i) to (ii) above (an "**Existing Security Interest**"), *provided that* (A) the principal amount secured by the New Security Interest does not at any time exceed the principal amount secured by the Existing Security Interest, and (B) the value of the assets over which the New Security Interest is created does not exceed the value of the assets over which the Existing Security Interest was created or subsisted; or

(iv) any Security Interests not falling within paragraphs (i) to (iii) above, *provided that* the aggregate value of the assets over which all such Security Interests is created shall not at any time, either individually or in the aggregate, exceed 10 per cent. of the Issuer's Consolidated Total Assets;

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

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Exercise Period**" means,

(i) if the Final Terms specify that Investor Put is applicable, a period that commences not more than the maximum nor less than the minimum number of days before the relevant Optional Redemption Date (Put) specified in the relevant Final Terms; or

(ii) if the Final Terms specify that Change of Control Put is applicable, a period of 20 Business Days following the date on which the relevant Change of Control Notice is given to the Noteholders in accordance with Condition 21 (*Notices*);

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Rating Agency**" means any credit rating agency which is established in the European Economic Area and registered under Regulation (EC) No. 1060/2009;

a "**Rating Event**" will be deemed to have occurred following any particular event (the "**Relevant Event**") if, at the time of the occurrence of the Relevant Event, the Notes carry from any Rating Agency either:

(i) an Investment Grade Rating and such rating from any Rating Agency is within 180 days of the occurrence of the Relevant Event either downgraded below an Investment Grade Rating or withdrawn and is not within such 180-day period subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or (in the case of a withdrawal) replaced by an Investment Grade Rating from any other Rating Agency; or

(ii) a rating that is not an Investment Grade Rating and such rating from any Rating Agency is within 180 days of the occurrence of the Relevant Event downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 180-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or

(iii) no credit rating, and no Rating Agency assigns within 90 days of the occurrence of the Relevant Event an Investment Grade Rating to the Issuer;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount in respect of the Notes;

"**Redemption Margin**" means an amount expressed as a percentage, as specified in the relevant Final Terms;

"**Reference Banks**" means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Bond**" means the debt securities specified as such in the relevant Final Terms;

"**Reference Bond Rate**" means, with respect to the Reference Dealers and the Optional Redemption Date (Call), the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgment of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date (Call) quoted in writing to the Issuer by the Reference Dealers;

"**Reference Currency**" means the currency specified as such in the relevant Final Terms;

"**Reference Dealers**" means the financial institutions specified as such in the relevant Final Terms or any of their affiliates or successors which, at the relevant time, are primary dealers in securities that are substantially analogous to the Reference Bond or market makers in pricing such securities;

"**Reference Price**" means the amount specified as such in the relevant Final Terms;

"**Reference Rate**" means the CMS Rate or EURIBOR, as specified in the relevant Final Terms;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**"

means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" means the city or cities or other geographical area or areas specified as such in the relevant Final Terms;

"**Relevant Indebtedness**" means any Indebtedness, whether present or future, which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange, over-the-counter or other organised market for securities;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined

in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-BBA with a designated maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; or

(iv) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms;

"**Relevant Time**" means the time specified as such in the relevant Final Terms;

"**Remaining Term Interest**" means, with respect to any Note to be redeemed on an Optional Redemption Date (Call) (and if the Final Terms specify that Issuer Call and Make Whole Amount are applicable), the aggregate amount of scheduled payment(s) of interest on such Note for the period from (and including) the Optional Redemption Date (Call) to (but excluding) the Maturity Date (or such other dates as may be specified in the Final Terms as the commencement and end dates of the accrual period), determined on the basis of the Rate of Interest applicable for that period, *provided that*, in the case of Step Up Notes, if the Final Terms specifies that Step Up Margins are applicable, the Rate of Interest will include any Step Up Margin that has or will become applicable for each relevant period, except to the extent that the Issuer, as at the date of exercise of its option to redeem the Notes pursuant to Condition 12(c) (*Redemption at the option of the Issuer*), has satisfied the relevant Step Up Threshold and given notice of having done so to Noteholders pursuant to Condition 21 (*Notices*);

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"**Reserved Matter**" has the meaning given to it in the Agency Agreement and includes proposals, as set out in Article 2415 of the Italian Civil Code, to modify these Conditions (including, *inter alia*, any proposal to modify the maturity of the Notes or the dates on which interest is payable on them, to reduce or cancel the principal amount of, or interest on, the Notes, or to change the currency of payment of the Notes), *provided that* no modification of the Notes falling within the scope of Condition 8 (*Benchmark Replacement*) shall be considered a Reserved Matter or otherwise a matter requiring Noteholder approval;

"**Reset Date**" means the date or dates specified as such in the relevant Final Terms;

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

"**Specified Currency**" means the currency specified as such in the relevant Final Terms;

"**Specified Denomination(s)**" means an amount of the Specified Currency specified as such in the relevant Final Terms, subject to a minimum denomination of €100,000 (or its equivalent in other currencies as at the Issue Date);

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" means the period specified as such in the relevant Final Terms;

"**Step Up Date**" and "**Step Up Margin**" have the meaning given to them in Condition 10 (*Step Up Option*);

"**Step Up Notes**" means any Notes to which Condition 10 (*Step Up Option*) applies;

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

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**Switch Date(s)**" means:

(i) where the Switch Option is not applicable, the date or dates that are specified as such in the relevant Final Terms; and

(ii) where the Switch Option is applicable, the date or dates that are specified as such in the relevant Final Terms and in respect of which the Issuer has duly given notice of exercise of the relevant Switch Option to Noteholders pursuant to Condition 9(e) (*Switching at the option of the Issuer*) and in accordance with Condition 21 (*Notices*);

"**Switch Option**" means, if specified as applicable in the relevant Final Terms, the option of the Issuer, at its sole discretion, on one or more occasions and subject to the provisions of Condition 9(e) (*Switching at the option of the Issuer*) to change the interest provisions applicable to the Notes from the Fixed Rate Note Provisions to the Floating Rate Note Provisions or *vice versa*;

"**Switch Option Exercise Period(s)**" means the period or periods specified as such in the relevant Final Terms, which period shall in any event end not less than 15 days prior to the relevant Switch Date;

"**Talon**" means a talon for further Coupons;

"**TARGET**" means the Trans-European Automated real-time Gross settlement Express Transfer system (known as TARGET or T2) or any successor or replacement system;

"**TARGET Settlement Day**" means any day on which TARGET is open for the settlement of payments in Euro;

"**Treaty**" means the Treaty on the functioning of the European Union, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) ***Interpretation***: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 14 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 14 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to be specified or indicated in the relevant Final Terms, but the relevant Final Terms gives no such indication or specification or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. Status

The Notes constitute direct, general, unconditional and, subject to the provisions of Condition 5 (*Negative pledge*), unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations required as may be preferred by statute or by operation of law.

5. Negative Pledge

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

(including uncalled capital) to secure (i) any Relevant Indebtedness or (ii) any Guarantee in relation to any Relevant Indebtedness, without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

(a) ***Application***: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 13 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) ***Calculation of interest amount***: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note and Inverse Floating Rate Note Provisions**

(a) ***Application***: This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Inverse Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 13 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination***:

(i) *Floating Rate Notes other than CMS Linked Interest Notes*: If, in the relevant Final Terms, Screen Rate Determination is specified as the manner in which the Rate(s) of Interest is/are to be determined and "CMS Rate" is not specified as the Reference Rate, then the Rate of Interest applicable to the Notes for each Interest Period will, subject to Condition 7(g) (*Maximum or Minimum Rate of Interest*), be determined by the Calculation Agent on the following basis, subject to Condition 8 (*Benchmark Replacement*):

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(1) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean of such quotations; and

(D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) *CMS Linked Interest Notes*: If, in the relevant Final Terms, Screen Rate Determination is specified as the manner in which the Rate(s) of Interest is/are to be determined and "CMS Rate" is specified as the Reference Rate, then the Rate of Interest applicable to the Notes for each Interest Period will, subject to Condition 7(g) (*Maximum or Minimum Rate of Interest*), be determined by the Calculation Agent by reference to the following formula:

CMS Rate plus Margin

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date fewer than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate in effect with respect to the immediately preceding Interest Period.

(d) ***ISDA Determination***: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject to Condition 7(g) (*Maximum or Minimum Rate of Interest*), be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms;

(iv) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(A) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, then (1) Compounding with Lookback is the Overnight Rate Compounding Method and (2) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;

(B) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, then (1) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (2) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (3) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(C) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, then (1) Compounding with Lockout is the Overnight Rate Compounding Method, (2) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (3) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(v) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:

(A) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (1) Averaging with Lookback is the Overnight Rate Averaging Method and (2) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in relevant Final Terms;

(B) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (1) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (2) Observation Period Shift is the number 51 of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (3) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(C) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (1) Averaging with Lockout is the Overnight Rate Averaging Method, (2) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (3) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(vi) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and:

(A) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms; and

(B) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(vii) references in the ISDA definitions to:

(A) "Confirmation" shall be references to the relevant Final Terms;

(B) "Calculation Period" shall be references to the relevant Interest Period;

(C) "Termination Date" shall be references to the Maturity Date; and

(D) "Effective Date" shall be references to the Interest Commencement Date; and

(viii) If the Final Terms specify that the 2021 ISDA Definitions as the applicable ISDA Definitions:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication– Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(e) ***Linear Interpolation***: Where Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the relevant Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, *provided however that*, if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer, in consultation with the Independent Reference Rate Adviser, acting in good faith and in a commercially reasonable manner, determines to be appropriate.

(f) ***Inverse Floating Rate Notes***: The Rate of Interest in respect of Inverse Floating Rate Notes for each Interest Period shall, will, subject to Condition 7(g) (*Maximum or Minimum Rate of Interest*), be determined by subtracting the Inverse Rate from the Fixed Rate Component and, for this purpose, all references in this Condition 7 to the sum of:

(i) the Reference Rate (or its arithmetic mean) or the ISDA Rate; and

(ii) the Margin,

shall be read as references to the difference between the Fixed Rate Component and the Inverse Rate obtained pursuant to this Condition 7(f).

(g) ***Maximum or Minimum Rate of Interest***: The Rate of Interest shall in no event be less than the Minimum Rate of Interest. If any Maximum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum so specified.

(h) ***Calculation of Interest Amount***: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount during such Interest Period, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(i) ***Calculation of other amounts***: If the relevant Final Terms specify that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount.

The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(j) ***Publication***: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(k) ***Notifications etc***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Benchmark Replacement**

(a) ***Application***: This Condition 8 applies to the Floating Rate Note Provisions upon occurrence of a Benchmark Event in relation to an Original Reference Rate if, at any time, any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate.

(b) ***Appointment of independent adviser***: The Issuer shall use its reasonable endeavours to appoint and consult with as soon as reasonably practicable, at the Issuer's own expense, an Independent Reference Rate Adviser to determine as soon as reasonably practicable a Successor Rate, failing which an Alternative Rate (in accordance with Condition 8(d) (*Successor or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 8(e) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 8(f) (*Benchmark Amendments*)). An Independent Reference Rate Adviser appointed pursuant to this Condition 8 shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, wilful default, gross negligence or fraud, the Independent Reference Rate Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 8.

(c) ***Failure to appoint***: If the Issuer is unable to appoint and consult with an Independent Reference Rate Adviser or if the Independent Reference Rate Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8 prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, *provided however that*, if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8(c) prior to the relevant Interest Determination Date, then the Rate of Interest applicable to the Interest Period

immediately following such Interest Determination Date shall be the Rate of Interest that is applicable to the immediately preceding Interest Period. For the avoidance of doubt, this Condition 8(c) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.

(d) ***Successor or Alternative Rate***: If the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith, determines that:

(i) there is a Successor Rate; or

(ii) there is no Successor Rate but that there is an Alternative Rate,

then such Successor Rate or Alternative Rate (as the case may be) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest for the immediately following Interest Period (or the relevant component part thereof) and for all future payments of interest on the Notes, subject to any adjustment under Condition 8(e) (*Adjustment Spread*) and any subsequent operation of this Condition 8 in the event of a further Benchmark Event affecting the Successor Rate or Alternative Rate.

(e) ***Adjustment Spread***: If the Independent Reference Rate Adviser or (in the circumstances set out in Condition 8(c) (*Failure to appoint*) only) the Issuer, in each case acting in a commercially reasonable manner and in good faith, determines in its discretion:

(i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be); and

(ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread,

then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(f) ***Benchmark Amendments***: If any relevant Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 8 and the Independent Reference Rate Adviser or the Issuer (as applicable), acting in a commercially reasonable manner and in good faith, determines in its discretion:

(i) that amendments to these Conditions and/or the Agency Agreement are necessary and appropriate either (A) to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or (B) to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory body (each such amendment, a "**Benchmark Amendment**"); and

(ii) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 8(g) (*Notification*) but without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and, for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement required in order to give effect to this Condition 8 and the Fiscal Agent shall not be liable to any party for any consequences thereof, *provided that* the Fiscal Agent shall not be obliged to so consent if, in the opinion of the Fiscal Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the

rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or any other documents to which it is a party in any way).

(g) ***Notification***: Notice of any Successor Rate, Alternative Rate or Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 8 will be given promptly by the Issuer to the Paying Agents and the Calculation Agent and, in accordance with Condition 21 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of any such Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment, each of which will (in the absence of manifest error or bad faith in their determination and without prejudice to the Calculation Agent's or the Paying Agents' right to rely on such certificate as aforesaid) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Noteholders.

(h) ***Survival***: Without prejudice to the Issuer's obligations under Conditions 8(b) (*Appointment of independent adviser*) to (f) (*Benchmark Amendments*), the Original Reference Rate and, where originally applicable, the fallback provisions under Condition 7(c) (*Screen Rate Determination*) will continue to apply unless and until a Benchmark Event has occurred.

9. **Fixed to Floating Rate or Floating to Fixed Rate Note Provisions**

(a) ***Application***: This Condition 9 (*Fixed to Floating Rate or Floating to Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed to Floating Rate Note Provisions or the Floating to Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Fixed to Floating Rate Note Provisions***: If the Fixed to Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, then:

(i) the Fixed Rate Note Provisions shall apply to the Notes initially upon issue and in respect of the Fixed Rate Interest Period(s); and

(ii) the Floating Rate Note Provisions shall apply in respect of the Floating Rate Interest Period(s).

(c) ***Floating to Fixed Rate Note Provisions***: If the Floating to Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, then:

(i) the Floating Rate Note Provisions shall apply to the Notes initially upon issue and in respect of the Floating Rate Interest Period(s); and

(ii) the Fixed Rate Note Provisions shall apply in respect of the Fixed Rate Interest Period(s).

(d) ***Scheduled switch***: If the Final Terms do not specify that the Switch Option is applicable, then the switching of interest from the Fixed Rate Note Provisions to the Floating Rate Note Provisions or *vice versa* shall take effect on each Switch Date without any requirement to give notice or other formality (but without prejudice, if applicable, to Condition 7(j) (*Publication*)).

(e) ***Switching at the option of the Issuer***: If the Final Terms specify that the Switch Option is applicable, then:

(i) the Issuer may, on one or more occasions, as specified in the relevant Final Terms, give notice to the Noteholders during the relevant Switch Option Exercise Period of the switching of interest applicable to the Notes from the Fixed Rate Noted Provisions to the Floating Rate Note Provisions or *vice versa*;

(ii) provided that notice is given to Noteholders during the relevant Switch Option Exercise Period, such notice will be irrevocable and binding on both the Issuer and the Noteholders and will take effect:

(A) where only one Switch Date is specified in the relevant Final Terms, from (and including) the Switch Date to (but excluding) the Maturity Date; or

(B) where more than one Switch Date is specified in the relevant Final Terms, from (and including) the relevant Switch Date to (but excluding) the next following Switch Date or, where there is no subsequent Switch Date, to (but excluding) the Maturity Date; and

(iii) if, in relation to a date specified in the Final Terms as a Switch Date, the Switch Option is not exercised in accordance with this Condition 9(e), then such date will be deemed not to be a Switch Date for the purposes of these Conditions and the interest provisions applicable prior to such date shall continue to apply.

10. **Step Up Option**

(a) ***Application***: This Condition 10 (*Step Up Option*) is applicable to the Notes only if the Step Up Option is specified in the relevant Final Terms as being applicable.

(b) ***Interest adjustment*:** The Rate of Interest for Step Up Notes will be the Rate of Interest specified in the relevant Final Terms (in the case of Notes to which the Fixed Rate Note Provisions apply) or otherwise determined in accordance with these Conditions and the relevant Final Terms (in the case of Notes to which the Floating Rate Note Provisions apply), *provided that*, following the occurrence of any Step Up Event, the Rate of Interest shall be increased by one or more Step Up Margins specified in the Final Terms for each Interest Period commencing on or after the relevant Step Up Date.

(c) ***Definitions*:** In this Condition 10, the following expressions have the following meanings:

"**ARERA**" means the Italian Regulatory Authority for Energy, Networks and the Environment (*Autorità di Regolazione per Energia Reti e Ambiente*) and any other successor or replacement body performing its functions from time to time;

"**Decree No. 254**" means Italian Legislative Decree No. 254 of 30 December 2016 on non-financial reporting, as amended, supplemented and/or re-enacted from time to time;

"**Energy Production**" means the amount of power and heat generated by Power Plants, expressed in kWh;

"**External Verifier**" means the person or entity specified as such in the Final Terms, being a qualified provider of third party assurance or attestation services or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to review the Step Up Indicators that are applicable to any outstanding Step Up Notes and/or any recalculation pursuant to Condition 10(d) (*Recalculation*);

"**GHG**" means greenhouse gases, being gases which absorb and emit radiation in the atmosphere contributing to the greenhouse effect, including (but not limited to) carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3);

"**GHG Protocol's Corporate Reporting Standards**" means the international guidance and standards on greenhouse gas emissions accounting and life cycle assessment, such as those established by the World Business Council for Sustainable Development and the World Resources Institute;

"**Group**" means the Issuer and each of its Fully Consolidated Subsidiaries from time to time, taken as a whole;

"**Limited Assurance Report**" means an assurance report issued by the External Verifier in respect of the Step Up Indicators that are applicable to any outstanding Step Up Notes and, where applicable, any recalculation pursuant to Condition 10(d) (*Recalculation*);

"**Material Recovery**" means any recovery operation (including the preparation for re-use, recycling and backfilling) that is made in a material recovery plant or in a selection plant, in each case including, at differing stages in the process, the selection, treatment and/or recovery of paper, wood, plastic, glass, the organic fraction of municipal solid waste (OFMSW) and any other municipal or special waste, where the principal outcome is to allow waste to continue to play a useful role, replacing other materials that would otherwise have been used to perform a particular function;

"**Non-Financial Report**" means the Issuer's consolidated corporate sustainability report, as published in accordance with Decree No. 254 or equivalent document prepared pursuant to applicable legislation, and any subsequent amendments and supplements thereto;

"**Power Plants**" means the Group's owned and controlled power plants and other facilities used for the generation of electricity and heat from any source, including any owned or controlled vehicles, machinery, equipment or accessories therein;

"**Recalculation Event**" means, in relation to a Step Up Indicator and/or a Step Up Threshold, a structural change in the Issuer and/or the Group and/or any other event which occurs on or after the date of issue of the first Tranche of the relevant Step Up Notes such that:

(i) where the Final Terms specifies that the Step Up Indicator is Scope 1 GHG Emissions Intensity and/or Scope 3 GHG Emissions, any recalculation is required by SBTi or any replacement or successor body or initiative (including, but not limited to, any change in the perimeter of the Group or in generally accepted methodologies for the calculation of those indicators or in the event of any manifest error); or

(ii) where the Final Terms specifies that the Step Up Indicator is Water Leaks Intensity, there is an increase or decrease of at least 5 per cent. in the length in kilometres of the water supply network managed by the Group;

"**SBTi**" means the science-based targets initiative that stems from the collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) aimed at verifying alignment with the indications of the Paris Agreement reached at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21);

"**Scope 1 GHG Emissions**" means GHG emissions derived from Power Plants;

"**Step Up Date**" means, with respect to any Step Up Event, one or more dates falling on the first day of the Interest Period following the relevant Step Up Event Notification Expiry Date;

"**Step Up Event**" means the failure by the Issuer to give notice in writing no later than the Step Up Event Notification Expiry Date to the Fiscal Agent and to the Noteholders in accordance with Condition 21 (*Notices*) that:

(i) the Step Up Indicator for the relevant Step Up Event Reference Period is:

(A) where the Final Terms specifies that the Step Up Indicator is Total Waste Treated in Material Recovery Plants, higher than the Step Up Threshold; or

(B) in all other cases, lower than the Step Up Threshold; and

(ii) such Step Up Indicator for the relevant Step Up Event Reference Period has been confirmed by the External Verifier in accordance with its customary procedures,

provided that no such event will be deemed to have occurred to the extent that the relevant Step Up Threshold was not achieved for the relevant Step Up Event Reference Period as a result of a Step Up Exclusion Event;

"**Step Up Event Notification Expiry Date(s)**" means, following each Step Up Event Reference Date, the corresponding date or dates by which the Issuer is required to publish its Step Up Report and the Limited Assurance Report for the Step Up Event Reference Period(s) and to give notice to Noteholders of compliance or otherwise with any Step Up Threshold pursuant to Condition 10(e) (*Publication*);

"**Step Up Event Reference Date**" means the date or dates specified as such in the Final Terms;

"**Step Up Event Reference Period**" means any 12-month period ending on a Step Up Event Reference Date;

"**Step Up Exclusion Event**" means:

(i) any change in, or amendment to, laws, legislation, rules or regulations, or in any guidelines and policies of any government body, or any decision of any competent authority, which in each case is applicable to and/or concerns the Group's business activities; or

(ii) any event or circumstances whereby a concession granted to the Group is amended, revoked or terminated prior to its original expiry date for any reason whatsoever (and such amendment, revocation or termination becomes effective in accordance with its terms) or the relevant expiry date is shortened,

in each case, occurring on or after the date of issue of the first Tranche of the relevant Step Up Notes and such as to have a material impact, whether directly or indirectly, on the Issuer's ability to satisfy any Step Up Threshold for the relevant Step Up Event Reference Period;

"**Step Up Indicator(s)**" means, as specified in the Final Terms, one or more of the following:

(i) if "**Scope 1 GHG Emissions Intensity**" is specified, the ratio between Scope 1 GHG Emissions (expressed in grammes of carbon dioxide equivalent) and Energy Production (expressed in kilowatt hours);

(ii) if "**Scope 3 GHG Emissions**" is specified, the total amount of GHG emissions derived from energy related activities of the Group and from the use by customers of natural gas and other products sold by the Group, as set out respectively in Category 3 and Category 11 of the GHG Protocol's Corporate Reporting Standards, and expressed in thousands of metric tonnes of carbon dioxide equivalent;

(iii) if "**Water Leaks Intensity**" is specified, the amount expressed as a percentage and obtained by dividing the total volume of water leakage from the Group's supply network by the total volume of water entering the Group's supply network, in each case determined by reference to the relevant criteria and findings of ARERA; and/or

(iv) if "**Total Waste Treated in Material Recovery Plants**" is specified, the total amount of municipal and special waste treated by the Group, including any preparation prior to recovery, for the purposes of recovering material at the Group's Material Recovery plants and expressed in thousands of metric tonnes,

in each case, as calculated in good faith by the Issuer (subject to any recalculation pursuant to Condition 10(e) (*Recalculation*)), reported by the Issuer in its Step Up Report, confirmed by the External Verifier as of the Step Up Event Reference Date and published by the Issuer no later than the Step Up Event Notification Expiry Date in accordance with Condition 10(e) (*Publication*);

"**Step Up Margin(s)**" means the amount or amounts expressed as a percentage and specified as such in the relevant Final Terms;

"**Step Up Report**" means the document in which the Issuer publishes the Step Up Indicators applicable to any outstanding Step Up Notes for each year ending 31 December, which may be its Non-Financial Report or its annual consolidated financial statements or such other document published on the Issuer's website (*https://www.gruppoiren.it/en/investors/financial-profile/sustainable-finance.html*); and

"**Step Up Threshold(s)**" means, in respect of the relevant Step Up Indicator and subject to any recalculation pursuant to Condition 10(e) (*Recalculation*), the ratio(s), percentage(s) and/or amount(s) specified as such in the Final Terms;

(d) ***Recalculation***: If a Recalculation Event occurs, the Issuer may, by giving notice to Noteholders in accordance with Condition 21 (*Notices*), modify with immediate effect the basis and method of calculation of any relevant Step Up Indicator and/or the amount, ratio or percentage of any Step Up Threshold, such modification to be made in good faith by the Issuer and to the extent required as a result of such Recalculation Event. Any such recalculation will be:

(i) disclosed in the relevant Step Up Report, together with sufficient information to enable Noteholders to make an accurate assessment of the effect of such recalculation; and

(ii) verified by the External Verifier to ensure that they are substantially consistent with the Group's sustainability strategy and the underlying aims of the relevant Step Up Indicator(s) and/or Step Up Threshold(s), in each case by reference to the circumstances then subsisting,

such Step Up Report and verification to be published by the Issuer in accordance with Condition 10(e) (*Publication*).

(e) ***Publication***: For so long as any Step Up Notes are outstanding and, in relation to each year ending 31 December after the relevant Issue Date, the Issuer will publish on its website and in accordance with any applicable laws:

(i) the Step Up Indicators applicable to any such Step Up Notes for that year, as indicated in the relevant Step Up Report in relation to the same year;

(ii) a Limited Assurance Report by the External Verifier; and

(iii) if applicable, any Recalculation Event that has occurred.

Each Limited Assurance Report and Step Up Report will be published concurrently with the publication of the independent auditor's report on the Issuer's annual financial statements and will have the same reference date as the relevant independent auditor's report, *provided that* to the extent the Issuer reasonably determines that additional time is required to complete any Limited Assurance Report and the Step Up Report, then the relevant Limited Assurance Report and the Step Up Report may be published as soon as reasonably practicable, but in no event later than 30 days, after the date of publication of such independent auditor's report. In addition, no later than the same date, in relation to any Step Up Event Reference Period, the Issuer shall give notice to Noteholders in accordance with Condition 21 (*Notices*) regarding compliance with

each relevant Step Up Threshold and confirmation of such compliance by the External Verifier in accordance with its customary procedures.

11. **Zero Coupon Note Provisions**

(a) ***Application***: This Condition 11 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

12. **Redemption and Purchase**

(a) ***Scheduled redemption***: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 13 (*Payments*).

(b) ***Redemption for tax reasons***: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on the Early Redemption Date on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the Early Redemption Date, if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

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

provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Early Redemption Date may fall at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Early Redemption Date may only fall on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a duly

authorised legal representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 12(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 12(b).

(c) ***Redemption at the option of the Issuer***:

(i) *Application*: This Condition 12(c) is applicable only if the Issuer Call and/or Clean-up Call is specified in the relevant Final Terms as being applicable.

(ii) *Unconditional call*: If the Final Terms specify that the Issuer Call is applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than the minimum nor more than the maximum number of days' notice to the Noteholders specified in the Final Terms.

(iii) *Clean-up Call*: If the Final Terms specify that the Clean-up Call is applicable, then the Issuer may redeem the Notes in whole, but not in part, at any time after the occurrence of a Clean-up Call Event by giving not less than the minimum nor more than the maximum number of days' notice to the Noteholders specified in the Final Terms.

(iv) *Notice and effect*: Any notice given by the Issuer pursuant to this Condition 12(c) shall be given in accordance with Condition 21 (*Notices*), shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) plus accrued interest (if any) to such date.

(d) ***Partial redemption***: If the Notes are to be redeemed in part only on any date in accordance with Condition 12(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 12(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Redemption at the option of Noteholders*:**

(i) *Application*: This Condition 12(e) is applicable only if the Investor Put or the Change of Control Put is specified in the relevant Final Terms as being applicable.

(ii) *Investor Put*: If the Final Terms specify that Investor Put is applicable, each Noteholder may, during the Put Option Exercise Period, serve a Put Option Notice upon the Issuer, following which the Issuer will redeem in whole (but not in part) the Notes that are the subject of such Put Option Notice on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put), together with interest (if any) accrued to such date.

(iii) *Change of Control Put*: If the Final Terms specify that Change of Control Put is applicable and a Change of Control Put Event occurs, within five Business Days from the occurrence of such Change of Control Put Event, a Change of Control Notice shall be given by the Issuer to Noteholders in accordance with Condition 21 (*Notices*), whereupon each Noteholder may serve a Put Option Notice upon the Issuer during the Put Option Exercise Period. The Issuer will redeem in whole (but not in part) the Notes that are the subject of such Put Option Notice on the Optional Redemption Date (Put) specified in the relevant Change of Control Notice at the relevant Optional Redemption Amount (Put), together with interest (if any) accrued to such date.

(iv) *Put Option Notice*: In order to exercise the option contained in this Condition 12(e), the holder of a Note must, within the Put Option Exercise Period, deposit during normal business hours at the Specified Office of any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 12(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 12(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) ***No other redemption***: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 12(a) (*Scheduled redemption*) to (e) (*Redemption at the option of Noteholders*) above.

(g) ***Early redemption of Zero Coupon Notes***: The Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 12(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) ***Purchase***: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

(i) ***Cancellation***: All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

13. **Payments**

(a) ***Principal***: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) ***Interest***: Payments of interest shall, subject to Condition 13(h) (*Payments other than in respect of matured coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 13(a) (*Principal*) above.

(c) ***Payments in New York City***: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) ***Payments subject to fiscal laws***: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons***: If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum

deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 13(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) ***Unmatured Coupons void***: If and to the extent that the relevant Final Terms specify that the Floating Rate Note Provisions or the Inverse Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 12(b) (*Redemption for tax reasons*), Condition 12(c) (*Redemption at the option of the Issuer*), Condition 12(e) (*Redemption at the option of Noteholders*) or Condition 15 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 13(c) (*Payments in New York City*) above).

(i) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 16 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

14. **Taxation**

(a) ***Gross up***: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy other than the mere holding of the Note or Coupon; or

(ii) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon on account of *imposta sostitutiva*, pursuant to Italian Legislative Decree No. 239; or

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

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

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

(b) ***Taxing jurisdiction***: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

15. **Events of Default**

If any of the following events occurs:

(a) ***Non-payment****:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven TARGET Settlement Days of the due date for payment thereof; or

(b) ***Breach of other obligations****:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes under these Conditions (being obligations other than payment obligations to which Condition 15(a) (*Non-payment*) applies) and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(c) ***Cross-default of Issuer or Material Subsidiary****:*

(i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes due and payable by reason of default prior to its stated maturity; or

(iii) the Issuer or any of its Material Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any Guarantee given by it in relation to any Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or (ii) above and/or the amount payable under any guarantee and/or indemnity referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €40,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment****:* one or more judgment(s) or order(s) for the payment of any amount in excess of €40,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced****:* a secured party takes possession of, or a receiver, manager or other similar officer is appointed (or application for any such appointment is made and is not dismissed within 30 days) in respect of, all or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, or a distress, execution, attachment, sequestration or other process is levied, enforced upon or put in force against all or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or

(f) ***Insolvency, etc****:* (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, liquidator or other similar officer is appointed in respect of the Issuer or any of its Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries (or application for any such appointment is made and is not dismissed within 30 days), (iii) the Issuer or any of its Material Subsidiaries takes any action for a general readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any class of its creditors, or (iv) the Issuer or any of its Material Subsidiaries declares or proposes a moratorium in respect of any of its Indebtedness or any Guarantee given by it in relation to any Indebtedness; or

(g) ***Cessation of business****:* the Issuer or any of its Material Subsidiaries ceases or publicly announces that it intends to cease (including by the filing in any public register) to carry on all or a substantial part of its business (otherwise than for the purposes of, or pursuant to, a Permitted Reorganisation); or

(h) ***Winding up, etc****:* an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than for the purposes of, or pursuant to, a Permitted Reorganisation); or

(i) ***Analogous event****:* any event occurs which under the laws of the Republic of Italy has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (h) (*Winding up, etc.*) above; or

(j) ***Failure to take action etc***: any action, condition or thing (including, without limitation, the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence or order) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, perform and comply with its obligations under and in respect of the Notes and the Agency Agreement, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Republic of Italy is not taken, fulfilled or done; or

(k) ***Unlawfulness****:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement,

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

16. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the date on which the payments in question first become due. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the date on which the payments in question first become due.

17. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

18. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

(a) the Issuer shall at all times maintain a Fiscal Agent;

(b) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, the Issuer shall at all times maintain a Paying Agent having its Specified Office in the place required by applicable laws and regulations or the rules of any such competent authority, stock exchange and/or quotation system;

(c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(d) the Issuer shall at all times maintain a Paying Agent in a jurisdiction within the European Union, other than the Republic of Italy or (if different) the jurisdiction to which the Issuer is subject for the purpose of Condition 14(b) (*Taxing Jurisdiction*).

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

19. **Meetings of Noteholders; Noteholders' Representative; Modification**

(a) ***Meetings of Noteholders***:

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including, *inter alia*, the modification by Extraordinary Resolution of the Notes, these Conditions or any of the provisions of the Agency Agreement. Such provisions are subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time and, where applicable Italian law so requires, the Issuer's By-laws, including any amendment, restatement or re-enactment of such laws, legislation, rules and

regulations (or, where applicable, the Issuer's By-laws) taking effect at any time on or after the Issue Date.

Subject to the above, in relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution:

(i) any such meeting may be convened by the board of directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, upon a request in writing by Noteholder(s) holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes or, in default following such request, by the court in accordance with the provisions of Article 2367 of the Italian Civil Code;

(ii) every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and the Issuer's By-laws;

(iii) such a meeting will be validly convened if:

(A) in the case of a single call meeting that cannot be adjourned for want of quorum (*convocazione unica*), there are one or more persons being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes; or

(B) in the case of a multiple call meeting that may be adjourned for want of quorum: (1) in the case of the initial meeting, there are one or more persons present being or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Notes; (2) in the case of a meeting convened following adjournment of the initial meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes; or (3) in the case of any subsequent adjourned meeting, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes,

provided that the Issuer's By-laws may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for a higher quorums; and

(iv) the majority required to pass a resolution at any meeting (including any adjourned meeting) convened to vote on any resolution will be:

(A) for voting on any matter other than a Reserved Matter, one or more persons holding or representing at least two-thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; or

(B) for voting on a Reserved Matter, the higher of (1) one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes and (2) one or more persons holding or representing not less than two thirds of the Notes represented at the meeting,

provided that the Issuer's By-laws may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for a higher majorities.

An Extraordinary Resolution duly passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) ***Noteholders' Representative****:* Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of the Noteholders (*rappresentante comune* or "**Noteholders' Representative**")

is appointed, *inter alia*, to represent the interests of Noteholders, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or by the directors of the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

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

20. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date, the Interest Commencement Date and/or the first payment of interest) so as to form a single series with the Notes.

21. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper having general circulation in Europe (which is expected to be the *Financial Times*) and, for so long as the Notes are admitted to trading on a securities market of the Irish Stock Exchange plc, trading as Euronext Dublin and the rules of that exchange so require, in a leading newspaper having general circulation in the Republic of Ireland or on the website of that exchange (*https://live.euronext.com*). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

22. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

23. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

24. **Governing Law and Jurisdiction**

(a) ***Governing law***: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 19 (*Meetings of Noteholders; Noteholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders are subject to compliance with mandatory provisions of Italian law.

(b) ***Jurisdiction***: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity. The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary. Notwithstanding the foregoing and to the extent allowed by law, nothing in this Condition 24(b) shall prevent any Noteholder from taking (i) proceedings relating to a Dispute ("**Proceedings**") in any competent court in the Republic of Italy and (ii) concurrent Proceedings in any such court and in England.

(c) ***Process agent***: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Global Services (UK) Limited at 8th Floor, 20 Farringdon, Street, London EC4A 4AB or, if different, at its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or it ceases to be registered in England or, for any other reason, is unable or unwilling to act in such capacity, the Issuer shall immediately appoint a further Person in England to accept service of process on its behalf. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[MiFID II Product Governance / Target Market: Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [MiFID II / Directive 2014/65/EU (as amended, "**MiFID II**")]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR Product Governance / Target Market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 / EUWA]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor (as defined above) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for

undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [ ]

IREN S.p.A.

Legal entity identifier (LEI): 8156001EBD33FD474E60

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the
€4,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes set forth in the Base Prospectus dated 16 July 2024 [and the supplement[s] to the Base Prospectus dated [*date(s)*]] ([together,] the "**Base Prospectus**"), which constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129, as amended [(the "**Prospectus Regulation**")]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of the Prospectus Regulation][(4)] and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website (*https://live.euronext.com*) of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under the base prospectus dated 9 May 2023.*]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 9 May 2023, which are incorporated by reference in the Base Prospectus (as defined below). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**")][(5)] and must be read in conjunction with the Base Prospectus dated 16 July 2024 [and the supplement[s] to the Base Prospectus dated [*date(s)*]] ([together,] the "**Base Prospectus**"), which constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129, as amended / the Prospectus Regulation], save in respect of the Conditions which are extracted from the base prospectus dated 9 May 2023.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Conditions (as set out in the base prospectus dated 9 December 2020) and the Base Prospectus. The Base Prospectus has been published on the website (*https://live.euronext.com*) of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").]

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(4) Delete this sentence where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under the Prospectus Regulation.

(5) Delete this sentence where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under the Prospectus Regulation.

(*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*)

(*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
2.	Fungible with an existing Series:		[Applicable / Not Applicable] (*If not applicable, delete sub-paragraphs (i) and (ii) below*)
	(i)	Details of existing Series:	The Notes are to be consolidated and form a single Series with [*identify earlier Tranches*] issued by the Issuer on [*issue dates of earlier Tranches*] (the "**Existing Notes**").
	(ii)	Date on which the Notes will be consolidated and form a single Series:	[Issue Date / Upon exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 (*Form of Notes*) below, which is expected to occur not earlier than [*date*] (the "**Exchange Date**")]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(i)	Specified Denominations:	[ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. No Notes in definitive form will be issued with a denomination above [ ]] (*The minimum denomination of Notes will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount of such currency as at the Issue Date).*)

	(ii)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.*)
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[*Specify*/Issue Date/Not Applicable]
8.		Maturity Date:	[The Interest Payment Date falling in or nearest to] [ ] (*For Floating Rate Notes or Inverse Floating Rate Notes, specify the Interest Payment Date falling in or nearest to the relevant month and year. Otherwise, specify a date.*) (*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the Financial Services and Markets Act 2000 must be available.*)
9.		Interest Basis:	[[ ]% Fixed Rate[, subject to the Step Up Option]] [[*Specify reference rate*] +/- [ ]% Floating Rate[, subject to the Step Up Option]] [Inverse Floating Rate] [Fixed to Floating Rate] [Floating to Fixed Rate] [Zero Coupon] (further particulars specified in paragraph [12/13/14/15/16 [and 17]] [18] below)
10.		Change of Interest Basis:	[Applicable (see paragraph [12 (*Fixed to Floating Rate Note Provisions*) / 13 (*Floating to Fixed Rate Note Provisions*)] / Not Applicable]

11.	Put/Call Options:	[[Issuer Call] [and] [Clean-up Call] (further particulars specified in paragraph[s] [19 (*Issuer Call*)] [and] [20 (*Clean-up Call*)] below)] [[Investor Put / Change of Control Put] (further particulars specified in paragraph 21 (*Put Option*) below)] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	**Fixed to Floating Rate Note Provisions**		[Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Switch Date(s):	[Subject to exercise of the Switch Option,] [ ] (*Insert date(s)*) (*Delete reference to Switch Option if "Not Applicable" is specified in sub-paragraph (ii) below.*)
	(ii)	Switch Option:	[Applicable/Not Applicable]
	(iii)	Switch Option Exercise Period:	[(*Insert start and end dates or specify maximum and minimum number of days prior to Switch Date. The end date must be at least 15 days prior to the Switch Date*) / Not Applicable]
13.	**Floating to Fixed Rate Note Provisions**		[Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Switch Date(s):	[Subject to exercise of the Switch Option,] [ ] (*Insert date(s)*) (*Delete reference to Switch Option if "Not Applicable" is specified in sub-paragraph (ii) below.*)
	(ii)	Switch Option:	[Applicable/Not Applicable]
	(iii)	Switch Option Exercise Period:	[(*Insert start and end dates or specify maximum and minimum number of days prior to Switch Date*) / Not Applicable]

14.	**Fixed Rate Note Provisions**	[Applicable / [Applicable in respect of the Fixed Rate Interest Period[s] (*Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply*)] / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate(s) of Interest:	[ ] per cent. per annum[, subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below)] (*Delete words in square brackets if not applicable*)
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted in accordance with the Business Day Convention] (*N.B. This will need to be amended in the case of any long or short coupons*)
	(iii) Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
	(iv) Additional Business Centre(s):	[Not Applicable / Applicable (*indicate relevant city/cities*)]
	(v) Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(vi) Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]
	(vii) Broken Amount(s):	[[ ] per Calculation Amount, payable on the [first] Interest Payment Date falling on [*date*] / Not Applicable]
15.	**Floating Rate Note Provisions**	[Applicable / [Applicable in respect of the Floating Rate Interest Period[s] (*Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply*)] / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

		[The Notes are subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below).] (*Delete unless Step Up Option is applicable*)
(i)	Specified Period(s):	[Not Applicable / (*Specify period*)] ("*Specified Period" and "Interest Payment Dates" are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(ii)	Interest Payment Dates:	[Not Applicable / (*Specify dates*)] (*"Specified Period" and "Interest Payment Dates" are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable". Otherwise, specify the dates.*)
(iii)	Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
(iv)	Additional Business Centre(s):	[Not Applicable / (*indicate relevant city/cities*)]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[[*Name*] shall be the Calculation Agent / Not Applicable] (*Specify "Not Applicable" if the Fiscal Agent is to perform this function*)
(vii)	Screen Rate Determination:	[Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (vii).*)
	– Reference Rate:	[EURIBOR / CMS Rate]
	– Relevant Screen Page:	(*Specify screen page. For example, Reuters page EURIBOR 01*) (*Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions*)

– Interest Determination Date(s): [ ]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is euro*): [Second day on which the TARGET System is open prior to the start of each Interest Period]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is other than euro*): [Second [*specify type of day*] prior to the start of each Interest Period]

– Relevant Time: [ ]
(*For example, 11.00 a.m. London time/Brussels time*)

– Relevant Financial Centre: [ ]
(*For example, London / Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)

(*If CMS Rate is not the Reference Rate, delete the two remaining items below*)

– Reference Currency: [ ]

– Designated Maturity: [ ]

(viii) ISDA Determination: [Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (viii).*)

(*Consider whether any terms or information inserted below constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

– ISDA Definitions: [2006 / 2021] ISDA Definitions

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date: [ ]

– Compounding: [Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)

• Compounding Method: [Compounding with Lookback

Lookback: [•] Applicable Business Days]

[Compounding with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [•] / [Not Applicable]]

[Compounding with Lockout

Lockout: [•] Lockout Period Business Days

Lockout Period Business Days: [•]/[Applicable Business Days]]

– Averaging: [Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)

• Averaging Method: [Averaging with Lookback

Lookback: [•] Applicable Business Days]

[Averaging with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business days

Observation Period Shift Additional Business Days: [•]/[Not Applicable]]

[Averaging with Lockout

Lookout: [•] Lockout Period Business Days

Lockout Period Business Days: [•]/[Applicable Business Days]]

– Index Provisions: [Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)

• Index Method: Compounded Index Method with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business days

Observation Period Shift Additional Business Days: [•] / [Not Applicable]

(ix) Linear Interpolation: [Not Applicable/Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(x) Margin(s): [+/-][ ] per cent. per annum

(xi)	Minimum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]
16.	**Inverse Floating Rate Note Provisions**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The Notes are subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below).] (*Delete unless Step Up Option is applicable*)
(i)	Specified Period(s):	[ ] ("*Specified Period" and "Interest Payment Date" are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(ii)	Interest Payment Dates:	[ ] (*If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(iii)	Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
(iv)	Additional Business Centre(s):	[Not Applicable / *indicate relevant city/cities*]
(v)	Manner in which the Inverse Rate is to be determined:	[Screen Rate Determination/ ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[[*Name*] shall be the Calculation Agent / Not Applicable] (*Specify "Not Applicable" if the Fiscal Agent is to perform this function*)

(vii) Screen Rate Determination: [Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (viii).*)

– Reference Rate: [EURIBOR / CMS Rate]

– Relevant Screen Page: (*Specify screen page. For example, Reuters page EURIBOR 01*)

(*Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions*)

– Interest Determination Date(s): [ ]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is euro*): [Second day on which the TARGET System is open prior to the start of each Interest Period]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is other than euro*): [Second [*specify type of day*] prior to the start of each Interest Period]

– Relevant Time: [ ]
(*For example, 11.00 a.m. London time/Brussels time*)

– Relevant Financial Centre: [ ]
(*For example, London / Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)

(*If CMS Rate is not the Reference Rate, delete the two remaining items below*)

– Reference Currency: [ ]

– Designated Maturity: [ ]

(viii) ISDA Determination: [Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (viii).*)

(*Consider whether any terms or information inserted below constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date:	[ ]
– Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)
• Compounding Method:	[Compounding with Lookback Lookback: [•] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•] / [Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/[Applicable Business Days]]
– Averaging:	[Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)
• Averaging Method:	[Averaging with Lookback Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business days Observation Period Shift Additional Business Days: [•]/[Not Applicable]] [Averaging with Lockout Lookout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/[Applicable Business Days]]
– Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining items under this sub-heading*)
• Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business days

		Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(ix)	Linear Interpolation:	[Not Applicable/Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(x)	Fixed Rate Component:	[ ] per cent.
(xi)	Minimum Rate of Interest:	[As per the Conditions / [ ] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]
17.	**Step Up Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Step Up Indicator(s):	[Scope 1 GHG Emissions Intensity / Scope 3 GHG Emissions / Water Leaks Intensity / Total Waste Treated in Material Recovery Plants]
(ii)	Step Up Threshold(s):	[ ]
(iii)	Step Up Event Reference Date(s):	[ ]
(iv)	Step Up Margin(s):	[ ] per cent. per annum
(v)	External Verifier:	[ ]
18.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	[Amortisation/ Accrual] Yield:	[ ] per cent. per annum
(ii)	Reference Price:	[ ]

(iii) Day Count Fraction: [30E/360]/[Eurobond Basis]
[Actual/Actual (ICMA)]/
[Actual/365]/[Actual/Actual(ISDA)]/
[Actual/365(Fixed)]/
[Actual/360]/
[30/360]/[360/360]/[Bond Basis]/
[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

19. **Issuer Call** [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Optional Redemption Date(s) (Call): (*Specify date(s)*)

(ii) Notice periods:

(a) Minimum notice: [ ] days

(b) Maximum notice: [ ] days

(*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems* (*which normally require a minimum of five clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.*)

(iii) If redeemable in part: [Applicable/Not Applicable]

(*If not applicable, delete sub-paragraphs (a) and (b) below.*)

(a) Minimum Redemption Amount: [*currency*][*amount*] per Calculation Amount

(b) Maximum Redemption Amount: [*currency*][*amount*] per Calculation Amount

(iv) Optional Redemption Amount(s) (Call): [[*currency*][*amount*] per Calculation Amount/ Make Whole Amount/
If the Optional Redemption Date (Call) falls on any date up to and including (*insert date*), the Make Whole Amount. If it falls on any subsequent date, [*currency*][*amount*] per Calculation Amount.]

(*If Make Whole Amount is not applicable, delete the remaining sub-paragraphs of this paragraph*.)

(v) Remaining Term Interest:

(a) Accrual period: From (and including) [the Optional Redemption Date (Call) / (*specify other date*)] to (but excluding) [the Maturity Date / (*specify other date*)]

(b) Step Up Margins: [Applicable / Not Applicable]

(vi) Redemption Margin: (*Specify percentage*) per cent.

(vii) Reference Bond: (*Specify applicable reference bond*)

(viii) Reference Dealers: (*Insert names of financial institutions*)

20. **Clean-up Call** [Applicable / Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Clean-up Call Threshold: (*Specify percentage*) per cent.

(ii) Notice periods:

(a) Minimum notice: [ ] days

(b) Maximum notice: [ ] days

(*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems* (*which normally require a minimum of five clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.*)

(iii) Optional Redemption Amount(s) (Call): [*currency*][*amount*] per Calculation Amount

21.	**Put Option**	[Investor Put / Change of Control Put / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Put):	[(*Specify date*) / As per the Conditions] (*Do not specify a date if the Change of Control Put is applicable*)
(ii)	Optional Redemption Amount(s) (Put):	[*currency*][*amount*] per Calculation Amount
(iii)	Notice periods:	[As per the Conditions] (*Only use this wording if Change of Control Put is applicable, in which case delete the sub-paragraphs below. Otherwise, if an unconditional Investor Put is applicable, insert the notice periods below.*)
(a)	Minimum notice:	[[ ] days
(b)	Maximum notice:	[[ ] days] (*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems (which normally require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.*)

22. **Early Redemption Amount / Early Termination Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation or Early Termination Amount on event of default (if different from the principal amount of the Notes):	[Not Applicable / [*currency*][*amount*] per Calculation Amount] (*Select "Not Applicable" if the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes. Otherwise, specify the Early Redemption Amount (Tax) and/or the Early Termination Amount.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].]

		[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.] [Permanent Global Note exchangeable for Definitive Notes [on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].]
24.	New Global Note:	[Yes/No]
25.	Additional Financial Centre(s):	[Not Applicable / *indicate relevant city/cities*] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 14(iv), 15(iv) and 16(iv) relate.*)
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No / Yes, if the [Temporary/Permanent] Global Notes is exchanged for Definitive Notes on or before [*relevant Interest Payment Date*].] (*Select "Yes" if the Notes have more than 27 coupon payments, in which case the "relevant Interest Payment Date" will be the 27th Interest Payment Date prior to the final Interest Payment Date.*)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	[Official List of Euronext Dublin / (*Specify any other or further listing*) / Not Applicable]
(ii)	Admission to trading:	[Application [has been/is expected to be] made for the Notes to be admitted to trading on [the regulated market of Euronext Dublin / (*Specify any other or further securities markets*)] with effect from [ ].] / [Not Applicable.] [[*Identify earlier Tranches*] are already admitted to trading on [the regulated market of Euronext Dublin / (*Other*)]. (*Insert wording in this second sub-paragraph only if the Notes are fungible with an existing Series and are admitted to trading on a securities market.*)]
(iii)	Estimate of total expenses related to admission to trading:	[*Specify amount*] / [Not Applicable] (*Specify "Not Applicable" only if the Notes are not being admitted to trading on any EEA regulated market.*)

2. **RATINGS**

Ratings: (*Insert the following paragraph where the Notes are to be specifically rated.*)

[The Notes to be issued [have been/are expected to be] rated as follows:

[Fitch: [ ]]
[S&P: [ ]]
[[*Other*]: [ ]]]

(*Insert the following paragraph where the Notes are not to be specifically rated*)

[The following ratings reflect the ratings allocated to the Notes of the type being issued under the Programme generally:

[Fitch: [ ]]
[S&P: [ ]]
[[Other]: [ ]]]

(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

(*Select one of the following three options:*)

[[*Name of rating agency/ies*] [is/are] [established in the EEA and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**").]

[*Name of rating agency/ies*] [is/are] neither established in the EEA nor registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") but [is/are] certified under the CRA Regulation.]

[*Name of rating agency/ies*] [is/are] neither established in the EEA nor registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") [but/and] the rating[s] assigned to the Notes [has/have] been endorsed by [*Name of rating agency/ies*], which [is/are] [not] established in the EEA and registered under the CRA Regulation].

The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website a list of credit rating agencies registered in accordance with the CRA Regulation, which can be viewed at the following address:

https://www.esma.europa.eu/supervision/credit-rating-agencies/risk

This list must be updated by ESMA within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation.

3. **AUTHORISATIONS**

[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)]

4. **REASONS FOR OFFER AND ESTIMATED NET PROCEEDS**

Estimated net proceeds:	[ ]

Use of proceeds:	[The net proceeds of the issue of Notes will be applied by the Issuer [to refinance existing indebtedness (see also "*– Interests of natural and legal persons involved in the issue*" below) [and/or] / for general corporate purposes / [and/or] (*specify any other use of proceeds*).] [The net proceeds of the issue of Notes will [also] be applied by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects, as set out in [further detail below / the Issuer's Sustainable Finance Framework]. Capitalised terms shown below have the meaning given to them in the section of the Base Prospectus entitled "*Use of Proceeds*".] (*Delete the remaining sub-paragraphs of this paragraph if Eligible Green Projects are not relevant. Otherwise, insert the details below, to the extent known at the date of the Final Terms.*) Estimate of the share of financing vs refinancing of Eligible Green Project: [•]% financing; [•] refinancing. Expected look-back period for refinanced Eligible Green Project: up to [•] fiscal years before the year in which the issue date fails.
Eligible projects:	[ ]
Periodic updates:	[*Insert details of periodic updates, including an updated list of Eligible Green Projects financed and/or refinanced with the net proceeds of the Notes, the amounts allocated and their expected impact, any ongoing process of verification and information on key performance indicators relating to such projects*.]
Documents on display:	[*State where the list of eligible projects and any documents containing periodic updates are or will be available for viewing by Noteholders*.]

5. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Not Applicable / (*give details*)]

(*Need to include a description of any interest, including conflicting ones, that is material to the issue of the Notes, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

Save for any fees payable to the [Dealer / Managers] named in paragraph 9 (*Distribution*) below and save as set out below and/or disclosed in the section of the Base Prospectus entitled "*General Information*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue of the Notes. The [Dealer / Managers] and their affiliates have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.)

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

6. **YIELD**

Indication of yield:	[Not Applicable / (*insert percentage*)] (*State "Not Applicable" if the Notes do not contain Fixed Rate Note Provisions.*)

7. **BENCHMARKS**

EU Benchmarks Regulation:	[Applicable / Not Applicable] (*State "Not Applicable" if the Notes do not contain Floating Rate Note Provisions. If not applicable, delete the remaining text of this paragraph 7.)*
[Statement on benchmarks: (*Article 29(2) of EU Benchmarks Regulation*)	Amounts payable under the Notes will be calculated by reference to [*name of benchmark*], which is provided by [*name of benchmark administrator*]. As at the date of these Final Terms, [*name of benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). [As far as the Issuer is aware, [[*name of benchmark*] does not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that regulation / the transitional provisions in Article 51 of the EU Benchmarks Regulation apply], such that [*name of benchmark administrator*] is not currently required to obtain authorisation or registration.]]

8. **THIRD PARTY INFORMATION**

[Not Applicable / [ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

9. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If non-syndicated, name of Dealer:	[Not applicable/*give name*]
(iii)	If syndicated, names of Managers:	[Not applicable/*give names*]
(iv)	Name of Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(v)	U.S. selling restrictions:	Reg. S compliance category [1/2/3]; TEFRA [C/D/not applicable]

10. **ISIN AND COMMON CODE**

(*Select the following option if the Notes are fungible with an existing Series but not immediately fungible upon issue.*)

[The Notes have the following temporary ISIN and temporary common code assigned to them:

Temporary ISIN:	[ ]
Temporary Common Code:	[ ]

The Notes are to be consolidated and form a single series with the Existing Notes on the Exchange Date, following which the Notes will have the same ISIN and common code assigned to the Existing Notes, namely:]

(*Select the following option if the Notes are fungible with an existing Series immediately upon issue.*)

[The Notes are to be consolidated and form a single series with the Existing Notes immediately upon issue and, accordingly, will have the same ISIN and common code assigned to the Existing Notes, namely:]

(*Delete both of the above options if the Notes are not fungible with an existing Series.*)

ISIN:	[ ]
Common Code:	[ ]

11. **OTHER OPERATIONAL INFORMATION**

CFI:	[[•], as set out on the website of the Association of National Numbering Agencies ("**ANNA**") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable]
FISN:	[[•], as set out on the website of [ANNA / the Association of National Numbering Agencies] or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable] (*If the CFI and/or FISN are not required, requested or available, it/they should be specified as "Not Applicable"*)
Intended to be held in a manner which would allow Eurosystem eligibility:	[Not Applicable/Yes/No] [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] (*Include this text if "Yes" selected, in which case the Notes must be issued in NGN form.*) [Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] (*Include this text if "No" selected.*)

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s), address(es) and number(s)*]
Delivery:	Delivery [against / free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/*give name(s) and address(es)*]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within seven days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 24 July 2024 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Copies of the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

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

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

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all

those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that, in respect of a CGN, the same is noted in a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 12(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 12(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg, at their discretion, as either a pool factor or a reduction in principal amount).

Payment Business Day: Notwithstanding the definition of "Payment Business Day" in Condition 2(a) (*Definitions*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary or safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, "**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Notices: Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in

accordance with Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that so long as the Notes are admitted to trading on a securities market of Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of Euronext Dublin (*https://live.euronext.com*).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer as indicated in the relevant Final Terms, which will be one or more of the following:

(a) to refinance existing indebtedness, which may include indebtedness in which one or more Dealers participate, either directly or through affiliates or through companies being part of their banking group, including parent companies (see also "– *Interests of natural and legal persons involved in the issue of Notes*" in the section of this Base Prospectus entitled "*General Information*" below);

(b) for general corporate purposes;

(c) to finance or refinance, in whole or in part, Eligible Green Projects (as defined below); and/or

(d) for such other purposes as are specified in the Final Terms.

Green Bonds

In relation to (c) above, in accordance with the relevant definition criteria set out in the Issuer's 2022 Sustainable Finance Framework, only Tranches of Notes financing or refinancing Eligible Green Projects will be denominated "Green Bonds".

In the event of a project divestment or if a project no longer meets the eligibility criteria, an amount equal to the relevant portion of the net proceeds of the "Green Bonds" will be used to finance or refinance other projects qualifying as Eligible Green Projects. See also "*Risk Factors - Green Bonds*".

Eligible Green Projects have been defined in accordance with the broad categorisation of eligibility for Green Projects set out in the Issuer's 2022 Sustainable Finance Framework, which are aligned with the Green Bond Principles published by the International Capital Market Association in 2018 and the Green Loan Principles published by the Loan Market Association (the "**LMA**") in 2018.

For the purpose of the 2022 Sustainable Finance Framework, "**Eligible Green Projects**" include, but are not limited to, projects aimed at addressing the following key climate change concerns:

(a) renewable energy;

(b) energy efficiency;

(c) circular economy;

(d) sustainable water and wastewater management; and

(e) clean transportation.

The Issuer's 2022 Sustainable Finance Framework is available on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/en/investors/financial-profile/sustainable-finance.html*) and includes further details of Eligible Green Projects and the related eligibility criteria, as well as information on the process for project evaluation and selection, the management of proceeds and post-issuance reporting and verification.

See also "*Description of the Issuer - Financing - Sustainable finance*" below.

Second-party Opinion

Where the Final Terms specify that the proceeds to the Notes will be used to finance or refinance Eligible Green Projects (in whole or in part), the Issuer may appoint consultants and/or institutions with recognised expertise in environmental sustainability to issue a second-party opinion (a "**Green Bond**

Second-party Opinion") attesting that the relevant projects have been defined in accordance with the broad categorisation of eligibility for those projects set out by ICMA and the LMA.

The Final Terms relating to such Notes will specify (to the extent known at the relevant date):

(i) further details of the Eligible Green Projects selected by the Issuer for financing and/or refinancing with the net proceeds of the issue of the Notes; and

(ii) details of periodic updates, including an updated list of the relevant projects financed and/or refinanced with the net proceeds of the Notes, the amounts allocated, their expected impact, any ongoing process of verification (including any Green Bond Second-party Opinions), information on key performance indicators relating to such projects,

The Final Terms will also specify where that information will be made available for viewing by Noteholders, which is expected to be on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/en/investors/financial-profile/sustainable-finance.html*).

DESCRIPTION OF THE ISSUER

The Issuer is a listed company limited by shares (*società per azioni*), incorporated under Italian law and operating under Articles 2325 to 2451 of the Italian Civil Code. Its registered office and principal place of business is at Via Nubi di Magellano 30, 42123 Reggio Emilia, Italy and it is registered with the Companies' Registry of Reggio Emilia under number 07129470014, while its VAT number is 02863660359. Iren may be contacted by telephone on +39 05227971, by fax on +39 0522286246 and by e-mail at *info@gruppoiren.it* or at the following certified mail box: *irenspa@pec.gruppoiren.it*.

The Issuer is the company resulting from the merger by way of incorporation of Enìa S.p.A. ("**Enìa**") into Iride S.p.A. ("**Iride**") on 1 July 2010, following which Iride changed its name to "Iren S.p.A.". The Issuer was originally established on 20 August 1907 under the name Azienda Elettrica Municipale di Torino which, on 30 April 1996, became Azienda Energetica Metropolitana Torino S.p.A. For further information in respect of Enìa, Iride, their merger and the history of the Issuer as surviving and incorporating company under the merger, see "*Description of the Issuer – History*" below.

The Issuer, together with its subsidiaries (the "**Group**" or "**Iren Group**"), is one of the most important providers of integrated multi-utility services in Italy(6) and operates mainly in the north-west of Italy through its operating branches in Genoa, Parma, Piacenza, Turin, Vercelli, La Spezia and Reggio Emilia.

The Issuer is the parent company of the Group, which operates mainly in the sectors of electrical energy (production, distribution and sale), heating (production, distribution and sale), gas (distribution and sale), integrated water services, waste management services (collection and disposal of waste) and services for public administration. The Group also provides other public utility services which include telecommunications, public lighting, traffic light services and facility management. The businesses of the Group include both fully regulated services managed under licensed concessionary regimes (water services, urban waste management, distribution of gas and electricity, and public lighting) and businesses managed under ''free competition'' regimes (among which are the sale of gas and electricity, special waste management, district heating (*teleriscaldamento*) and heat management services and co-generation).

The Issuer's management believes that the complementary nature of its businesses creates expansion opportunities and makes it possible for the Group to achieve cost synergies and efficiencies and also to cross-sell utility services to customers in its customer base. In addition, management believes that the business of the Group is diversified in terms of the contribution to EBITDA[7] from regulated activities (such as electricity and gas distribution, integrated water services, waste management semi-regulated activities (district heating, urban waste disposal and incentives for power generation by renewable energy sources) and non-regulated activities (such as power generation, special waste and the Market business unit), which accounted for 49 per cent., 16 per cent. and 35 per cent., respectively, of the group's EBITDA[8], for the year ended 31 December 2023[9].

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(6) *Source:* ARERA, *Relazione Annuale sullo Stato dei Servizi e dell'Attività Svolta*, 11 July 2023.

(7) For a description of Gross operating profit (EBITDA), see also the sections entitled "Alternative Performance Measures" above.included elsewhere in this Base Prospectus.

(8) See previous note.

(9) Regulated activities mean activities granted on concession to the Group whose revenues are protected by a system of tariffs established by the competent authorities (i.e. ARERA for electric energy, gas and water, and the regions for waste management) and are not subject to volume-risk. Semi-regulated activities mean activities whose revenues are predictable over time since those revenues are (i) either pre-determined by a system of tariffs which is regulated by the competent authorities or (ii) are originated from fixed price formulas. Revenues are partly subject to volume-risk.

History

Enìa

Prior to its merger with Iride in 2010, Enìa was one of the leading multi-utility companies providing public utility services (gas, electricity, water, waste and district heating (*teleriscaldamento*)) in the provinces of Reggio Emilia, Parma and Piacenza. Enìa itself resulted from the tripartite merger in 2005 between the former water, energy and waste utility companies AGAC S.p.A. (with its registered office in Reggio Emilia and established in 1962), AMPS S.p.A. (with its registered office in Parma and established in 1905) and TESA Piacenza S.p.A. (with its registered office in Piacenza and established in 1972). After listing its ordinary shares in 2007, Enìa merged with Iride in 2010 and, as a result, its ordinary shares were cancelled, with its shareholders allotted new ordinary shares of Iren at an exchange ratio of 4.2 ordinary Iren shares for every ordinary share of Enìa.

Iride

Prior to the above-mentioned merger, Iride was a leading multi-utility company in the north west of Italy providing public utility services primarily in the energy sector (generation of hydroelectricity, cogeneration, district heating *(teleriscaldamento)*, sale and distribution of electricity and gas) and in integrated water and energy services. Iride itself was the result of the merger by way of incorporation of the multi-utility AMGA S.p.A. (with its registered office in Genoa and established in 1936) into the multi-utility Azienda Energetica Metropolitana Torino S.p.A. (with its registered office in Turin and established in 1907), which took place in 2006. The ordinary shares of Iride were admitted to trading on the *Mercato Telematico Azionario* (now known as Euronext Milan) of Borsa Italiana S.p.A. in 2000 and, as described above, Iride changed its name to "Iren S.p.A." following the merger with Enìa in 2010 and new ordinary shares were allotted to Enìa's shareholders.

Current Group Structure

Since January 2016, the Group has been organised under the following key business units, with four intermediate holding companies, each wholly owned by the Issuer:

- *Waste Management*: through Iren Ambiente S.p.A. ("**Iren Ambiente**") and its subsidiaries, coordinating and managing the activities of sweeping, collection and management of collection centres, urban hygiene, management of waste processing and disposal plants and the related heat and electricity production plants;
- *Energy*: through Iren Energia S.p.A. ("**Iren Energia**") and its subsidiaries, coordinating and managing electricity production/energy-heat cogeneration plants, heat distribution (so-called district heating) plants and networks and activities related to "indoor" technological services (electrical systems and heating systems, technological global services and energy efficiency services);
- *Market*: through Iren Mercato S.p.A. ("**Iren Mercato**") and its subsidiaries, coordinating and managing commercial services to customers (electricity, heat and gas, etc.), home automation products and marketing activities for development of the relevant markets; and
- *Networks*: through Ireti S.p.A. ("**Ireti**") and its subsidiaries, coordinating and managing the integrated water services and the gas and electricity distribution networks.

The above structure was created following a reorganisation of the Group, initially approved by the Issuer's Board of Directors in July 2015. The project involved a centralisation of most of the second-level wholly owned subsidiaries, significantly reducing the number of Group companies, with a view to a reduction in operating expenses and greater clarity in responsibilities for results and in the achievement of objectives, as well as being a determining factor in the Group's integration process.

The Group's development strategies are based on an organisational and business model, divided into an industrial holding company (namely, the Issuer), which brings together all the Group's corporate staff activities, and four business units (namely Iren Energia, Iren Ambiente, Iren Mercato and Ireti) responsible for supervising the business areas. Iren, as holding company of the Group, is responsible for establishing the strategic guidelines and management policies, allocating resources and coordinating the Group's business areas.

The following organisational chart illustrates the main subsidiaries of Iren as at 31 December 2023.

- Asti Energia e Calore (62%)
- Dogliani Energia (100%)
- Iren Green Generation (100%)
  - Iren Green Generation Tech (100%)
  - Mara Solar (100%)
  - Limes 1 (51%)
  - Limes 2 (51%)
  - Limes 20 (100%)
  - Omnia Power (100%)
  - WFL (100%)
- Iren Smart Solutions (60%) + (20% Iren Ambiente e 20% Iren Mercato)
  - Alfa Solutions(86%)
    - LAB 231 (100%)
- Maira (82%)
  - Formaira (100%)
- Valle Dora Energia (74.5%)

- ACAM Ambiente (100%)
- Amiat V (93.059%)
  - Amiat (80%)
- Bonifica Autocisterne (51%)
- Bonifica Servizi Ambientali (100%)
- I.Blu (80%)
- Iren Ambiente Parma (100%)
- Iren Ambiente Piacenza (100%)
- Iren Ambiente Toscana (100%)
  - Futura (40%)+(40% Iren Ambiente e 20% Sei Toscana)
  - Semia Green (50.91%)
  - Scarlino Energia (100%)
  - Sei Toscana (41.776%)
    - Ekovison (100%)
    - Valdisieve (70.96%)
  - Valdarno Ambiente (56.016%)
    - CRMC (76.06%)
    - TB (100%)
- Manduriamente (95.29%)
- ReCos (99.508%)
- Re Mat (88.43%)
- Rigenera Materiali (100%)
- San Germano (100%)
- Territorio e Risorse (65%) + (35% ASM Vercelli)
- TRM (80%)
- Uniproject (100%)

- Alegas (98%)
- Atena Trading (59.97%)
- Salerno Energia Vendite (50%)

- ACAM Acque (100%)
- Acquaenna (50.867%)
- ASM Vercelli (59.97%)
- Consorzio GPO (62.35%)
- Iren Acqua (60%)
  - Iren Acqua Tigullio (66.55%)
  - AMTER (49%)+(51% Ireti)
- Iren Acqua Reggio (100%)
- Iren Laboratori (90.89%)
- Ireti Gas (100%)
  - Romeo 2 (100%)
- Nord Ovest Servizi (45%)+(30% Amiat)

Business segments of the Group

The Group's activities are organised through the following business segments:

(i) **Networks** (electricity distribution networks, gas distribution networks and integrated water service);

(ii) **Waste Management** (waste collection, treatment and disposal);

(iii) **Energy** (hydroelectric production and other renewable sources, combined heat and energy, district heating networks, thermoelectric production, energy efficiency services, public lighting, global services and heat management);

(iv) **Market** (sale of electricity, gas and other customer services); and

(v) **Other Services** (laboratories, telecommunications and other minor services).

Management believes that these diverse but complementary businesses provide a natural "hedging" for the Group, since adverse changes in one sector are not necessarily reflected in the other sectors at the same time and may allow for the maximising of revenue-generating capacities.

The following tables show a breakdown by business segment of the main income statement line items of the Group for the years ended 31 December 2023 and 2022.

Results by business segment

	For the year ended 31 December 2023						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other Services**	**Non-allocable**	**Total**
Total revenue and income	3,215	4,090	1,151	1,193	32	(3,191)	6,490
Total operating expenses	(2,841)	(3,892)	(776)	(948)	(27)	3,191	(5,293)
Gross operating profit (EBITDA)[(1)]	**374**	**198**	**375**	**245**	**5**	-	**1,197**
Net amort./depr., provisions and impairment losses	(213)	(125)	(222)	(170)	(2)	-	(732)
Operating profit (EBIT)[(1)]	**161**	**73**	**153**	**75**	**3**	-	**465**

(1) See also the sections entitled "*Alternative Performance Measures*" included elsewhere in this Base Prospectus.

	For the year ended 31 December 2022						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other services**	**Non-allocable**	**Total**
Total revenue and income	4,394	5,396	1,130	1,089	29	(4,174)	7,864
Total operating expense	(4,035)	(5,382)	(717)	(825)	(25)	(4,174)	(6,810)
Gross Operating Profit (EBITDA)[(1)]	**359**	**14**	**413**	**264**	**5**	-	**1,055**
Net am./depr., provisions and impairment losses	(135)	(109)	(203)	(141)	(3)	-	(591)
Operating profit (EBIT)[(1)]	**224**	**(95)**	**210**	**123**	**2**	-	**464**

(1) See also the sections entitled "*Alternative Performance Measures*" included elsewhere in this Base Prospectus.

The Issuer does not provide secondary segment information by geographic area in its financial reporting because, although the Group is expanding its business in the centre and southern regions of Italy, it operates mainly in the north-western regions of the country.

Business units

Networks

The activities related to the Networks business unit are performed mainly by Ireti, which handles the integrated water cycle, electricity distribution, natural gas distribution and other minor activities.

Integrated water services

Ireti operates in the water supply, sewerage and waste water treatment sectors, both directly and through its operating subsidiaries Iren Acqua S.p.A. (formerly known as Mediterranea delle Acque S.p.A., "**Iren Acqua**"), Iren Acqua Tigullio S.p.A. (formerly Idrotigullio S.p.A.), ACAM Acque S.p.A. ("**ACAM Acque**") and ASM Vercelli S.p.A. ("**ASM Vercelli**"). The Group's geographical coverage comprises the provinces of Genoa, Savona, La Spezia, Piacenza, Parma, Reggio Emilia, Vercelli and Enna, as well as several municipalities in Piedmont.

At the end of March 2023, Ireti acquired control of Amter S.p.A. ("**Amter**") through the acquisition of 51% of its share capital. Amter manages the water cycle in the western area of the province of Genoa, and more specifically in the municipalities of Campo Ligure, Cogoleto, Masone, Mele Rossiglione, Arenzano and Tiglieto, with a 287 km drinking water network and a 140 km sewerage network, as well as 11 wastewater treatment plants, including the district plant in Rossiglione.

On 31 May 2023, Ireti also increased its shareholding in Acquaenna S.c.p.a. ("**Acquaenna**"), allowing its consolidation. Acquaenna is a company limited by shares set up for consortium purposes entrusted with the management of the water service in all the 20 municipalities of the Province of Enna until 2034, for a total of 155 thousand inhabitants served.

Overall, in the Ambiti Territoriali Ottimali ("**ATOs**") managed, the service is provided in 266 municipalities through a distribution network of 21,977 kilometres, serving over 3 million residents. As regards waste water, the Networks business unit manages a sewerage network spanning a total of 12,117 kilometres.

Gas distribution

The distribution service, managed in 119 municipalities, guarantees the withdrawal of natural gas from Snam Rete Gas S.p.A. pipelines and its transportation through local networks for delivery to end users. Ireti, either directly or through its subsidiaries, distributes, among others, methane gas in 73 municipalities in the provinces of Reggio Emilia, Parma and Piacenza (including the provincial capitals), in the municipality of Genoa and in 20 other neighbouring municipalities as well as in the city of Vercelli, 19 municipalities in the same province and 3 other municipalities located in Piedmont and Lombardy. The distribution network consists of approximately 8,444 km of high, medium and low-pressure pipes and serves a catchment area of approximately 757,000 redelivery points.

Moreover, the Networks business unit manages the distribution and sale of LPG, particularly in the province of Reggio Emilia and in the province of Genoa, via specific storage plants, located in towns that are still not reached by the natural gas network.

On 31 January 2023, Ascopiave and Iren, shareholders of Romeo Gas S.p.A. ("**Romeo Gas**") with 80.3% and 19.7% stakes respectively, finalised the rationalisation of certain assets in the natural gas distribution sector following ACEA's exit from the relevant concessions. This rationalization resulted in the Iren Group's exit from Romeo Gas.

Specifically, the transaction envisaged:

- the transfer by Ascopiave to the Iren Group of the entire capital of a newly incorporated company, Romeo 2 S.r.l., to which the business units relating to the management of the Savona 1 and Vercelli ATEM concessions owned by the Ascopiave group were previously transferred, with a perimeter of 19,000 redelivery points;
- the sale by Iren to Ascopiave of its shareholding in Romeo Gas, holder of concessions in Northern Italy with a total of 126,000 redelivery points;
- the waiver by Iren to acquire the Piacenza 1 and Pavia 4 business units from Romeo Gas;
- the sale by Romeo Gas to the Iren Group of the business units related to the Parma and Piacenza 2 ATEM concessions, with about 3,000 redelivery points;
- the waiver of the right to acquire from the A2A group the business unit related to the management of the gas network located in the province of Pavia.

Overall the asset rationalisation transaction resulted in the payment to Ascopiave of a monetary adjustment of Euro 4.7 million. Therefore, as a result of the above rationalisation transaction, the Networks business unit manages the gas distribution concessions in 15 municipalities: 9 in the Vercelli area, 2 in the Piacenza area, 1 in the province of Parma and finally the municipalities of Albenga, Ceriale and Cisano sul Neva in the province of Savona.

In 2023, Ireti distributed approximately 1,020 million cubic metres of gas.

Electricity distribution

Ireti, either directly or through its subsidiaries, provides the electricity distribution service in the cities of Turin, Parma and Vercelli with 7,883 kilometres of medium and low voltage network, and a total of more than 732,000 connected users. In 2023, the total electricity distributed amounted to more than 3,555 GWh.

Waste Management

The Waste Management business unit carries out the activities of waste collection and disposal mainly through geographically-distributed companies: (i) Iren Ambiente, mainly operating in the Emilia area;

(ii) Amiat S.p.A. ("**Amiat**"), TRM S.p.A. ("**TRM**"), ASM Vercelli and Territorio e Risorse S.r.l., operating in the Piedmont area; (iii) San Germano S.r.l., operating in Sardinia, Lombardy, Piedmont and Emilia Romagna; and (iv) ACAM Ambiente S.p.A. ("**ACAM Ambiente**"), ReCos S.p.A. and Rigenera Materiali S.r.l., operating in the Liguria area.

The Waste Management business unit carries out all the activities of the urban waste management chain (collection, sorting, treatment, recovery and disposal), with particular emphasis on sustainable development and environmental protection, as confirmed by growing levels of separated waste collection (recycling). It also manages an important customer portfolio to which it provides all services and plant availability for the disposal of special waste.

In Tuscany, the Waste Management business unit is present in all stages of the supply chain: from intermediation to the treatment and disposal of both urban and special waste, with a significant presence in the provinces of Siena, Grosseto and Arezzo, where the Group also manages the collection service. The business unit also acts as a collection operator in specific areas in Sardinia and Lombardy and has disposal plants in the regions of Marche and Apulia. Finally, through I.Blu S.r.l., it is active in the sorting of plastic waste for recovery and recycling and in the treatment of plastic waste for the production of blupolymer (polymer for civil uses) and bluair (reducing agent for steel plants).

Through these activities, the Waste Management business unit serves a total of 436 municipalities for more than 3.85 million residents present in its operating areas. The plant assets of the integrated waste cycle consist mainly of: three waste-to-energy plants in Turin (TRM, owned by the company of the same name); the so called "Integrated Environmental Hub" (*Polo Ambientale Integrato* or PAI) in Parma and Tecnoborgo in Piacenza, both owned by Iren Ambiente; four active landfill sites; 420 equipped ecological stations; and 56 plants including sorting, storage, recovery biodigestion and composting.

In June 2023, Iren Ambiente acquired a majority stake in ReMat S.r.l., an innovative start-up active in the recovery of polyurethane foam (in particular from mattresses, seat padding and furniture). The transaction involved a capital increase by Iren Ambiente, along with the purchase of all shares held by the angel investors and the complex in Nichelino (Turin), which includes the start-up's experimental production site, for a total investment of over Euro 3.5 million. Iren Ambiente now owns 88.43% of the company's share capital. The transaction consolidates a collaboration with the start-up that began in 2021 as part of IrenUp, Iren's corporate venture capital programme, which supports Italian high-potential Italian start-ups in the cleantech sector. ReMat's plant development is also one of the projects for which the Group has obtained NRRP funding.

On 11 October 2023, Iren Ambiente Toscana purchased a majority stake in Semia Green S.r.l., active in the capture of biogas from landfills. The consideration for the transaction, which was implemented through the purchase of shares and a share capital increase, amounted to Euro 1.7 million. The remaining share of the capital is held by Sienambiente, in which the Group already has a 40% stake. The entry of Iren into Semia Green is expected to allow the construction of an innovative photovoltaic panel recycling plant in the province of Siena by the end of 2024, which is expected to be capable of processing up to 5,000 tonnes of panels per year, when fully operational, recycling 98% of the materials of which they are composed.

Energy

Iren Energia, a company with its registered office in Turin, is the Group's company active mainly in electricity and heat generation and district heating, operating both directly and through its subsidiaries. Since 2017, the business unit has also been active in the energy efficiency market through Iren Smart Solutions S.p.A. formerly known as Iren Rinnovabili S.p.A. ("**Iren Smart Solutions**").

Production of electricity and heat

The Energy business unit's installed electric power capacity totals 3,286 MW in electric power mode and 3,114 MW in cogeneration mode, and a thermal power capacity of 2,350 MWt. Specifically, it owns and operates 41 electricity production plants: 33 hydroelectric plants (of which three are mini-hydro plants) mostly located in Piedmont and Campania, seven cogeneration thermoelectric plants (in Piedmont and Emilia Romagna) and one conventional thermoelectric plant in Turbigo (Milan). The business unit also has 110 photovoltaic production plants with installed capacity of 189 MW, the largest of which are located in Puglia and Basilicata, and a wind farm in Liguria.

All primary energy sources (renewable and cogeneration) are considered by the Issuer to be eco-friendly. Electricity produced by plants fuelled by renewable or high-efficiency cogeneration sources, which account for 64% of the Group's plant portfolio, generate 73% of all output. In particular, the hydroelectric and photovoltaic production plays an important role in environmental protection, as it uses renewable and clean sources, without the emission of pollutants, and reduces the need to make use of other forms of production that have a greater environmental impact.

On the thermoelectric side, only 13% of the heat for district heating is produced by conventional heat generators, since 76% comes from high-efficiency cogeneration plants, while the residual portion equal to 11% is produced by plants not belonging to the Energy business unit such as waste-to-energy plants, as part of their disposal activities.

In 2023, electricity produced was 8,426.2 GWht, increasing by 11.0% compared to 7,592.5 GWht of the previous year. Electricity production from cogeneration sources amounted to 4,682.4 GWh, decreasing by 5.5% compared to 4,954.9 GWh in 2022 mainly due to the lower demand for thermal energy related to a particularly mild climate trend, while thermoelectric production amounted to 2,424.7 GWh, up by 46.2% compared to 1,658.1 GWh in 2022, also thanks to the entry into operation of the new production unit of the Turbigo plant and the return to full operation of the existing production unit.

Production from renewable sources amounted to 1,319.1 GWh, showing an increase of +34.7% compared to 979.6 GWh in 2022. The increase concerns both hydroelectric production, which amounted to 1,095.6 GWh compared to 772.3 GWh (+41.9%) in 2022, thanks to the improved hydraulicity of the year, and photovoltaic production, of 223.5 GWh compared to 207.2 GWh in 2022 (+7.9%).

The heat produced amounted to 2,316.1 GWht, with a decrease of -8.6% compared to 2,534.3 GWht in the previous year due to milder temperatures and energy-saving behaviour in the use of domestic heating, as well as energy efficiency measures in buildings.

On 26 June 2023, Iren Green Generation S.r.l. ("**Iren Green Generation**") signed a contract with European Energy S/A for the acquisition of 100% of the special purpose entity Limes 20 S.r.l., for a consideration of Euro 5.4 million. The company holds the authorisation for the construction of a new 20.39 MWp photovoltaic plant on land in Sicily in the municipalities of Noto and Pachino (in the province of Syracuse). This transaction is part of the commercial partnership signed in January 2022 with European Energy itself, relating to a development pipeline of 437.5 MWp of photovoltaic projects in Italy.

On 3 October 2023, Iren Green Generation acquired from Granda Energie #3 S.r.l. 100% of the special purpose entity WFL S.r.l., owner of the recently built wind farm located in the municipality of Cairo Montenotte (in the province of Savona), which is already operational with a total capacity of 6 MW and for which procedures are underway to authorise an increase in capacity to 7 MW. The price of the transaction was Euro 12.4 million. The acquisition represents the entry of Iren into the wind power sector: the expected output of the plant is approximately 18 GWh per year.

District heating

Iren Energia has the largest district heating network in the country with more than 1,135 kilometres of dual pipes. The network extension amounts to 769 kilometres in the Turin and surrounding municipalities, 219 in the Municipality of Reggio Emilia, 104 in the Municipality of Parma, 35 in the Municipality of Piacenza and 8 in the Municipality of Genoa. The business unit's total heated volumes amount to 101.1 million cubic metres.

Energy efficiency services

Iren Energia, through its subsidiary Iren Smart Solutions, serves companies, private condominiums, Public Administration and third sector entities, with a diverse portfolio of services: (i) energy efficiency, carrying out design and implementation of energy requalification interventions: such as insulation, co-insulation, replacement of windows, innovative technological services, efficiency improvement of heating and air conditioning systems; (ii) installation of photovoltaic, solar thermal and self-generation energy systems; (iii) management of heating systems; (iv) realisation of renewable energy communities (RECs); (v) energy consultancy, energy management and monitoring for energy saving; (vi) global service for the integrated management of electrical and technological plants of complex property assets; and (vii) relamping LEDs through energy efficiency projects in lighting, public and artistic lighting, efficient management of traffic light systems.

Market

Through Iren Mercato, Atena Trading S.r.l. ("**Atena Trading**") and Salerno Energia Vendite S.r.l. ("**Salerno Energia Vendite**"), the Group: (i) sells electricity, gas and heat and energy related services; (ii) supplies fuel; and (iii) provides customer management services to the companies in which the Group has shareholdings.

Iren Mercato operates, in the context of the free market, all over the country, with a higher concentration of customers served in Central and Northern Italy. It handles the sale of the energy provided by the Group's various sources to final customers and wholesalers. The main electricity sources are from the thermoelectric and hydroelectric plants of Iren Energia.

Iren Mercato also acts as an operator under the *maggior tutela* (enhanced protection) regime for retail customers in the regulated electricity market in the Province of Turin, the Parma area and in the municipality of Sanremo. Historically, it has also operated in the direct sale of natural gas in the territories of Genoa and Turin, and in the Emilia Romagna area. Lastly, it handles heat sales to district heating customers mainly in the Municipality of Turin, Reggio Emilia, Parma, Piacenza and Genoa.

Within the Market business unit, the Group has implemented two business lines. The first business line, the so-called "New downstream", has been devised for the sale to retail customer of innovative products in the area of house automation, energy saving and maintenance of domestic systems. The second business line, the so-called "IrenGO at zero emissions", consists of an innovative electric mobility sales offer aimed at private customers, businesses and public bodies with the objective of reducing the environmental impact of transportation. The Group has already tested the potential and benefits of e-mobility through a series of internal initiatives, such as the installation of recharging infrastructure and the gradual introduction of electric vehicles. All the IrenGO internal and external electric mobility initiatives are 100% supplied by green energy coming from the Group's renewables plants.

Sale of natural gas

The retail gas portfolio of the Market business unit mainly concerns the historical basins of Genoa, Turin and Emilia, the development areas bordering on them, Vercelli, Alessandria and La Spezia, as well as the Campania area, in almost all provinces, and some municipalities in the Basilicata, Calabria, Tuscany and Lazio regions, for a total of almost one million customers.

In 2023 purchased volumes amounted to 2,499.7 million cubic metres, down by 9.1%, compared to 2,750.8 million cubic metres in 2022, whilst gas sold by the Group amounted to 999.4 million cubic metres, down by 9.3% compared to 1,101.6 million cubic metres sold in 2022. The gas used for internal consumption within the Group amounted to 1,495.8 million cubic metres, an increase of +6.7% compared to 1,401.8 million cubic metres in 2022.

Sale of electricity

The Market business unit operates nationwide, in the context of the free market, with a higher concentration of customers in Central and Northern Italy, and handles the sale of energy provided by the Group's various sources to end customers and wholesalers. The number of retail and small business electricity customers managed is just under 1.2 million, primarily located in historically served areas (such as Turin, Parma, Reggio Emilia, Piacenza, Vercelli and Genoa) and in the other commercially covered areas (Alessandria and Salerno). The company also operates as the operator of the "*maggior tutela*" service for retail customers on the electricity market in the city of Turin, the territory of Parma and the catchment area of the municipality of Sanremo (in the province of Imperia).

The volumes of electricity sold on the market amounted to 7,005.0 GWh, with a decrease of -13.8% compared to 8,128.9 GWh in 2022. The drop in sales on the free market affected all segments, with particular reference to the business segment with sales of 1,335.7 GWh, down by -39% compared to 2,190.3 GWh in 2022. The retail and small business segment and the wholesalers segments also declined, with sales of, respectively, 2,929.9 GWh and 2,739.3 GWh down by, respectively, -6.8% and -2% compared to 2022. Sales in the protected market ("*maggior tutela*") amounted to 213.5 GWh, down by -14.7% compared to 250.4 GWh in 2022.

Sale of heat energy through district heating network

Iren Mercato sells heat, supplied by Iren Energia, to district heating customers in the municipalities of Turin and surrounding municipalities, Reggio Emilia, Parma, Piacenza and Genoa, as well as in the newly established district heating areas.

Among the commercial proposals complementary to the sale of commodities, Iren Mercato offers various commercial proposals aimed at retail customers. In particular, these include innovative products in the areas of home automation, energy saving and maintenance of domestic systems, as well as "IrenGO zero emissions" for e-mobility, aimed at private customers, companies and public bodies with the aim of reducing the environmental impact of travel, also through the installation of charging infrastructures at the Group's offices and the progressive introduction of electric vehicles. All IrenGO initiatives benefit from 100% green energy supply sourced from the Group's renewable source plants. For the year ended 31 December 2023, the total district heating (*teleriscaldamento*) volumes reached 101.1 million cubic metres.

Strategy

Update of Business Plan

On 25 June 2024, the Board of Directors of the Issuer approved the update of its business plan with a timeframe up to 2030 (the "**2030 Business Plan**").

Iren's growth strategy outlined in the 2030 Business Plan is confirmed and continues to be consistent with the main macro-trends in the sector, *i.e.* decarbonisation and the development of renewables, the circular economy, energy efficiency and the safeguarding of natural resources.

The strategic vision to 2030 is based on three fundamental pillars: 1) the ecological transition with a progressive decarbonisation of energy generation sources and the strengthening of leadership in the circular economy, through the recovery of energy and material from waste and in the sustainable use

of resources, particularly water resources; 2) the creation of value from the territories, thanks to the ability to work as a system with the territory, making its expertise available to the country to develop new infrastructures and plants; and 3) the quality of service through the improvement of performance and the maximisation of customer/citizen satisfaction levels also thanks to an increasingly broader portfolio of services and products.

A strongly sustainable strategic vision, with the definition of precise medium- and long-term targets, in line with the relevant European Sustainable Development Goals and validated by the Science Based Target initiative. The ESG commitments and targets are developed according to the guidelines of the ecological transition and the centrality of communities and people and are organised according to 5 focus areas: decarbonisation, circular economy, water resources, resilient cities and people.

The 2030 Business Plan envisages a gross investment of 8.2 billion euros, of which 60% relates to development investments and 40% to maintenance. In addition, 80% of cumulative investments are focused in the regulated sectors, in order to upgrade, modernise and digitise grid services, develop renewable capacity through PPA contracts and incentives, extend district heating, and improve the quality of the municipal waste collection service.

More than 70% of the investments, amounting to 5.8 billion euros, are directed towards projects that are expected to contribute to the achievement of the set sustainability targets, in particular to support the transformation to resilient cities, the energy transition, the sustainable water management through the reduction of network losses, and the circular economy, aimed at the recovery of materials and energy sources.

Capital Investments

The following table provides a breakdown of capital investments of the Group by business segment for the years ended 31 December 2023 and 2022.

	Year ended 31 December		Δ
	2023	**2022**	**2023-2022**
	(millions of Euro)		
Generation and District Heating	129.8	224.6	(42,2)
Hydroelectric	9.7	11.7	(17.1)
Cogeneration and District Heating networks	82.2	171.0	(51.9)
Other (capitalisation)	37.9	41.9	(9.5)
Market	86.3	79.4	+8.7
Energy Infrastructure	119.7	114.0	+5.0
Electricity networks	79.7	71.1	+12.0
Gas networks	40	42.9	(6.7)
Regasification	0	0	0
Water Cycle	220.7	205.4	+7.5
Waste Management	201.8	192.6	+4.8
Other investments	108.4	82.3	+31.7
Total	866.7	**898.3**	(3.5)

Legislative and Regulatory Framework

Some of the Group's operations are within heavily regulated sectors. The legislative and regulatory environment within which the Group operates is summarised in the section of this Base Prospectus entitled "*Regulation*" below. See also "*Risk Factors"*.

Concessions

The Group provides services under concessions or contracts in the following sectors:

- Hydroelectric generation;
- Natural gas distribution;
- Electrical distribution;
- District heating;
- Integrated water service; and
- Environmental service management.

The following is a summary of the Group's key concessions through which it operates the above mentioned activities.

Hydroelectric concessions

The following table shows the main concessions for hydroelectric power and the related expiry dates for Iren Energia's plants.

Region	Plant	Average rated concession power (MW)	Expiry
Piedmont	Po Stura - San Mauro	5.58	31/12/2010(*)
Piedmont	Pont Ventoux - Susa	47.42	13/12/2034
Piedmont	Agnel - Serrù - Villa	12.53	31/12/2010(*)
Piedmont	Bardonetto - Pont	8.92	31/12/2010(*)
Piedmont	Ceresole - Rosone	32.92	31/12/2010(*)
Piedmont	Telessio - Eugio - Rosone	26.10	31/12/2010(*)
Piedmont	Rosone - Bardonetto	9.71	31/12/2010(*)
Piedmont	Valsoera - Telessio	1.76	31/12/2010(*)
Campania	Tusciano	8.49	31/03/2029
Campania	Tanagro	12.84	31/03/2029
Campania	Bussento	17.06	31/03/2029
Campania	Calore	3.27	31/03/2029

(*) Currently under a prorogation regime.

With respect to the concessions expired on 31 December 2010, concerning Valle Orco and Po Stura-San Mauro, a project financing proposal was submitted to the Piedmont Region.

On 17 April 2023, the Piedmont Regional Council, by Resolution No. 17/6747, confirmed the feasibility of the two project financing proposals presented by Iren Energia, pursuant to Article 183, paragraph 15 of Legislative Decree 50/2016. These proposals concern the expired concessions for large hydroelectric derivations on Torrente Orco and the Po Stura - San Mauro plant.

Subsequently, on 5 June 2023, the Piedmont Regional Council, by Resolutions Nos. 28-6999 and 29-7000 resolved, pursuant to Articles 3 and 4 of Regional Law 26/2020, that there was no overriding public interest in an alternative use of the derived waters, that would be incompatible with the maintenance of the use for hydroelectric purposes, and authorised the definition of the public evidence procedure for the assignment of the related concessions.

Further, through Resolution No. 7387 of 3 August 2023 and Executive Decision No. 578 of 7 August 2023, the Piedmont Region verified the correctness of the end-of-concession reports for the expired large hydroelectric derivations and ordered their publication on its institutional website.

A dispute against the measures adopted by the Piedmont Region is currently pending before the Superior Court of Public Waters. The relevant decision is expected to be issued in the forthcoming weeks.

Natural gas distribution

The natural gas distribution service in the City of Genoa (Genoa1) and the neighbouring municipalities as well as in the Emilian provinces of Parma, Piacenza and Reggio Emilia is carried out by Ireti Gas S.p.A. ("**Ireti Gas**") which, with effect from 1 January 2023, following the demerger finalised in 2022, took over from Ireti the ownership of the concessions pertaining to the management of the natural gas distribution service in place in the various Areas - Genoa1, Parma, Reggio Emilia and Piacenza2. All such concessions are operated under an extension regime pending the launch of public invitations to tender.

With regard to the tender issuer by ATEM Genoa 2 (municipality of Chiavari), a challenge was brought against the call by Italgas Reti S.p.A. and it was declared null and void in a recent judgment by the Council of State (*Consiglio di Stato*). As at the date of this Base Prospectus, the new tender has not been announced.

Furthermore, following the completion of the so-called "Romeo 2 Project", as of 1 January 2024, ASM Vercelli S.p.A. acquired the gas distribution concessions in the following municipalities in the Province of Vercelli: Albano Vercellese, Carisio, Greggio, Olcenengo, Oldenico, San Germano Vercellese-Strella district, Quinto Vercellese, Tronzano Vercellese and Villarboit. Also as a result of this project, with effect from 1 January 2024, Ireti Gas, following the merger by incorporation of Romeo 2 S.r.l., took over from the latter as concessionaire of the gas distribution service in the municipalities of the Province of Savona Albenga and Ceriale. In this context, Ireti Gas had already acquired, with effect from 1 February 2023, the gas distribution concessions in the Emilian municipalities of Pontenure (ATEM Piacenza 2) and Solignano (ATEM Parma), as well as the management of the private village of Grazzano Visconti in the municipality of Vigolzone.

The Group also operates through numerous other entities throughout Italy under concessions or contracts granted to mixed capital companies in which the Group companies have a direct or indirect investment. These concessions have expired but are operating under a caretaker basis (known as *prorogatio*), pending the launch of public invitations tender. The main assignments and concessions are:

- *Province of Ancona / Macerata*: licence held by Astea S.p.A. ("**Astea**") (21.32% owned by the GPO Consortium, in which Ireti holds a 62.35% stake) in respect of the municipalities of Osimo (AN), Recanati (MC), Loreto (AN) and Montecassiano (MC), which expired on 31 December 2010 and is currently under a *prorogatio* regime; and
- *Province of Livorno*: held by ASA S.p.A. ("**ASA**"), 40% owned by Ireti, in relation to the municipalities of Livorno, Castagneto Carducci, Collesalvetti, Rosignano Marittimo and San Vincenzo, expired on 31 December 2010 and under a *prorogatio* regime.

Natural gas & power sales

In accordance with the provision of Legislative Decree No. 164 of 2000 (the "**Letta Decree**") on unbundling, i.e. the separation of gas distribution activity from gas sales, the Group carries on the business of selling natural gas mainly through Iren Mercato, which also sells, *inter alia*, electricity.

This activity is also carried out through direct or indirect investment in vendor companies, including:

- Salerno Energia Vendite, mainly for the Grosseto area, for the Avellino area and for central-southern Italy; and

- Atena Trading, mainly for the Vercelli area.

Electrical energy distribution

Ireti manages the public electricity distribution service in the cities of Turin and Parma (through Ireti) and Vercelli (through ASM Vercelli) on the basis of a ministerial concession expiring on 31 December 2030.Through its local business combinations, the Group distributes electrical energy also in the Marche area with DEA S.p.A., a company of the group of the associate Astea, with a concession expiring due on 31 December 2030.

District heating

Iren Energia manages the district heating distribution service through concessions, awards or authorisations to lay networks in the following areas:

- the Municipality of Turin and the municipalities of Moncalieri[10], Nichelino, Beinasco, Rivoli, Collegno and Grugliasco, all in the Metropolitan City of Turin;
- Reggio Emilia, Parma and Piacenza in the region of Emilia Romagna; and
- Genoa.

In addition, in May 2022 Iren Energia acquired the entire share capital of Dogliani Energia S.r.l., which already held the permit to build and operate a cogeneration plant with a connected district heating network in the urban area of the municipality of Dogliani, located in south-west Piedmont in the province of Cuneo. The construction of the cogeneration plant, along with the associated network, is currently in progress.

Integrated water services

The table below contains details of existing agreements in the Group's area of operations

ATO	Regime	Agreement date	Expiry date
Genoa area	ATO/Operator Agreement	16 April 2004 / 5 October 2009	31 December 2032
Enna	ATO/Operator Agreement	19 November 2004	19 November 2034
Parma	ATO/Operator Agreement	27 December 2004	31 December 2027(*)
Piacenza	ATO/Operator Agreement	20 December 2004	31 December 2011(**)
La Spezia	ATO/Operator Agreement	20 October 2006	31 December 2033
Vercelli	ATO/Operator Agreement	13 March 2006	31 December 2023 (***)
Reggio Emilia	ATO/Operator Agreement	20 December 2023	31 December 2043

(*) Service extended from 30 June 2025 to 31 December 2027 by the Emilia Romagna Regional Law No. 14/2021.

(**) Service extended until new concession begins. ATERSIR's adoption of the measures relating to the conclusion of the awarding phase is pending.

(***) Service extended until new concession begins.

[10] From 1 November 2023, Iren Mercato is concessionaire, on a transitional basis, of the public district heating service in the territory of the municipality of Moncalieri; the duration of the concession is twelve months and, in any case, until the effective date of the assignment of the service by the municipality, through a specific public procedure, to a new concessionaire. Iren Energia, which supplies heat to Iren Mercato, owns the existing production plants and network infrastructure. However, such agreement with the municipality of Moncalieri for the occupation of public land has expired.

Liguria area

Ireti manages the integrated water service in 67 municipalities of the province of Genoa, serving a total of 820,000 residents. The concession was granted by Decisions of the Genoa ATO No. 8 in 2003, 5, 7 and 9 in 2009 and is due to expire in 2032.

The integrated water service in the territory of the municipalities of the Province of Genoa is managed by Ireti also through safeguarded operators. The authorised and/or safeguarded companies of the Group that perform the role of operator are Iren Acqua (60% controlled by Ireti), Iren Acqua Tigullio S.p.A. (66.55% controlled by Iren Acqua) and Am.Ter S.p.A. ("**Am.Ter**"), controlled by 51% by Ireti and 49% by Iren Acqua.

Ireti also directly operates the drinking water distribution service in the municipalities of Camogli, Rapallo, Coreglia, Zoagli, Sestri Levante, Casarza Ligure and Moneglia, and also the integrated water service in the municipalities of Né and Carasco, in the Genoa ATO. Ireti manages only the segment of the water service in the following ATOs: (i) Savona area, in the municipalities of Albissola Marina, Albissola Superiore, Quiliano, Vado Ligure, Celle Ligure, Noli, Spotorno, Bergeggi, Savona, Stella, Varazze and (ii) Centre West 2 - municipalities of Altare, Cairo Montenotte, Carcare, Cengio.

As far as the Province of Imperia is concerned, Ireti manages, pending the collection of the redemption value (since these are expired safeguarded operations) the service in the municipalities of Camporosso, Isolabona (integrated water service), Perinaldo, San Biagio della Cima, Soldano, and Vallebona.

In the La Spezia area, namely in 31 municipalities, Iren Group manages the water service through ACAM Acque, with a concession valid until 31 December 2033.

Emilia Romagna area

The Group provides integrated water services on the basis of specific concessions granted by the competent local authorities, governed by agreements signed with the competent ATOs.

Ownership of the assets and networks of the water segment made before 2006 was transferred (in exchange for their net book value) to companies wholly owned by public entities. These companies made the same networks and assets available to the Iren Group on the basis of a rental contract and against payment of a fee. Assets and networks of the water segment made from 2006 onwards belong to Ireti. Under the terms of the concessions, as for any water concession, upon their expiry the residual value of investments (calculated according to criteria decided by ARERA) is payable to Ireti as outgoing concession holder.

With reference to the tender called by Atersir in 2019, concerning the restricted procedure for the selection of the operating private partner of a mixed company for the entrusting of the integrated water service in ATO3 Reggio Emilia until 31 December 2043, the Local Authority, by means of Determination No. 260 of 14 November 2023, pronounced the effectiveness of the award to Ireti, already declared with previous resolution. Therefore, as of 1 January 2024, the management of the integrated water service for the Province of Reggio Emilia, excluding the municipality of Toano, falls under the responsibility of Azienda Reggiana per la Cura dell'Acqua ("**ARCA**"), 60% owned by the public partner AGAC Infrastrutture S.p.A. and 40% by Ireti, private partner selected through a dual-object procedure. Through a specific agreement based on the provisions of the tender documents, ARCA delegated operational management tasks to the territorial operating company Iren Acqua Reggio S.r.l., which was set up for this purpose by Ireti.

As for the tender announced by Atersir in 2022 for the assignment of the integrated water service for the Province of Piacenza, on 13 July 2023, the tender commission convened and drew up the provisional ranking list, in which Ireti was placed first. The final steps of the tender procedure are awaited.

Piedmont area (Vercelli)

The Group manages, through ASM Vercelli, the services related to the integrated water cycle in Piedmont ATO2 Biellese Vercellese, Casalese. In particular, the management of the Vercelli aqueduct has been ongoing for more than a century; while sewerage and wastewater treatment services have only been incorporated into the operations since the mid-1990s. Currently, ASM Vercelli provides services not only to the city of Vercelli, but also to 14 municipalities in such province. The management was set to expire on 31 December 2023. As the new form of concession regime has not been selected by the deadline, the Piedmont Region commissioned the area management body (EGA – *Ente di Governo d'Ambito*), requiring the choice to be taken. In the meantime, the management of the service continues under an extension regime.

Sicilian area (Enna)

Acquaenna manages the integrated water service in ATO 5 Sicily, relating to the Province of Enna, with the concession expiring on 19 November 2034.

Other geographical areas

The Group also operates in the integrated water service sector in other parts of Italy through licences or concessions given by the competent municipalities to companies in which it has a direct or indirect shareholding.

The main licences and concessions are:

- *ATO Tuscany Coast (Toscana Costa)*: concession for integrated water service in the Municipality of Livorno and other 31 municipalities in the province, held by ASA;
- *ATO3 Marche Centro – Macerata*: held by Astea, only for the municipalities of Recanati, Loreto, Montecassiano, Osimo, Potenza Picena and Porto Recanati;
- *ATO5 Astigiano Monferrato:* ASP S.p.A. (associate, 45% owned by Nord Ovest Servizi S.p.A., which in turn is 45% owned by Ireti and 30% owned by Amiat) for the municipality of Asti; and
- *ATO6 Alessandrino*: Gestione Acqua S.p.A. (a subsidiary of Acos S.p.A., which in turn is 25% owned by Ireti) for the Municipality of Novi Ligure and 69 other municipalities.

Waste management services

The Iren Group provides waste management services based on specific service concessions from the local authorities, governed by agreements signed with the provincial ATOs. The table below provides information regarding the current agreements in the territory in which the Group operates (mainly in Emilia Romagna, Piedmont, Tuscany and Liguria regions).

ATO	Regime	Date of agreement	Expiry date
Reggio Emilia	ATO/Operator Agreement	10 June 2004	31 December 2011(*)
Parma	ATO/Operator Agreement	28 December 2022	1 January 2038
Piacenza	ATO/Operator Agreement	28 December 2022	1 January 2038
Turin	ATO/Operator Agreement	21 December 2012	30 April 2033(**)
Vercelli	Municipality/Operator Agreement	22 January 2003	31 December 2028
Other municipalities in the Vercelli area (except Borgosesia)	Procurement contract with C.O.Ve.Va.R.	1 January 2022	31 January 2030
La Spezia (municipality)	Municipality/Operator Agreement	10 June 2005	31 December 2028 (waste collection and sweeping) and 31 December 2043 (waste disposal)
South Tuscany	ATO/Operator Agreement	28 March 2013	27 March 2033
Municipality of Lucca	Service contract Municipality/operator (36.5% owned by Iren Ambiente)	27 February 2001	31 December 2029

(*) Service extended until new agreements are finalised. These concessions are currently operating until a new operator is identified.

(**) The term is 20 years running from the end of the provisional tariff system of the TRM waste-to-energy plant.

Within different areas, different companies carry on operations.

Emilia-Romagna

In Emilia Romagna, Iren Ambiente runs both waste collection and disposal (owning and employing waste-to-energy plants at Parma and Piacenza). On 28 December 2022, the contracting authority Agenzia Territoriale dell'Emilia-Romagna per i Servizi Idrici e Rifiuti (ATERSIR) signed with Iren Ambiente the contracts for the concession of the public service for waste management in the Parma and Piacenza territorial basins for a duration of 15 years, starting from 1 January 2023. As of 1 January 2024, the management companies named Iren Ambiente Piacenza and Iren Ambiente Parma, which took over from Iren Ambiente for the management of the urban waste management service in the territorial basins of Piacenza and Parma respectively, became operative.

Tuscany

In Tuscany, urban waste collection and treatment are managed for the entire territory of Southern Tuscany through Servizi ecologici integrati Toscana S.r.l. ("**Sei Toscana**") and other Iren Ambiente companies, including Siena Ambiente S.p.A.

Sei Toscana is the owner of the integrated waste management in 98 municipalities in the provinces of Grosseto, Siena, and Arezzo, and in six municipalities in the province of Livorno.

Piedmont

Regarding the city of Torino, TRM built the waste-to-energy plant and is responsible for waste disposal for the town and for municipalities in the province of Turin, while Amiat is the company responsible for waste collection and transport in Turin. In other Piedmontese territories of Vercelli and the towns belonging to the Covevar Consortium, ASM Vercelli manages waste collection.

Liguria

ACAM Ambiente, controlled by Iren Ambiente and active in La Spezia and its Province, manages the integrated waste cycle service in 32 municipalities belonging to the Optimal Area of the Levante (including the municipality of La Spezia).

Services provided to the City of Turin

Iren Smart Solutions is party to the following agreements:

- the agreement with the City of Turin for the concession relating to street lighting and traffic light services, expiring on 31 December 2036; and
- the services for the design and implementation of technological and construction upgrading, operation, maintenance (including the supply of energy vectors) of municipal thermal, electrical and special plants, expiring on 30 June 2049.

Services to other municipalities

Iren Smart Solutions manages the public lighting service, including by means of plant efficiency improvements, being part of concessions with the following entities: Ener.Bit (a consortium of some 20 municipalities in the Biella region), Cuneo, Fidenza, Fiorenzuola, Rivergaro and Tizzano Val Parma. In addition, the Group manages public lighting in Vercelli (through ASM Vercelli) and Asti (through Asti Energia e Calore S.p.A.).

Financing

Facilities

The following table shows the Group's principal lending facilities as at 31 December 2023 and 2022.

Loan *(amounting to €50 mln or more)*	**Maturity date**	**Amount outstanding as at 31 December**	
		2023	**2022**
		(amounts in Euro)	
EIB - water services 2014-2016	15 December 2030	131,317,136	150,076,726
EIB - heating and waste services 2015	15 December 2032	70,909,091	75,454,545
EIB - Electricity distribution networks 2017	15 December 2034	75,000,000	75,000,000
EIB - Green Energy 2020	15 June 2038 15 June 2039	100,000,000	50,000,000
EIB - Green Energy Climate Action&Circular Economy 2020	15 June 2039	120,000,000	-
CEB - water services	15 December 2036 15 June 2038 15 June 2039	79,814,815	35,000,000
Intesa Sanpaolo 2022	21 April 2028	150,000,000	150,000,000
CDP 2022	1 July 2028	150,000,000	150,000,000
BPER Banca 2022	1 July 2028	100,000,000	100,000,000
BBVA 2022	21 September 2027	50,000,000	50,000,000
CAIXA Bank 2022	29 September 2027	100,000,000	100,000,000
BPM 2022	27 October 2027	100,000,000	100,000,000

Loan *(amounting to €50 mln or more)*	Maturity date	Amount outstanding as at 31 December	
		2023	2022
		(amounts in Euro)	
CDP – Project EfficienTO	5 October 2035	100,000,000	-
Pool BNP, EIB, UniCredit, Banca Popolare Vicenza (debt related to TRM S.p.A.)	31 December 2029	168,351,224	193,778,772

The main financing agreements entered into by the Group's companies which have not been drawn or have been drawn for an amount lower than Euro 50 million are as follows:

- *CEB*: On 24 March 2022, Iren signed a public finance facility agreement with CEB in the amount of €80 million, with a duration of 16 years, intended to co-finance the development and improvement of the efficiency of the district heating network in Turin area; these projects are partially financed by the EIB (EIB Green Energy 2020), as listed in the table above. In 2023, a first tranche of €15 million of the CEB loan was drawn down to support the district heating infrastructure investment plan.
- *EIB*: On 30 March 2023, the Issuer and the European Investment Bank (the "**EIB**") signed an agreement for a €150 million credit line with a 18-year duration, which are to be used to finance the Group's 2022-2026 Investment Plan. Specifically, the planned investments aim to strengthen the water distribution network, wastewater collection and wastewater treatment plants in the provinces of Genoa and La Spezia, helping to ensure compliance with the main EU regulations. Operations are also planned to improve the resilience of the water service to drought, via investment promoting network efficiency and the rehabilitation of water storage
- *CDP- Project EfficienTO*: On 5 October 2023, the Issuer and Cassa Depositi e Prestiti (CDP) have signed an agreement for a new €100 million green loan facility, with a duration of 12 years and aimed at supporting the energy requalification of 800 public buildings in the City of Turin (EfficienTO). The project, which is in line with CDP's sustainable development objectives and those of the 2030 National Integrated Energy and Climate Plan (Piano Nazionale Integrato Energia e Clima 2030), aims to achieve energy consumption savings of more than 30% on completion of the planned interventions.
- Revolving Credit Facilities (RCF): In 2023, Iren entered two RCFs with Unicredit and BPER for a total amount of €200 million with a duration of 3 years: the committed credit lines are Sustainability-Linked as they include a premium/penalty mechanism linked to the achievement of specific environmental objectives included in the Sustainable Financing Framework: reduction of atmospheric emissions (GHG Scope 1) and water leaks.

As of 31 December 2023, undrawn and available amounts of direct loans with EIB and CEB, with a duration of up to 18 years, stood at €215 million.

For further information on other significant financing agreements entered into by the Group's companies in 2024, see " – *Recent developments – Public finance facility green loan with the Council of Europe Development Bank*" below.

Debt securities

Iren is currently the issuer of the following Eurobonds, all issued under the Programme and listed on Euronext Dublin:

- €500,000,000 0.875 per cent. Notes due 2024, issued in November 2016;
- €500,000,000 1.50 per cent. Green Notes due 2027, issued in October 2017;

- €500,000,000 1.95 per cent. Green Notes due 2025, issued in September 2018;
- €500,000,000 0.875 per cent. Green Notes due 2029, issued in October 2019;
- €500,000,000 1.00 per cent. Notes due 2030, issued in July 2020;
- €500,000,000 0.25 per cent. Green Notes due 2031, comprising €300,000,000 initially issued in December 2020 and a €200,000,000 tap issue in October 2021;
- €50,000,000 2.875 per cent. Green Notes due 5 August 2028, issued in August 2022; and
- €500,000,000 3.875 per cent. Green Notes due 22 July 2032, issued in January 2024.

The €50 million Eurobond was a private placement, whereas the others were issued on a syndicated business and subscribed for by Italian and foreign institutional investors.

Guarantees

As at 31 December 2023, Iren has issued guarantees and/or has procured the issue of guarantees by third parties. These relate to:

- sureties for own commitments amounting to €1,219,531 thousand (€851,180 thousand as at 31 December 2022), and
- guarantees provided for subsidiaries amounting to €1,057,288 thousand, primarily to guarantee credit facilities and sales and parent company guarantees on behalf of Iren Mercato;
- guarantees provided for associated companies amounting to €1,300 thousand.

For further details on the above guarantees, please see the Issuer's Annual Report as at 31 December 2023 which is incorporated by reference to this Base Prospectus.

Sustainable finance

Sustainable finance framework

Starting from 2017, through the issue of its first green bond, the Group has started a path of sustainable finance to support its investment strategies which are strongly focused on projects with positive impacts in terms of sustainability. In 2017, the Group adopted its first green financing framework and in 2018 its sustainable financing framework, both of which are aligned with the Green Bond Principles published by ICMA in 2018 (the "**GBP**") and the Green Loan Principles published by the Loan Market Association in 2018 (the "**GLP**").

On 24 March 2022, in line with the Group's sustainable finance strategy and in order to strengthen its commitment to sustainable finance within the current market's evolution, the Issuer adopted a new sustainable finance framework which combines principles relating to the use of proceeds and sustainability-linked principles (the "**2022 Sustainable Finance Framework**"). The 2022 Sustainable Financing Framework has been developed to show how Iren intends to continue supporting its sustainability strategy and vision by combining the use of various green and sustainability-linked financing instruments. The 2022 Sustainable Financing Framework is aligned with the GBP and the Sustainability-Linked Bond Principles published by ICMA and with the GLP, and is available on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/green-bond*). See also "*Use of Proceeds*" above.

On the basis of the above frameworks, the Issuer has issued six green bonds, five on a syndicated basis and one by way of private placement, representing a total principal amount of €2.55 billion (see "*Debt securities*" above). In addition, during 2023, Iren entered into three sustainability-linked financing agreements and a green loan (see "*Facilities*" above).

The extensive use of green and similar instruments has, over time, changed the composition of the Group's debt, 77% of which is composed of sustainable finance loans or instruments.

ESG strategic integration committee

The integration and monitoring of ESG (Environment, Social, Governance) factors, from strategic planning to the management and monitoring of the Group's activities, are entrusted to the "ESG Strategic Integration Committee". The committee is responsible for analysing scenarios, regulatory environment, risks and opportunities to integrate sustainability into strategy and processes, analysing the Group's ESG positioning and proposing improvement initiatives, evaluating periodic results and progress in ESG integration policies, and disseminating the culture of sustainability. The committee is composed of: CFO, Procurement Director, Logistics and Services Director, Communication, External Relations, and Public Affairs Director, Corporate Social Responsibility Director, and Territorial Committees (with coordination functions), Personnel Organization Director, Risk Management Director, Finance Manager, Investor Relations Manager, and Strategic Planning and Control Manager.

Sustainable financing committee

The Issuer has created an inter-functional "Sustainable Financing Committee" in order to strengthen its commitment towards sustainability, with the aim of monitoring potential sustainable investment initiatives, underwriting any type of financial instrument dedicated to specific green projects and then guaranteeing their implementation. The Sustainable Financing Committee is responsible for defining the sustainable finance framework and is formed to identify and select investments, activities and projects deemed eligible for access to sustainable finance instruments, monitor the progress of financed projects/activities and ensure the proper management of the process throughout the life of the financing. The Committee is chaired by the Issuer's CFO and includes members from the following departments: Corporate Social Responsibility and Territorial Committees, Finance and Credit Policy, Investor Relations and Planning and Control. The business units and other functions with the aim of ensuring the integration of ESG factors across the Issuer's management and at all levels of the Group.

Net Financial Debt

The following table shows a reconciliation of the Group's Net Financial Debt[(1)] as at 31 December 2023 and 2022.

See also the sections entitled "*Alternative Performance Measures*" above included elsewhere in this Base Prospectus.

	As at 31 December	
	2023	**2022**
Non-current financial assets	(128,937)	(169,057)
Current financial assets	(203,145)	(256,376)
Cash and cash equivalents	(436,134)	(788,402)
Non-current financial liabilities	4,046,764	4,266,014
Current financial liabilities	653,231	294,575
Net Financial Debt	3,931,779	**3,346,754**

Ratings

The Programme has been rated "BBB" by Fitch and "BBB" by S&P. In addition, the Issuer's long-term default and its senior unsecured debt have been rated as follows.

- "BBB" with a positive outlook by Fitch;
- "BBB" with a stable outlook by S&P.

Environmental Protection

Respect and protection of the environment and biodiversity, the rational use of water resources, efficiency and the reduction in energy consumption, the development of renewable sources and the proper management of the integrated waste cycle are fundamental elements that direct the Group's strategic choices, as shown by the guidelines and as confirmed by the objectives of the Business Plan.

For these purposes, the Group has chosen to:

- diversify its production of electricity by including non-conventional sources, such as wind, hydroelectric, waste-to-energy, photovoltaic and biomass plants;
- adopt a predominant cogeneration framework (production of electricity and thermal energy that feeds the district heating networks in different cities) of the Group's thermoelectric plants in order to contribute to containing specific greenhouse gas emissions;
- provide district heating *(teleriscaldamento)* through cogeneration and waste-to-energy plants contributing to reduce the greenhouse gas emissions produced by domestic boilers;
- develop new "RES" assets, focused mainly on greenfield and brownfield repowering, and storage capacity which are coherent with "RES" growth;
- promote water and energy savings in production processes, offering specific services to its customers and encouraging responsible consumption practices and behaviour by citizens;
- develop rational and sustainable water management by performing operations with a view to reducing leakages in the drinking water networks, by investing in sewer and treatment plants, and promoting water saving policies;
- adopt integrated waste management systems capable of intercepting a large quantity of material for recycling and recovering energy from waste that cannot be recycled promote electric mobility in the management of its activities and offer specific services to its customers.

In the management of such activities, respect for the environment and biodiversity is ensured by the adoption of a system of certifications (ISO 14000, EMAS, UNI CEI 11352 etc.), policies, procedures and monitoring plans aimed at minimising environmental impacts and implementing continuous improvement actions, in line with the Group's strategic guidelines.

See also "*Strategy*" and "*Financing - Sustainable finance*" above.

Share Capital and Shareholder Structure

Share capital

As at 31 December 2023, Iren had a share capital of €1,300,931,377, fully paid up and consisting of 1,300,931,377 ordinary shares with a nominal value of €1.00 each, of which 17,855,645 were treasury shares, representing 1.37% of its share capital. Since 31 December 2023, there have been no changes to the Issuer's share capital.

The Issuer's shares are admitted to trading on Euronext Milan and are included in the FTSE Italia All-Share, FTSE All-Share Capped and FTSE Italia Mid Cap indexes.

Shareholders

Iren has a widely distributed share ownership structure with different public shareholders mainly consisting of:

- the municipality of Reggio Emilia, the municipality of Piacenza, the municipality of Parma (both directly and through S.T.T. Holding S.p.A. and Parma Infrastrutture S.p.A.), and other municipalities in the Emilia Romagna region;
- the Municipality of Genoa acting through Finanziaria Sviluppo Utilities S.r.l. ("**FSU**");
- the Municipality of Turin acting through Finanziaria Città di Torino Holding S.p.A. ("**FCTH**");
- the Metropolitan City of Turin through Metro Holding Torino S.r.l. ("**MHT**"); and
- the Municipality of La Spezia and other public shareholders of the Province of La Spezia.

In addition, there are several Italian and international institutional investors and private shareholders.

The following table sets out details of the persons who have significant shareholdings in the Issuer as at 31 December 2023, based on the information available to the Issuer.

Shareholder	**% of total share capital**
FSU (Municipality of Genoa)	18.85%
FCTH (Municipality of Turin)	13.80%
MHT (Metropolitan City of Turin)	2.50%
Municipality of Reggio Emilia	6.42%
Municipality of Parma	3.16%
Municipality of Piacenza	1.37%
Other Emilian Municipalities	5.27%
Municipality of La Spezia and other public shareholders of the Province of La Spezia	1.50%
Fondazione Compagnia di San Paolo	3.85%
Treasury shares	1.37%
Other shareholders	41.91%
Total	**100.00%**

As at 31 December 2023, shareholdings held by public entities represented 52.88% of the total share capital of the Issuer.

Since 1 June 2018, the Issuer's By-laws have entitled shareholders holding their shares for over 24 months to be included, on request, in the special register of shareholders with enhanced voting rights, which they may exercise when voting on resolutions regarding:

- amendments to the articles of the By-laws that govern voting right increase (Art. 6-bis), registration in the special list (Art. 6-ter), effects of the voting rights increase (Art. 6-quater) and public participation (Art. 9);
- the appointment and/or removal of members of the Issuer's board of directors as well as the exercise of the liability action against any of them;
- the appointment and/or removal of members of the Issuer's board of statutory auditors as well as the exercise of the liability action against any of them.

As at 31 December 2023, the Issuer's 1,300,931,377 ordinary shares conferred voting rights as follows:

- 745.920.586 ordinary shares with enhanced voting rights, conferring:
  - 1.491.841.172 votes (i.e. two votes per share) on resolutions proposed at shareholders' meetings with weighted voting; and

- 745.920.586 (i.e. one vote per share) on all other shareholders' resolutions; and

- 555.010.791 ordinary shares without enhanced voting rights, conferring 555.010.791 votes (i.e. one vote per share) on all resolutions proposed at shareholders' meetings.

Shareholders' agreements

As at the date of this Base Prospectus, there are three shareholders' agreements in force among the public shareholders of the Issuer, as described below, all of which were due to expire in April 2027, subject to automatical renewal for a further three years in the absence of any notice to terminate.

Shareholders' Agreements

Effective since 6 April 2024, this agreement (the "**Shareholders' Agreement**") is between FSU, FCTH, MHT, municipalities in Emilia (the "**Emilian Parties**") and public shareholders in the Province of La Spezia, including the Municipality of La Spezia. The Shareholders' Agreement provides for either a voting syndicate and block syndicate with the aim of guaranteeing the development of the Issuer, the companies in which it has shareholdings and, more generally, its business, as well as to ensure unity and stability in the direction of the Issuer, including through the enhanced voting rights described above, and in particular, respectively: (i) determining methods for consultation and joint decision-making regarding certain resolutions at shareholders' meetings; and (ii) setting certain limits on the circulation of the shares contributed.

Emilian Parties' sub-shareholders' agreement

Effective since 6 April 2024, this agreement (the "**Emilian Parties' Sub-Shareholders' Agreement**") is between the Emilian Parties and is intended, among other things, to set out the respective rights and obligations, in order to (i) ensure uniformity of conduct and rules on decisions to be taken by the Emilian Parties in the context of the provisions of the Shareholders Agreement; (ii) provide for further commitments in order to guarantee the development of the Issuer, the companies in which it has shareholdings and, more generally, its business, and to ensure the same unity and stability of direction; (iii) grant a right of pre-emption in favour of the signatories in the event of sale of the Issuer's shares, other than those covered by the block syndicate under the terms of the Emilian Parties' Sub-Shareholders' Agreement; and (iv) grant the Municipality of Reggio Emilia an irrevocable mandate to exercise the rights of the other parties to the agreement on their behalf.

Piedmontese Parties' sub-shareholders' agreement

Effective since 4 April 2024 this agreement (the "**Piedmontese Sub-Shareholders' Agreement**") is between FCTH and MHT, and provides for a voting syndicate through which the relevant parties: intend to (i) coordinate with each other in order to identify, within the limits provided by the Piedmontese Sub-Shareholders' Agreement, agreement on candidates in order to appoint directors and statutory auditors in the context of shareholders' resolutions; (ii) set up common guidelines in relation to decisions to be made on relevant matters for shareholders' meetings; (iii) grant FCTH an irrevocable mandate, also in the interest of FCTH itself, to exercise the rights conferred by the Piedmontese Sub-Shareholders' Agreement on FCTH in accordance with the provisions thereof.

Corporate Governance

Corporate governance rules for Italian companies such as Iren, whose shares are listed on the Italian regulated market, are provided for under the Italian Civil Code, Legislative Decree No. 58 of 24 February 1998 and the corporate governance rules set out in the voluntary code of corporate governance issued by Borsa Italiana.

Iren has adopted a system of corporate governance, based on a conventional organisational model involving shareholders' meetings, the Board of Directors (which operates through the directors who

have executive authority and are empowered to represent Iren), the committees established by the Board of Directors, the Board of Statutory Auditors and the independent auditors.

Board of Directors

Save as set out below, the current Board of Directors was appointed by the Issuer's shareholders' meeting on 21 June 2022 for a period of three years. The following table sets out the current members of the Board of Directors of Iren and the main positions held by them outside Iren.

Name	Position		Main positions held outside Iren
Luca Dal Fabbro	Chairman and Strategic Director of Finance, Strategies and Delegated Areas (*)	Executive	Director of Simpec S.r.l. Director of Trattamento Acque Holding S.r.l. Executive Director of Equiteco S.r.l. CEO of Xenon Fidec Director of S.T.A. S.r.l.
Moris Ferretti	Vice President and Strategic Director of Human Resources, CSR and Delegated Areas (**)	Executive	Chairman and Chief Executive Officer of Utilitalia Servizi S.r.l. Chairman of Iren Ambiente Toscana S.p.A. Chairman of Iren Acqua S.p.A. Director of Quanta – Stock And Go S.r.l.
Francesca Culasso	Director	Independent non-executive	Director of Iren Mercato S.p.A. Director of Equiter – Investimenti per il Territorio S.p.A. Director of Eurizon Capital SGR S.p.A. Director of Intesa Sanpaolo Innovation Center S.p.A. Director of San Lorenzo S.p.A. Chairwoman of Nord Ovest Servizi S.p.A. Director of Iren Ambiente Toscana S.p.A.
Enrica Maria Ghia	Director Lead Independent Director from 30 May 2024 (***)	Independent non-executive	Chairwoman of Jurisnet S.T.A. S.r.l.
Pietro Paolo Giampellegrini	Director	Independent non-executive	Chairman of Iren Mercato S.p.A.
Francesca Grasselli	Director	Independent non-executive	Chairwoman and Chief Executive Officer of GWN Holding S.r.l. Sole Director of Mountain Sunset Holding S.r.l. Director of Grasselli S.p.A. Vice President of GHG Gourmet S.r.l. Vice President of GHG Holding S.r.l. Vice President of GHG Home S.r.l. Vice President of GHG Real Estate S.r.l. Chairwoman of Iren Energia S.p.A.
Cristiano Lavaggi	Director	Non-executive	Sole Director Mafalda S.r.l. Chairman of Iren Laboratori S.p.A. Director of Valdarno Ambiente S.r.l.

Name	Position		Main positions held outside Iren
Giacomo Malmesi	Director	Independent non-executive	Director Malmscot S.r.l.s. Director of Azienda Agricola Bocchi S.p.A. Director of Nuovo Inizio S.r.l. Director of Sicem – Saga S.p.A. Vice President and Managing Director of Immobiliare degli Orti S.p.A. Chairman of Ireti S.p.A.
Giuliana Mattiazzo	Director	Independent non-executive	Director of Neva SGR S.p.A. Vice President of LIFTT S.p.A. Chairwoman of Iren Ambiente S.p.A. Chairwoman of Iren Smart Solutions S.p.A.
Tiziana Merlino	Director	Independent non-executive	Director of T.B. S.p.A. Director of Servizi di Riviera S.p.A. Director of Futura S.p.A.
Gianluca Micconi	Director	Independent non-executive	Director of Futura S.p.A. Director of Bonifiche Servizi Ambientali S.r.l. Sole Director of Centro Revisioni Diagnosi e Collaudi S.r.l.
Patrizia Paglia	Director	Independent non-executive	Chief Executive Officer Eva Green Power S.r.l. Chief Executive Officer of Iltar-Italbox Industrie Riunite S.p.A. Chief Executive Officer Polistamp Engineering S.r.l. Chairwoman of Confindustria Canavese Servizi S.r.l. Chairwoman of Evasolar S.r.l. Director of Ireti S.p.A.
Cristina Repetto	Director	Independent non-executive	Director of Porto Antico Di Genova S.p.A. Director of Iren Energia S.p.A. Director of Iren Ambiente Toscana S.p.A.
Paola Girdinio	Director	Indipendent non-executive(****)	Chairwoman of Start 4.0 Director of Ansaldo Energia S.p.A. Director of Ansaldo Nucleare S.p.A. Director of Wsense S.r.l.
Licia Soncini	Director	Independent non-executive	Chairwoman of Nomos Centro Studi Parlamentari S.r.l. Director of I.Blu S.r.l.

(*) Appointed Chairperson by the Shareholders' Meeting of 21 June 2022. By a resolution passed on 30 August 2023, the Board of Directors of IREN S.p.A. appointed Mr. Dal Fabbro as Strategic Director of Finance, Strategies and Delegated Areas. Regarding the situation after 7 May 2024, please refer to " – *Recent developments*" below.

(**) Deputy Chairperson in the three-year period 2019-2021. He was confirmed in office for the three-year period 2022-2024 at the meeting of the Board of Directors on 21 June 2022. With a resolution passed on 30 August 2023, the Board of Directors of IREN S.p.A. appointed Mr. Ferretti as Strategic Director of Human Resources, CSR and Delegated Areas. Regarding the situation after 7 May 2024, please refer to " – *Recent developments*" below.

(***) On 30 May 2024, in accordance with the provisions of the Corporate Governance Code, the Board of Directors appointed the Director Enrica Maria Ghia (who meets the independence requirements needed for this role) as Lead Independent

Director of the Issuer to represent a point of reference and coordination of the requests and contributions of the independent directors within the Board of Directors.

(****) Appointed on 27 June 2024 as a Director to replace the position of Paolo Signorini as a Director. For other changes in the composition of the Board of Directors after 21 June 2022, please see " – *Recent developments*" below.

On 21 June 2022, the Board of Directors appointed a Remuneration and Appointments Committee, a Control, Risk and Sustainability Committee and an Independent Directors' Committee for dealing with Transactions with Related Parties, named the Related Party Transactions Committee. The Remuneration and Appointments Committee is composed by Pietro Paolo Giampellegrini, Cristiano Lavaggi, Gianluca Micconi and Patrizia Paglia; the Control, Risk and Sustainability Committee is composed by Francesca Culasso, Enrica Maria Ghia and Tiziana Merlino; and the Related Party Transactions Committee is composed by Francesca Grasselli, Giuliana Mattiazzo, Cristina Repetto and Licia Soncini. For further information see the section "*Information on Corporate Governance*" of the 2022 Consolidated Financial Statements, incorporated by reference in the Base Prospectus.

The business address of each of the members of the Board of Directors is the Issuer's registered office.

Board of Statutory Auditors

The shareholders' meeting of Iren held on 27 June 2024 appointed the Board of Statutory Auditors of Iren for a period of three financial years. The following table sets out the current members of the Board of Statutory Auditors of Iren and the main positions held by them outside Iren.

Name	Position	Main positions held outside Iren
Sonia Ferrero	Chairwoman of Board of Statutory Auditors	Director of Ferroli S.p.A. Director of Xoldy S.p.A. Standing Auditor of Bending Spoons Holdings S.p.A. Standing Auditor of Bending Spoons Operations S.p.A. Standing Auditor of F.I.L.A. Standing Auditor of Gens Aurea S.p.A. Chairwoman of Board Statutory Auditors of Geox S.p.A. Chairwoman of Board Statutory Auditors of Giubileo 2025 S.p.A. Standing Auditor of IGEA 2 S.p.A. Standing Auditor of Iren Green Generation S.r.l. Standing Auditor of Iren Green Generation Tech S.r.l. Standing Auditor of Iren Mercato S.p.A. Standing Auditor of Italfarmaco Holding S.p.A. Standing Auditor of Profilo Real Estate S.r.l. Standing Auditor of Siena Ambiente S.p.A. Chairwoman of Board Statutory Auditors of TINABA S.p.A.
Ugo Ballerini	Standing Auditor	General Manager of FILSE S.p.A. Standing Auditor of ACAM Acque S.p.A.
Donatella Busso	Standing Auditor	Director of Cellularline S.p.A. Director of Osai Automation System S.p.A. Director of Zurich Italy Bank S.p.A. Standing Auditor of De Agostini S.p.A. Standing Auditor of Reply S.p.A.

Name	Position	Main positions held outside Iren
Simone Caprari	Standing Auditor	Director of CCPL S.p.A. Sole Director di Borri Immobiliare S.r.l. Sole Director di CCPL 2 S.p.A. Chairman and CEO of CCPL Consorzio cooperative di produzione e lavoro soc. coo. Sole Director of Harmonie Charme S.r.l. Sole Director of Holding Astrid S.r.l. Director of Reggio Children – Centro Internazionale per la difesa e la promozione dei diritti e delle potenzialità dei bambini e delle bambine S.r.l. Director of Resta S.r.l. Director of RR Fin S.p.A. Sole Director Solen S.r.l. Vice President of Tangram S.p.A. Statutory Auditor of Quanta-Stock and Go S.r.l. Standing Auditor of AR/S Archeosistemi Soc. Coop. Statutory Auditor of Assist S.r.l. Standing Auditor of Aurum S.p.A. Statutory Auditor of Bombardi Rettifiche S.r.l. Standing Auditor of Cooperativa edilizia del Comprensorio di Reggio Emilia e la Betulla Soc. Coop. Chairman of Cooperativa Italiana di Ristorazione Soc. Coop. Standing Auditor of Coopservice International S.p.A. Statutory Auditor of Coopservice Servizi Fiduciari S.r.l. Standing Auditor of Finanza Cooperativa Soc. coop. S.p.A. Standing Auditor of IREN Acqua S.p.A. Chairman of Board of Statutory Auditors of IREN Ambiente S.p.A. Standing Auditor of Istituto di Vigilanza Coopservice S.p.A. Standing Auditor of KVERNELAND GROUP ITALIA S.R.L. Chairman of Board of Statutory Auditors of Salerno Energia Vendite S.p.A. Standing Auditor of So.Sel S.p.A. Standing Auditor of Valdarno Ambiente S.r.l.
Fabrizio Riccardo Di Giusto	Standing Auditor	Standing Auditor of Dinex Italia S.r.l.
Carlo Bellavite Pellegrini	Alternate Auditor	Sole Director of Mirabello S.r.l. Chairman of Board of Statutory Auditors of BNP Paribas Real Estate Investment Management Italy Società di Gestione DEL RISPARMIO P.A. Chairman of Board of Statutory Auditors of Eni Natural Energies S.p.A. Standing Auditor of Pozzoli 1875 S.r.l. Chairman of Board of Statutory Auditors of HPF Italy S.p.A. Standing Auditor of Illycaffè S.p.A. Standing Auditor of Società Petrolifera Italiana S.p.A. Chairman of Board of Statutory Auditors of Suedtirolerspeck S.r.l.

Name	Position	Main positions held outside Iren
Lucia Tacchino	Alternate Auditor	Director Aedes Società Anonima Ligure per Imprese e Costruzioni S.p.A. Statutory Director of Costruzioni e restauri S.r.l. Standing Auditor of Elettracqua S.r.l. Standing Auditor of Giglio Group S.p.A. Standing Auditor of Hydra Energia S.r.l. Standing Auditor of San Giorgio Gestione Patrimoniale S.r.l. Standing Auditor of Un'Altra Storia Soc. Coop. Standing Auditor of Unistara S.p.A.

The substitute auditors automatically replace any standing statutory auditors who resign or are otherwise unable to serve as a statutory auditor.

Conflicts of interest

At the date hereof, no member of the Board of Directors or the Board of Statutory Auditors has any private interests in conflict or potential conflict with his duties arising from his or her office or position within the Group.

Employees

At 31 December 2023, the employees working for the Iren Group totalled 11,004, compared to 10,583 employees at 31 December 2022.

Legal Proceedings

Due to its extensive customer base and the variety of its business, the Group is party to a number of civil, administrative and arbitration proceedings arising from the conduct of its corporate activities and may from time to time be subject to inspections by tax and other authorities. The Group is also involved in disputes with the Italian tax authorities. In its consolidated financial statements, as at 31 December 2023, the Issuer had a provision for risks related to higher charges and various disputes, including legal proceedings, amounting at €195,085 thousand.

With regard to the existing claims and proceedings against companies of the Group, although it is difficult to determine their outcome with certainty, the management of the Group, based on information available as at the date of this Base Prospectus, believes that:

- liabilities relating to these claims and proceedings are unlikely to have, in the aggregate, a material adverse effect on the consolidated financial condition or result of operations of the Group;
- where liabilities relating to these claims and proceedings are probable and quantifiable, adequate provision has, in terms of established reserves and in the light of the circumstances currently known to Iren, been made in the Group's financial statements; and
- where liabilities relating to these claims and proceedings are not probable or probable but not quantifiable, adequate disclosure has been made in the Group's financial statements.

Certain events prior to the approval of the financial statements as at 31 December 2023

NRRP funds for projects on circular economy and network efficiency

At the beginning of March 2023, the Group published the first tender using funds allocated by the National Recovery and Resilience Plan (NRRP). The call for tenders relates to engineering activities for

the realisation of a number of interventions on the City of Turin's electricity network: a project worth a total of Euro 44.3 million, of which Euro 33.1 million is expected to be covered by NRRP financing, which aims to make the city's electricity system more resilient to climatic events, ensuring greater reliability and stability of power supplies. The time horizon of the transaction is set in the first half of 2026.

The aforementioned financing is part of a total of Euro 157 million obtained by the Group within the framework of the NRRP, for investments consistent with the objectives and planning envisaged in the Business Plan. Of this total amount, other Euro 98 million are earmarked for circular economy projects concerning: (i) the OFMSW treatment plant in Saliceti, in the province of La Spezia (Euro 40 million); (ii) separate collection, in the provinces of Arezzo, Grosseto, Livorno and Siena, as well as in the areas of La Spezia, Vercelli, Turin and Reggio Emilia (Euro 26 million); (iii) waste treatment plants in the provinces of Grosseto, Turin and Udine (Euro 16 million); (iv) sludge treatment, through localised interventions in the provinces of Genoa and Reggio Emilia (Euro 16 million).

In this context and regarding the remaining amount of total funds, the Group also envisaged the launch of specific funded projects on water loss reduction in Parma (Euro 11 million), on sewerage and purification in Piacenza, Genoa and Reggio Emilia (Euro 10 million), for district heating in Piacenza and Dogliani (Cuneo) (Euro 4 million) and in innovation through extended partnerships.

Partnership with Sienambiente

Following the enactment of the new shareholders' agreements between Iren Ambiente Toscana, the Province of Siena and the Sienese municipalities in October 2023, Sienambiente S.p.A. ("**Sienambiente**") has been included in Iren Group's line-by-line consolidation scope since 1 January 2024.

This integration enables Sienambiente to count on the Group's synergies and resources to carry out its business plan, which envisages, in particular, as regards plant self-sufficiency, the total renovation of the Cortine industrial centre with the construction of a waste sorting and treatment plant, as well as the construction of a biodigester for the production of biomethane from organic waste.

Currently, Sienambiente operates various waste management facilities, including a municipal waste sorting and valorisation plant, two composting plants, a waste-to-energy plant and a landfill for a total waste treated of about 200,000 tonnes per year.

Integrated water service of the Province of Reggio Emilia

Since 1 January 2024, ARCA has been the new operator of the integrated water service of the Province of Reggio Emilia, taking over from the previous manager Ireti.

Arca operates as a mixed public-private shareholding company, formed by the public partner AGAC Infrastrutture S.p.A. and the private operating partner Ireti, selected through a tender procedure awarded at the end of 2022.

As part of its water services provision activities, ARCA delegates the performance of certain operational tasks, the entrusting of which is governed by a specific agreement, to the Territorial Operating Company Iren Acqua Reggio, a wholly owned subsidiary of Ireti. For users, the transition to the new management is not expected to involve any additional fulfilment or formality: in fact, the existing supply contracts, and related billing, pass in continuity to ARCA's management maintaining the same conditions already applied by Ireti and in accordance with prevailing regulations.

Acquisition of customers from the higher protection segment

Following the completion of the competitive procedure for the assignment of the gradual protection service for non-vulnerable domestic customers in the electricity sector, on 6 February 2024, Iren

Mercato was awarded two lots, covering ten provinces, for a total of 340 thousand new customers acquired. Specifically, Iren Mercato, together with its subsidiary Salerno Energia Vendite ("**SEV**"), was awarded Lot 22 - South 6, comprising the provinces of Salerno, Taranto, Potenza, Brindisi and Matera, and Lot 23 - South 7, comprising the provinces of Cosenza, Foggia, Barletta-Andria-Trani, Campobasso and Isernia. SEV therefore strengthens its presence in some regions where it already operates successfully. Overall, the Group acquired more than 260,000 additional customers.

Recent developments

Egea transaction

Following the acceptance of the binding offer by the Management Board of Egea S.p.A. ("**Egea**") on 31 October 2023, Iren entered into a binding investment agreement for the acquisition of a 50 per cent. stake in the share capital of a newco on 30 March 2024 (the "**Investment Agreement**"). This Investment Agreement was part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 (the "**Crisis and Insolvency Code**") involving Egea, Egea Commerciale S.r.l., and Egea Produzioni e Teleriscaldamento S.r.l. Egea is headquartered in Alba (province of Cuneo) and is a multi-utility operating, through its subsidiaries, in a variety of sectors: gas distribution, integrated water service, district heating and energy efficiency, sale of electricity and gas, production of electricity from renewable sources, public lighting, urban hygiene and management of waste treatment plants.

This newco absorbs the operational branches of Egea, Egea Commerciale S.r.l. and Egea Produzioni e Teleriscaldamento S.r.l. The ownership structure of the newco is expected to be split equally between Iren (through a capital increase of Euro 85 million that Iren is expected to underwrite and release at the closing of the transaction) and another company (mid-co), whose share capital is expected to be wholly owned by Egea.

Iren is expected to have both a four-year call option, exercisable from 31 March 2025, to acquire the stake held by mid-co, and the option, from 1 January 2025, to subscribe to a reserved capital increase of Euro 42.5 million, which would bring Iren's share in newco up to 60 per cent. of newco, to follow up on further development investments, primarily in district heating and integrated water service.

As part of the transaction, using part of the resources from Iren's capital increase at closing, newco is expected to also acquire from Lighthouse Terminals Limited (a company of the iCON Infrastructure fund) the entire share capital of Lime Energia S.r.l., a company that holds 49 per cent. minority interests in some Egea Group companies, thus gaining full ownership of Ardea S.r.l. (public lighting), Reti Metano Territorio S.r.l. (gas distribution) and TLRNET S.r.l. (district heating).

The acquired portfolio includes approximately 200 thousand gas and electricity customers, district heating networks in some municipalities in Piedmont, including Alba and Alessandria, public lighting service on municipalities in the province of Cuneo, waste collection service in about 290 municipalities located in the regions of Piedmont, Liguria, Tuscany, Latium and Sardinia for a total of 1.2 million inhabitants served, from the integrated water service in favor of 300 thousand inhabitants especially at the ATO 4 of Cuneo, from the gas distribution service with more than 50 thousand redelivery points (PDR) in the territories of Piedmont and Lombardy, and from electricity generation through renewable sources, such as photovoltaic plants, biogas and biomethane.

The closing of the transaction is subject to the fulfilment of certain conditions precedent, including, *inter alia*, the signing of debt restructuring agreements between the Egea group companies involved and their creditors, the attestation and approval of the same pursuant to the Crisis and Insolvency Code, the obtaining of antitrust and golden power authorizations, and the verification of compliance with the maximum contractually envisaged adjusted net financial position before the closing of the transaction.

On 23 April 2024 the transaction has been authorized pursuant to Law Decree No. 21 of 15 March 2012 and on 26 June 2024 it has obtained the clearance from the Antitrust Authority. In addition to that, the consolidated results referring to the perimeter of the transaction show compliance with the contractually specified adjusted net financial position.

On 28 June 2024, the Sixth Civil Section - Insolvency Proceedings of the Court of Turin published the attestation and appoval, pursuant to the Crisis and Insolvency Code, concerning the debt restructuring agreements executed between Egea, Egea Produzioni e Teleriscaldamento S.r.l. PT and Egea Commerciale S.r.l. with the respective financial creditors, bondholders and suppliers, as well as the tax settlement proposals made to the Internal Revenue Agency and the Customs and Monopolies agency.

Subject to the verification of limited additional conditions precedent set forth in the Investment Agreement, the closing of the transaction is therefore expected to take place on 1 August 2024.

Board of Directors of Iren approved results as of 31 March 2024

On 15 May 2024, the Board of Directors of Iren approved the quarterly results as of 31 March 2024. The first quarter showed a 4% growth in EBITDA compared to the same period in 2023, reaching €383 million and an improvement in debt compared to 31 December 2023 as a result of major investments totaling €184 million. Strong investments in recent years have enabled the achievement of important industrial milestones, such as the continued growth in the percentage of differentiated waste collection, which amounted to 72% in the period, the 14% increase in material recovered in the Group's treatment plants in the quarter, and the 12% growth in renewable energy sold to end customers, all compared to the first quarter of 2023. With confidence to its first quarter results, Iren has revised its guidance for 2024.

- Gross Operating Margin (EBITDA) of Euro 383 million (+4% compared to Euro 368 million as of 31 March 2023). The increase in EBITDA is mainly driven by organic growth, tariff adjustments in distribution activities and the full recovery of margins of the market business unit, despite the significant contraction in energy commodity prices that penalized the margins of power and heat generation activities.

- Group net income attributable to shareholders of Euro 122 million (down 10% from Euro 135 million as of 31 March 2023). The temporary decrease, as a reversal of the trend is already expected in the coming quarters, is entirely attributable to the increase in the tax rate. In 2023, the Group's tax rate was significantly lower, due to the non-taxability of tax credits recognized to counteract corporate energy costs. In fact, income before taxes in the first quarter of 2024 (EBT) is in line with that of previous year.

- Improved Net Financial Debt of Euro 3,912 million (-1% from Euro 3,932 million as of 31 December 2023). The improvement compared to the end of 2023, despite major investments, was possible thanks to positive operating cash flow, which also benefited from the sale of tax credits from the so-called “Superbonus”.

- Investments amounting to Euro 184 million, down 7% compared to the first quarter of 2023, allocated mainly to the construction of infrastructure envisaged by the integrated water cycle sector plans, the modernisation of gas and electricity networks, the purchase of collection vehicles and equipment, and the construction of waste treatment and renewable generation plants.

- Iren's sustainable growth continues, with the majority of performance indicators in line with plan forecasts and improving compared to the first quarter of 2023. These include a 72% separate

waste collection rate, +14% increase in recovered matter in Group plants, a 71% coverage of districted water networks, and a +12% rise in renewable energy sold to end customers.

Temporary revocation of the delegations to the CEO and assignment to the other two delegated bodies

On 7 May 2024, following the order of precautionary measures ordered by the Genoa Judicial Authority against the Chief Executive Officer Paolo Signorini, the Iren Board of Directors, acknowledging the objective temporary impossibility for the Chief Executive Officer to exercise his proxies and with the aim of ensuring stability and continuity in the company's management, resolved to temporarily revoke his proxies, assigning them to the other two delegated bodies.

In particular:

- in addition to the current mandates (Communication, External Relations and Public Affairs, Associations, Internationalisation and Strategic Projects, Regulatory Affairs, Permitting, Innovation, Finance and Investor Relations, Corporate Secretariat and M&A), the Chair has also been entrusted with the delegations for the Waste Management, Energy, Market and Networks Business Units, Legal Affairs, Energy Management and Administration, Planning and Control;

- the Deputy Chair, in addition to the current delegations (Corporate Affairs, Corporate Social Responsibility and Local Committees, Internal Audit and Compliance and Personnel and Organisation), was also entrusted with the delegations regarding Procurement, Logistics and Services, Information Technologies and Systems and Risk Management.

On 15 May 2024, the Board of Directors of the Issuer approved the initiation of two specific audits, one conducted by the internal function in charge started as soon as the order of precautionary measures became public and one to be conducted by an independent external auditor, to analyse in depth the 9 months of Paolo Signorini's activity in Iren and assess the correctness of his work, in relation to the delegations and powers attributed to him.

On 30 May 2024, the Board of Directors of the Issuer confirmed the current organisational configuration approved in the extraordinary meeting of 7 May 2024.

The audits that the Board of Directors requested on Paolo Signorini activity are still ongoing as of the date of this Base Prospectus. In the meanwhile, the Board of Directors resolved to join the ongoing criminal proceeding as offended party (*parte offesa*).

See *also "-Iren decides on the dismissal of Paolo Signorini for objective just cause (giusta causa oggettiva)"* below.

Memorandum of understanding regarding the participation in the proposed reimbursement of purification fees in the Province of Genoa

On 16 May 2024, Iren announced ongoing discussions between the various companies of the Iren Group, that manage water service in the Province of Genoa (*i.e.,* Ireti, Egua, Amter and Iren Acqua Tigullio) and the consumer associations registered in the regional list under regional law No. 6/2012 (*i.e.,* Adiconsum, Adoc, Assoutenti, Casa del Consumatore, Codacons, Federconsumatori, Lega Consumatori, Sportello del Consumatore) to define the procedure for reimbursing purification fees to customers residing in municipalities without this service.

The need for reimbursement arose from a recent ruling that the fee is not applicable if the user is not connected to a complete wastewater treatment plant.

Based on this principle, to facilitate citizens in applying for reimbursement, a memorandum of understanding was signed between the holder and consumer associations.

The application process and reimbursement procedures are outlined in a measure issued by the Metropolitan City Council on 24 April 2024 pursuant to an agreement between the Iren Group and consumer associations.

Auction for SMEs gradual protection service

On 23 May 2024, the auction for the SME gradual protection service was held, with Iren Mercato being awarded three lots - effective as from 1 July 2024 – related to the regions of Tuscany and Calabria (lot 1), Piedmont and Emilia-Romagna (lot 4) and Puglia, Abruzzo, Basilicata, Molise, Umbria, and Sicily (lot 7) for a total of 38,000 points, a total volume of more than 500 Million Kwh/year and an estimated turnover of about 200 Mln€/year.

Public finance facility green loan with the Council of Europe Development Bank

On 10 June 2024, Iren and the Council of Europe Development Bank (CEB) signed a Public Finance Facility (PFF) green loan in the amount of €80 million, with a 16-year maturity, which is expected to be used to finance part of Iren's water infrastructure investment plan in the provinces of Genoa and La Spezia.

Electricity Network Upgrade green loan with European Investment Bank

On 19 June 2024, Iren and the European Investment Bank (EIB) have signed a new €200 million green loan, with a maturity of 18 years, whose proceeds are expected to support the Group's sustainable projects related to electricity grid resilience. The investments are intended for the maintenance, upgrading and development of electricity distribution networks, as well as the installation of new smart meters in the Iren Group's historical territories such as Emilia-Romagna and Piedmont, and in particular in the municipalities of Parma, Turin and Vercelli.

Iren decides on the dismissal of Paolo Signorini for objective just cause (giusta causa oggettiva)

On 25 June 2024, the Board of Directors of the Issuer, taking into account the investigation conducted both by the Remuneration and Appointments Committee (also in its capacity as Related Party Transactions Committee) and by the Control, Risk and Sustainability Committee, resolved the dismissal of Paolo Signorini for objective just cause (*giusta causa oggettiva*), as a consequence of the objective incompatibility of its working activity of Mr. Signorini, in his capacity as top manager of the Issuer, with the contingent situation as it has developed. The precautionary custody measures taken against Signorini on 7 May 2024, connected to the ongoing investigations of the Public Prosecutor's Office of Genoa and confirmed even after the requests made by his defence, cause an impossibility, now irreversible and no longer just temporary, of exercising his functions as top manager of the Issuer. For what concerns the economic aspects, the disbursement of sums of money in relation to the termination of the fixed-term employment relationship before the expiry of the term is not envisaged. Furthermore, all the instruments for protecting the rights and prerogatives of the Issuer remain intact, as it has already been reminded to the market and shareholders in the specific supplementary report pursuant to art. 125-quater TUF approved by the Board of Directors of the Company on 30 May 2024.

The Board of Directors confirmed the current organisational configuration approved in the extraordinary meeting of 7 May 2024 (in this respect see "*Temporary revocation of the delegations to the CEO and assignment to the other two delegated bodies*" above): the Group is directed and coordinated by the

Executive President and the Executive Vice President, to whom the delegations and powers previously assigned to the former CEO have been attributed.

Paolo Signorini does not appear to hold Iren shares.

The Shareholders' Meeting of the Issuer approves the financial statements for the 2023 financial year, the proposed dividend of 0.1188 euros per share, appoints a new member of the Board of Directors and the new members of the Board of Statutory Auditors

On 27 June 2024, the Shareholders' Meeting of the Issuer approved, *inter alia*, the 2023 separate financial statements as at 31 December 2023 of Iren and the proposed allocation of the profit for the year amounting to Euro 172,284,624.39, as approved by the Board of Directors of the Issuer on 18 April 2024, as follows:

- Euro 8,614,231.22, equal to 5% of the 2023 year's profit, to legal reserve;
- Euro 154,550,647.59 to be distributed to the shareholders, corresponding to Euro 0.1188 for each of the 1,300,931,377 ordinary shares constituting the Issuer's share capital (provided that treasury shares are not expected to benefit from the dividend); the dividend is expected to be paid as of 24 July 2024, against detachment of the coupon on 22 July 2024 and record date on 23 July 2024;
- the remaining amount of at least Euro 9,119,745.58, to a special retained earnings reserve (*riserva di utili portati a nuovo*).

Furthermore, the same Shareholders' Meeting, *inter alia*: (i) appointed a new member of the Board of Directors proposed by FSU; and (ii) appointed the Board of Statutory Auditors and its Chairman for the three-year period 2024-2025-2026 and determined the related compensation. For further information, see " – *Corporate governance*" above.

Board of Directors ascertained integrity and independence requirements

On 4 July 2024, following the appointment by the Shareholders' Meeting of Iren held on 27 June 2024 of Mrs. Paola Girdinio as independent non-executive director of Iren, the Board of Directors ascertained the presence of the integrity and independence requirements in the person of Mrs. Paola Girdinio as provided for by the applicable regulation and the Corporate Governance Code. On the same date, the Board of Directors ascertained the presence of the independence requirements provided for by the applicable regulation and the Corporate Governance Code in the person of Francesca Grasselli, independent non-executive director of Iren, in connection with her appointment as board member and chairwoman of Iren Energia S.p.A., a company controlled by Iren.

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The following tables contain:

(i) the consolidated statement of financial position of the Issuer as at 31 December 2023 and 2022; and

(ii) its income statement for the years ended 31 December 2023 and 2022,

in each case derived from the Issuer's audited consolidated annual financial statements as at and for the year ended 31 December 2023.

This information should be read in conjunction with and is qualified in its entirety by reference to the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2023 and 2022, in each case together with the accompanying notes and auditors' reports, all of which are incorporated by reference in this Base Prospectus. See "*Information Incorporated by Reference*"

Access to copies of all the above-mentioned annual financial statements of the Issuer are available as described in "*Information Incorporated by Reference – Access to documents*" above.

Basis of preparation of financial information

The Issuer has prepared its consolidated annual financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union.

Auditing of financial information

KPMG S.p.A. ("**KPMG**"), the Issuer's independent auditors, have audited the consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2023 and 2022.

IREN S.p.A.
AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION

Assets

	As at 31 December	
	2023	**2022**
	(thousands of Euro)	
Property, plant and equipment	4,459,512	4,366,722
Investment property	2,031	2,015
Intangible assets with a finite useful life	3,132,043	2,826,692
Goodwill	247,420	237,966
Equity-accounted investments	212,798	211,320
Other equity investments	10,914	10,188
Non-current contract assets	232,384	146,286
Non-current trade receivables	29,416	30,888
Non-current financial assets	128,937	169,057
Other non-current assets	163,992	88,917
Deferred tax assets	400,092	340,866
Total non-current assets	**9,019,539**	**8,430,917**
Inventories	73,877	139,359
Current contract assets	29,830	198,590
Trade receivables	1,288,107	1,409,435
Current tax assets	18,894	38,263
Sundry assets and other current assets	576,516	438,915
Current financial assets	242,184	256,376
Cash and cash equivalents	436,134	788,402
Assets held for sale	1,144	16,802
Total current assets	**2,666,686**	**3,286,142**
TOTAL ASSETS	**11,686,225**	**11,717,059**

IREN S.p.A.

AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION (Cont'd)

Equity and Liabilities

	As at 31 December	
	2023	**2022**
	(thousands of Euro)	
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,300,931	1,300,931
Reserves and retained earnings	1,250,525	1,218,137
Profit for the period	254,845	226,017
Total equity attributable to the owners of the parent	**2,806,301**	**2,745,085**
Equity attributable to non-controlling interests	435,152	446,069
Total equity	**3,241,453**	**3,191,154**
LIABILITIES		
Non-current financial liabilities	4,046,976	4,266,014
Employee benefits	87,329	90,948
Provisions for risks and charges	404,882	404,781
Deferred tax liabilities	128,186	142,221
Other payables and other non-current liabilities	581,844	505,131
Total non-current liabilities	**5,249,217**	**5,409,095**
Current financial liabilities	735,693	294,575
Trade payables	1,634,720	2,279,400
Current contract liabilities	79,642	39,209
Sundry liabilities and other current liabilities	333,182	261,131
Current tax liabilities	80,437	34,969
Provisions for risks and charges - current portion	331,881	207,526
Liabilities related to assets held for sale	-	-
Total current liabilities	**3,195,555**	**3,116,810**
Total liabilities	**8,444,772**	**8,525,905**
TOTAL EQUITY AND LIABILITIES	**11,686,225**	**11,717,059**

IREN S.p.A.
AUDITED CONSOLIDATED ANNUAL INCOME STATEMENT

	For the year ended 31 December	
	2023	**2022**
	(thousands of Euro)	
Revenue		
Revenue from goods and services	6,301,581	7,627,961
- of which non-recurring		*(42,634)*
Other income	188,800	235,082
Total revenue	**6,490,381**	**7,863,043**
Operating expenses		
Raw materials, consumables, supplies and goods	(2,763,473)	(4,582,060)
Services and use of third-party assets	(1,876,663)	(1,669,325)
Other operating expenses	(113,865)	(81,582)
Capitalised expenses for internal work	56,907	55,655
Personnel expenses	(596,391)	(531,060)
Total operating expenses	**(5,293,485)**	**(6,808,372)**
GROSS OPERATING PROFIT	**1,196,896**	**1,054,671**
Depreciation, amortisation, provisions and impairment losses		
Depreciation and amortisation	(600,677)	(522,591)
Impairment losses on loans and receivables	(71,471)	(63,465)
Other provisions and impairment losses	(60,108)	(4,880)
Total depreciation, amortisation, provisions and impairment losses	**(732,256)**	**(590,936)**
OPERATING PROFIT	**464,640**	**463,735**
Financial management		
Financial income	37,148	23,201
Financial expense	(135,781)	(105,108)
- of which non-recurring		*(20,864)*
Total financial expense	**(98,633)**	**(81,907)**
Gains (losses) on equity-accounted investments	6,263	5,211
Share of profit of equity-accounted investments, net of tax effect	6,836	11,758
Profit before tax	**379,106**	**398,797**
Income taxes	(97,095)	(128,851)
- of which non-recurring		*(27,254)*
Profit from continuing operations	**282,011**	**269,946**
Profit (loss) from discontinued operations	-	-
Profit for the period	**282,011**	**269,946**
attributable to:		
- the owners of the parent	254,845	226,017
- non-controlling interests	27,166	43,929

REGULATION

EU and Italian laws heavily regulate the Group's core energy, water and waste management businesses and may affect the Group's operating profit or the way it conducts business. The principal legislative and regulatory measures applicable to the Group's energy, water and waste management businesses are summarised below. Although this summary contains the principal information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis and assessment of the legislation and regulations affecting the Group and of the impact it may have on an investment in the Notes and should not rely exclusively on this summary.

EU energy regulation: general framework

In 2019 the European Union adopted the so called "**Clean Energy for all Europeans Package**" consisting of several legislative acts, in order to establish a modern design for the EU electricity market, adapted to the new realities of the market (more flexible, more market-oriented and better placed to integrate a greater share of renewables) and to promote energy efficiency. The main measures are listed below.

- **Energy performance in buildings Directive** (2018/844): outlines specific measures for the building sector to tackle GHG emissions and energy efficiency challenges (updating and amending provisions from the 2010 Energy Performance Building Directive).
- **Renewable energy II Directive** (2001/2018) ("**RED II**") set an ambitious binding target of 32% for renewable energy sources in the EU's energy mix by 2030. The recast renewable energy directive entered into force in December 2018. Please note that RED II has been replaced by the RED III Directive (see further below).
- **Energy efficiency Directive** (2002/2018): putting energy efficiency first is a key objective in the Package. The EU has therefore set binding targets of at least 32.5% energy efficiency by 2030, relative to a "business as usual" scenario. The new Directive (amending 2012/27 energy efficiency directive) has been in place since December 2018.
- **Governance Regulation** (1999/2018): introduces five dimensions for the governance of the energy union, through which each Member State is required to draft integrated 10-year national energy and climate plans (NECPs) for 2021 to 2030 outlining how they will achieve their respective targets on all dimensions of the energy union, including a longer-term view towards 2050.
- **Internal electricity market Regulation**: establishes rules aimed at ensuring the functioning of the internal electricity market supply and includes renewable energy and environmental policy development requirements and specific rules for certain types of renewable energy plants with regard to the balancing responsibility, dispatching and re-dispatching as well as the CO2 emissions threshold for the new generated power, whether the same capacity is subject to temporary measures and ensure the necessary level of resource adequacy, i.e., capacity mechanisms.
- **Common rules for the internal energy market electricity Directive**: the main goals of the Directive are to guarantee (i) common standards for the internal market and (ii) a broad electricity supply accessible to all.

Moreover, by means of the so called "**Green Deal**", European Commission outlined its strategy to orient growth in the EU and define a path allowing climate neutrality to be met by 2050. The goal set out in the European "Green Deal" is for Europe's economy and society to become climate-neutral by 2050.

The law also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

Therefore, in 2021 the European Commission presented the "**Fit for 55**" set of proposals with the aim to set the EU's target of reducing net greenhouse gas emissions by at least 55% by 2030. By means of such proposal the European Commission, just a couple of years after the adoption of the Clean Energy Package, has further increased the already ambitious targets to be reached.

The "Fit for 55" package is composed of several proposals, including *inter alia* the following implemented proposals:

- **Hydrogen and decarbonised gas package** which consists in a proposal for a regulation and for a directive that set common internal market rules for renewable and natural gases and hydrogen. The proposals aim at creating a regulatory framework for dedicated hydrogen infrastructure and markets and integrated network planning. They also set rules for consumers protection and strengthen security of supply. In this respect, the procedure for the adoption of the relevant legislative instruments is undergoing. A provisional agreement has been reached by the co-legislators (i.e., the European Parliament and the European Council) according to which the framework will enable the uptake of renewable and low-carbon gases in the EU by facilitating connection and access to the existing gas grid and allowing discounts to cross-border and injection tariffs for these gases. A certification system for low-carbon gases, including hydrogen, is also established complementing the certification of renewable gases and hydrogen foreseen in the RED III Directive (see further below).
  Furthermore, the agreed framework will establish a market design for hydrogen in Europe. The agreement foresees that rules will be applied in two phases, before and after 2033. In the ramp-up phase a simplified framework will apply with clear visibility about the future rules for a developed hydrogen market. These provisions cover notably access to hydrogen infrastructures, separation of hydrogen production and transport activities (so-called "unbundling") and tariff setting. A new governance structure in the form of the European Network of Network Operators for Hydrogen (ENNOH) will be established to promote a dedicated hydrogen infrastructure, cross-border coordination and interconnector network construction. It will also be responsible for elaborating specific technical rules.
  The final version of the hydrogen and decarbonised package has been approved on 21 May 2024.
- **Renewable Energy III Directive** ("**RED III**"): on 31 October 2023, Directive (EU) 2023/2413 of the European Parliament and the Council was published on the EU Official Journal, revising and recasting the RED II Directive. RED III Directive entered into force on 20 November 2023. There will be an 18-month period to transpose most of the directive's provisions into national law, with a shorter deadline (July 2024) for some provisions related to permitting for renewables. The Directive sets an overall renewable energy target of at least 42.5% binding at EU level by 2030 - but aiming for 45%.
- **Reform of the EU Emissions Trading Scheme** ("**EU ETS**") and **introduction of a carbon border adjustment mechanism** ("**CBAM**") to tax high-carbon imports: on 25 April 2023, the European Council approved the EU ETS reform package composed by the revised Directive 2003/87/EC (the "ETS Directive") and four regulations. The new rules increase the ambition of the EU ETS, as GHG emissions in the EU ETS sectors must be cut by 62% by 2030 compared to 2005-levels, against the previous 43%. It also phases out free allowances to companies from 2026 until 2034 and creates a separate new EU ETS II for fuel for road transport and buildings that will put a price on GHG emissions from these sectors in 2027 (or 2028 if energy prices are exceptionally high). Parliament adopted also the rules for the new EU CBAM, which aims to incentivise non-EU countries to increase their climate ambition and to ensure that EU and global

climate efforts are not undermined by production being relocated from the EU to countries with less ambitious policies. The CBAM will be phased in from 2026 until 2034 at the same speed as the free allowances in the EU ETS are being phased out.

- **Energy Efficiency Directive ("EED", Dir. (EU) 2023/1791)**: this Directive establishes a common framework of measures to promote energy efficiency within the European Union in order to ensure that the Union's targets on energy efficiency are met and enables further energy efficiency improvements.
- **Energy Performance of Building Directive ("EPBD", Dir. 2024/1275)**: last 8 May, 2024, the new EPBD, also called the "Green Houses" Directive, or "EPBD IV", was published. The aim of the Directive is to progressively reduce greenhouse gas emissions and energy consumption in buildings by regulating the actions to be undertaken by the year 2030: the goal to be achieved is zero emissions in 2050. The commitment requested to Member States is to prepare a national plan for the complete renovation of the residential and non-residential, public and private buildings. For existing buildings, a progressive decline in average primary energy consumption must therefore be guaranteed until 2050, while newly constructed buildings must already be zero-emission starting from 2030 (deadline brought forward to 2028 for publicly owned buildings). At least 55% of the reduction in average primary energy consumption must be achieved through the renovation of the worst performing buildings. From 2025, heating systems that run only on methane ("stand alone boilers") will no longer be eligible for incentives. From 2040, methane boilers will have to be eliminated. Objectives are also foreseen for the diffusion of solar energy systems in buildings and for the creation of infrastructures for sustainable mobility.

In response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, the European Commission presented the **REPowerEU Plan** which aims at accelerating energy transition to reduce fossil fuels dependence in combination with the "Fit for 55".

On 7 October 2022 entered into force the **Regulation 2022/1854** that includes measures to reduce electricity demand to help lower the electricity costs for consumers and suggests a temporary revenue cap on electricity producers using the so-called inframarginal technologies with lower marginal costs, such as renewables, nuclear and waste. Moreover, it introduces a temporary solidarity contribution on extra profits made in the oil, gas, coal and refinery sectors, with the goal of raising funds to be redirected to energy consumers.

EU Electricity Market Design reform and National Resilience and Recovery Plan

On 14 March 2023, the European Commission proposed a reform of the **EU Electricity Market Design** to boost renewables, better protect consumers and enhance industrial competitiveness. Following the approval of the EU Parliament, on 21 May 2024 the EU Council approved the reform as Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No. 1227/2011 and (EU) 2019/942, for what concern improving the protection of the Union from the market manipulation in the wholesale energy market (amendments to the REMIT Regulation).

Regulation (EU) 2024/1747 – published in the EU Journal on 26 June 2024 – will enter into force on July 16, 2024, while the Directive must be transposed by 17January, 2025.

The reform provides for revisions to several pieces of EU legislation – notably the Electricity Regulation, the Electricity Directive, and the REMIT Regulation. It introduces measures that incentivise longer term contracts with non-fossil power production and bring more clean flexible solutions into the system to compete with gas, such as demand response and storage. The reform further aims to foster price stability by reducing the risk of supplier failure..

Among the main elements of the new regulation it is worth mentioning (i) the mandatory application of two-way contracts for difference (CfD) to be used when public funding is involved in long term contracts

(with specific application to investments in new power-generating facilities based on wind energy, solar energy, geothermal energy, hydropower without reservoir and nuclear energy); (ii) the structural nature of capacity markets, including a proposal to streamlining the procedures across Europe with temporary exemptions from emission limits; (iii) the EU PPA market; (iv) RES auctions at community level; and (v) the possibility for declaring a national or EU-wide electricity price crisis in the event of exceptionally high electricity prices.

The reform introduces specific provisions related to the freedom of choice of supplier (Article 4) and the right to energy sharing (Article 15a). Entry into force of such provisions is established by July 17, 2026.

As part of a wide-ranging response to coronavirus pandemic crisis, the European Commission has introduced the Recovery and Resilience Facility ("**RRF**") in the context of the Next Generation EU program, aimed at mitigating the economic and social impact and at making European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. At least the 37% of the financial support scheme from RRF must be conveyed towards projects related to the ecological transition (that include, for instance, RES, energy efficiency, circular economy, sector coupling and hydrogen).

Following the RFF initiative Italian Government applied for the whole available amount in grants and loans and obtained approximately Euro 191 billion to fund own National Resilience and Recovery Plan ("**NRRP**"). The Plan is composed by 6 different Missions, the second of which, Mission n.2 "Green revolution and ecological transition", received the largest resources amount (around 59 billion). Mission n.2 addresses investments towards four different components: sustainable agriculture and circular economy (Euro 5.27 billion), renewable energy, hydrogen, power grids and sustainable mobility (Euro 23.78 billion), energy efficiency and building regeneration (Euro 15.36 billion), land protection and water resources (Euro 15.05 billion).

Due to some the difficulties faced by the Italian State to meet certain objectives under the NRRP, the European Council (on 27 November 2023) ECOFIN Council (on 8 December 2023) approved a revision of the NRRP structure and objective aimed at:

- on one hand diverting resources destined to NRRP in favour of the European cohesion funds (that provides for a wider temporal range of implementation of the relevant financed works); and
- on the other integrating the PNRR in order to tackle the additional sources made available in the context of the REPowerEU Plan.

As a result, the NRRP funds have been increased to about Euro 194,1 billion.

Italy's integrated approach

In line with the EU vision, Italy plans to take an integrated approach to tackling issues relating to energy and climate, and agrees with the approach proposed by the Governance Regulation, which opts for an organic and synergic strategy for the five dimensions of the Energy Union. The key points of the integrated approach are:

1. **Decarbonization**: by accelerating the transition from traditional fuels to renewable sources and promoting the gradual phasing out of coal for electricity in favour of an electricity combination based on growing renewables share and gas. A further goal concerns the important development of storage capacity, which will also be gradually, but increasingly, directed toward "energy intensive" solutions to limit overgeneration and help achieve renewable energy consumption targets. Among storage technologies, hydropower storage systems are considered as the most mature option. This transition will require replacement plants and the necessary infrastructure to be built with the proper planning;

2. **Energy efficiency**: providing a combination of physical, regulatory and policy instruments, calibrated towards the sectors of activity (i.e., industry, transports and households) and type of beneficiaries;

3. **Energy security**: which aims at, on the one hand, to become less dependent on imports by increasing renewable sources and energy efficiency and, on the other hand, to diversify sources of supply (for example through the use of natural gas, including LNG, with infrastructure consistent with the scenario of full decarbonisation by 2050);

4. **Internal market**: a greater degree of market integration is considered to be advantageous, and therefore the electricity interconnections and market coupling with other Member States will be enhanced;

5. **Research and innovation**: based on the following criteria: (i) the finalization of resources and activities geared towards the development of processes, products and knowledge related to the use of renewables, energy efficiency and network technology; (ii) the synergistic integration between systems and technologies; and (iii) the milestones in the process towards full decarbonization.

Italian energy regulation: Authorities

The Ministry of the Environment and Energy Security ("**MASE**", formerly Ministry of Ecological Transition "**MITE**") and the Italian Regulatory Authority for Energy, Networks and Environment ("**ARERA**") share the responsibility for the overall supervision and regulation of the Italian energy and environment sectors. In particular, the MASE establishes the strategic guidelines for the energy sector, while the ARERA regulates tariffs and technical matters.

ARERA carries out regulatory and supervisory activities in the sectors of electricity, natural gas, water services, waste cycle and district heating. Established by Law No. 481 of 1995, ARERA is an independent administrative authority that operates to ensure the promotion of competition and efficiency in public utility services and protect the interests of users and consumers. These functions are performed by balancing operators' economic and financial objectives with general social objectives, for environmental protection and the efficient use of resources.

ARERA, *inter alia*:

- for the energy sector, establishes the tariffs for the use of infrastructures and guarantees equal access for operators;
- prepares and updates the tariff method for determining the fees for the integrated water service and the integrated waste service and approves the tariffs prepared by the competent bodies;
- defines the criteria for determining the users' fee for connection to the district heating network and the procedures for exercising the right to "disconnection";
- encourages investments in infrastructure with particular emphasis on adequacy, efficiency and safety;
- ensures advertising and transparency of service conditions;
- promotes higher levels of competition and more acceptable safety standards in procurement, with particular attention to harmonizing regulation for the integration of markets and networks internationally;
- establishes provisions on accounting separation for the electricity and gas sectors, the water sector and the district heating service, as well as on the compulsory functional separation for the electricity and gas sectors;

- defines the minimum quality levels for services in terms of the technical and contractual aspects and the service standards;
- encourages the rational use of energy, especially with regard to the dissemination of energy efficiency and the adoption of measures for sustainable development;
- until the complete opening of the markets scheduled for July 1, 2019, it updates the reference economic conditions for customers who have not chosen the free market in the energy sectors, on a quarterly basis;
- increases levels of protection, awareness and information to consumers;
- monitors, supervises and controls the service quality, safety, access to networks, tariffs, incentives for renewable and similar sources, including in collaboration with the Guardia di Finanza (Tax Police) and other bodies, including the *Cassa per i Servizi Energetici e Ambientali* (Fund for Energy and Environmental Services - CSEA) and the *Gestore Servizi Energetici* (Energy Services Manager - (GSE).
- can impose sanctions and assess and possibly accept commitments by companies to reinstate the adversely affected interests (Italian Legislative Decree No. 93/11).

The Authority also carries out an advisory role to the Parliament and the Government to which it can submit reports and proposals; each year it presents an Annual Report on the state of services and the activities carried out.

The Italian Antitrust Authority (the "**AGCM**") also plays an active role in the energy market in ensuring competition between suppliers and suppressing unfair commercial practices and misleading and unlawful comparative advertising.

Electricity regulation in Italy

Overview

Since the electricity market liberalisation conducted under Legislative Decree 79/1999 (the "**Bersani Decree**"), implementing the EU Directive 1996/92/EC on the internal electricity market, electricity activities have been primarily undertaken by private entities based on free competition. To date, except for distribution activity carried out under concession regime, and the activities of transport and dispatching, carried out by the national grid operator, the production, import, export, purchase and sale of electricity are free.

Distribution, transport and dispatching activities are incompatible with the other mentioned business unless the latter are carried out by different companies separated from a functional and accounting level. From an accounting perspective, the regulation has been established by ARERA with resolution No. 137/2016/R/com (TIUC). In accordance with the functional unbundling obligations provided for under Directive 2009/72/UE and Legislative Decree 93/2011, ARERA resolution 296/2015/R/COM provided for the Consolidated Text on Functional unbundling obligations for companies operating in the electricity and gas sectors – TIUF).

In addition to the functional unbundling obligations provided for in the sector legislation, Article 8, paragraph 2-*bis*, of Law No. 287/90 (Antitrust law) must be taken into consideration, pursuant to which companies that, by provisions of law, exercise the management of services of general economic interest or operate under a monopoly regime in the market, if they intend to carry out activities in the market, must operate through separate companies.

More recently, Legislative Decree No. 210/2021 provided: (i) active role of citizens and energy communities that are entitled to participate in the market, directly or through aggregators or by way of energy communities, to sell self-generated electricity as well as to take part in flexibility mechanisms and energy efficiency mechanisms; (ii) e-mobility, prohibition for the distribution system operators to own, develop, manage or operate electric vehicle charging points to be allocated through transparent and non-discriminatory auction procedures.

In compliance with the mentioned provision and the Legislative Decree 199/2021, ARERA issued the resolution 727/2022 ("**TIAD**") regulating the different forms of participation to energy generation by citizens (self-consumptions, renewable energy communicates, citizens energy communicates etc.), effective from 1 March 2023 or the later date of entry into force of the Ministerial Decrees defining the support regime of self-consumption initiatives regulated under the TIAD. It is to be noted that under the TIAD, energy communities have the possibility to extend within a larger area (market area for shared energy and area subtended by primary cabin for self-consumed energy valorization) and to include also plants with a capacity until 1 MW.

Ministerial Decree for renewable energy communities was recently published and entered into force on 24 January 2024 ("**CACER Decree**")**.** Moreover, the operating rules were drafted to implement Article 11 of the CACER Decree and Article 11 of Annex A to the TIAD.

In the same direction, the regulatory framework on electricity sector has been updated by Law No. 124/2017 (the so called "**Competition Law**"). In particular, the Competition Law has endorsed measures aiming at removing regulatory barriers to market opening, promoting the development of competition and ensuring consumer protection.

As regards energy efficiency, Legislative Decree No. 102/2014, implementing the EU Directive 2012/27/UE, has provided measures to improve energy efficiency and to achieve the primary energy saving national target for the period 2014-2020, by means of three main tools: (i) the Energy Efficiency Certificate system, (ii) the tax deductions and (iii) the Energy Efficiency Support Scheme (*Conto Termico*).

Among the measures recently enacted, the following are worth to be mentioned (even though certain of them are no more effective).:

MITE Decree 164/2022 and MASE Dir. Decree 16 January 2023 - Establishment of electricity sellers list

By means of two separate decrees, the MASE regulated the way in which companies engaged in the business of selling electricity are to be registered in the List referred to in Law 124/2017. In confirming the existence of the essential requirements already identified at the time by the Authority (technical, honourableness and financial soundness requirements), 16 April 2023 was identified as the deadline for complying with the procedures for enrolment in the List, under penalty of being unable to continue to exercise the activity of selling electricity.

Resolution 586/2022/R/eel - Update on the provisions for the provision of the gradual protection service for micro enterprises in the electricity sector pursuant to Law no. 124 of 4 August 2017 (Annual market and competition law)

As a result of IT problems affecting the GSE systems, the Authority has revised the timelines established by Resolution 208/2022/R/eel for the transfer to the operators of the Gradual Protection Service for micro-businesses of all the information required for the exercise of the activity, as well as the start-up date of the Service itself, now postponed to 1 April 2023.

A similar postponement was also arranged for the allocation procedures, which took place in the fourth week of November (instead of September, as originally planned). The outcome of the tender saw the companies A2A, ACEA, AGSM AIM, ESTRA Energie, Illumia, HERA and Sorgenia awarded the Service.

DL 4/2022, DL 17/2022, Law 51/2022 and "Aiuti" Decrees DL 50/2022, DL 115/2022 and DL 144/2022 and DL 176/2022 - Measures to counter high energy prices, for 'non-energy' and 'non-gas-intensive' companies

In view of the complex market scenario, the government has enacted a series of measures aimed at containing increases in the cost of electricity and natural gas, thus expanding the sphere of interventions to support end customers already initiated in 2021 (DL 130/2021).

In particular, Decree-Law No. 4/2022 (DL "*Sostegni ter*") provided, with effect from 1 January 2022, for the cancellation of system charges for the first quarter of 2022 for utilities with available power equal to or greater than 16.5 kW, including those connected in medium and high/very high voltage or for public lighting or electric vehicle recharging in publicly accessible places. This initiative was extended by Decree-Law no. 17/2022 ("**DL Energia**"), which also regulated, *inter alia*, with regard to the gas sector, the reduction of VAT to 5% for consumption related to civil and industrial uses and the zeroing of the share related to general system charges.

Secondly, measures have been envisaged to strengthen the protection of domestic end customers in a state of physical and/or economic hardship by raising (to 12,000 euro) the ISEE ceiling for receiving the so-called "Social bonus".

Also as part of the measures to counter the high cost of energy, Law 51/2022 of 20 May (converting DL 21 of 21 March 2022, containing urgent measures to counter the economic and humanitarian effects of the Ukrainian crisis) provides, among other things, for a tax credit of 12% and 20%, respectively, for so-called "non-energy-intensive" and "non-gas-intensive" companies, aimed at compensating the higher charges incurred for electricity and gas purchased and used in economic activity during the months of April, May and June 2022. DL 50/2022 (so-called "Aiuti" decree) also provided for the increase of these percentages to 15% and 25% respectively.

Subsequently, pursuant to article 6, paragraph 4, DL no. 115/2022, the so-called "Aiuti bis" decree, converted into Law 142 of 21 September 2022, these measures were also applied to credits accrued in the third quarter of 2022.

Lastly, DL 144/2022 and DL 176/2022, so-called, respectively, "Aiuti ter" and "Aiuti quater" decrees, further increased the credit for Q4 2022 to 30% (electricity consumption) for non-energy-intensive businesses and 40% for non-gas-intensive businesses (gas consumption).

Law 197/2022 (Budget Law 2023) - Measures to counter high energy prices and extension of the gas end-of-protection period

In view of the continuing international tensions related to developments in the war in Ukraine, the government has ordered the extension of a number of measures previously introduced in order to counter the effects of high energy prices:

- on the non-domestic demand side, the tax credit instrument, scheduled for Q1 2023, was strengthened for all categories. In particular, the new rates provide for a contribution of 35% for 'non-energy-intensive' companies and 45% for 'non-gas-intensive' companies. For energy- and gas-intensive businesses, the rate is 45%;
- interventions on the side of domestic consumers, by broadening the target group for social bonuses (households up to 15,000 euro are eligible throughout the first quarter of 2023);

- tax and para-fiscal contributions are finally confirmed for the first quarter of 2023:
  - zeroing of general system charges for the electricity sector (for both domestic and non-domestic low voltage users, for other uses, with power available up to 16.5 kW);
  - application of VAT at 5% for gas withdrawals in the first quarter of 2023 (also extended to supplies of thermal energy produced with gas-fired plants under an Energy Service Contract), as well as for district heating.

Lastly, the legislative measure intervenes by extending the end of gas protection by aligning its term with that of the greater protection of power domestic users (1 January 2024).

Decree Law 115/2022 (DL "Aiuti bis") - Unilateral variations

Article 3 of Decree-Law 115/2022 provided for the suspension until 30 April 2023 of the effectiveness of any contractual clause allowing the electricity and natural gas supplier to unilaterally change the general terms and conditions of the contract relating to the definition of the price.

This approach was interpreted by the Antitrust Authority in its most restrictive form, extending the suspension also to those clauses that provided for the possibility for sales companies to update supply prices as the expiry date indicated on the economic conditions approached (this prohibition was enforced by means of special suspension measures ordered by the same AGCM).

Subsequent appeals to the administrative justice system made it possible to distinguish the case of price updates from other changes made on the basis of the more generic principle of the *ius variandi*; in this sense, following the judgment of the Council of State of 23 December 2023, the suspension imposed by the AGCM with respect to the case of renewals was revoked.

Decree-Law No. 4/2022 of 27 January 2022 (DL "Sostegni Ter") - Title III "Urgent measures to contain electricity costs" - 'two-way' compensation mechanism

Title III of the Decree provides for "Urgent measures to contain electricity costs" through various interventions.

It introduces a cap on the selling price of electricity produced by renewable plants incentivised with mechanisms not linked to market trends. In particular, it provides for the application, as from 1 February 2022 and until 31 December 2022, of a two-way compensation mechanism on the price of energy, with reference to the electricity fed into the grid by photovoltaic plants with a capacity of more than 20 kW that benefit from fixed premiums deriving from the Energy Account mechanism, which do not depend on market prices, as well as on the electricity fed into the grid by plants with a capacity of more than 20 kW powered by solar, hydroelectric, geothermal and wind sources that do not have access to incentive mechanisms.

Decree-Law No. 115/2022 of 9 August 2022 (DL "Aiuti bis") then extended the application of DL "Sostegni ter" to 30 June 2023, allowing hedging contracts entered into before the effective date of the decree (5 August 2022) to be valid for 2023, and specified that intercompany contracts that do not have third-party counterparties outside the group of companies cannot be considered for the application of the netting mechanism.

In this regard, the GSE is responsible for calculating the difference between a reference price equal to the average of the hourly zonal prices recorded from the date on which the plant enters into operation until 31 December 2020 and the hourly zonal electricity market price. If the difference is positive, the Manager shall pay the relative amount to the producer. If negative, the GSE adjusts or requests the corresponding amounts from the producer. The provisions do not apply to energy covered by contracts concluded prior to the date on which the decree came into force, provided that they are not linked to

price trends on the energy spot markets and that, in any event, they are not entered into at an average price 10% higher than the average value previously mentioned.

Resolution 266/2022/R/eel, implementing article 15-bis of DL "Sostegni-ter" concerning the two-way compensation mechanism on the price of energy fed in by production plants powered by renewable sources

As a result of the consultation process initiated with DCO 133/2022, ARERA with Resolution 266/2022:

- excluded from the scope of application of the two-way compensation mechanism hydroelectric plants undergoing (partial/total) refurbishment after 1 January 2010;
- deducted the amounts relating to free energy sales to local authorities (comparable to sales at zero price);
- defined the settlement of the two-way compensation mechanism (RES production/contracts association):
  - admitting all hedging contracts, including financial ones;
  - associating volumes with monthly contracts, subject to annual adjustment;
  - establishing the settlement of the price of contracts (if not determined ex ante), also invoiced monthly subject to adjustment.

In December 2022, the Lombardy Regional Administrative Court (TAR) upheld the appeals filed by the operators, ordering the precautionary suspension of payments to the GSE, and postponed the publication of the reasons to a later ruling (which have been published on 9 February 2023). In January 2023, however, the Council of State suspended the Lombardy Regional Administrative Court's precautionary measure. The public hearing for such appeal is scheduled on 29 October 2024.

Pending this appeal, Resolution No. 266/2022 is again enforceable, and the GSE could restart payment requests. Meanwhile, the Court of Justice, following the referral ordered by the Lombardy TAR, has set the hearing for the discussion of preliminary ruling Case C-423/23 for 6 November 2024.

EU Regulation of 6 October 2022 on emergency action in response to high energy prices

This regulation concerns measures such as the *reduction of electricity demand* at national level, a *cap on market revenues* at Union level (to finance measures to support end customers), a (temporary) *solidarity contribution* for companies and permanent establishments in the Union with activities in the crude oil, natural gas, coal and refining sectors, in order to mitigate the effects of energy prices on public authorities and end customers.

In particular:

- a cap of 180 €/MWh (until 30 June 2023) on actual revenues for all infra-marginal sources not already included in DL "Sostegni ter" (cap at 58 €/MWh) and on WTE is envisaged;
- a temporary solidarity contribution is established, applied on taxable profits in the 2022/2023 tax year (which exceed a 20% increase in average taxable profits in the four tax years from 1 January 2018).

With regard to the measures referred to in the previous two paragraphs, **the Budget Law 2023** amends:

- the **Temporary Solidarity Contribution (pursuant to the EU Regulation of 6 October 2022)**, introducing the prevalence criterion: the contribution is due if at least 75% of the 2021 turnover derives from intra-perimeter energy activities;

- the **Solidarity Contribution pursuant to DL "Tagliaprezzi" art. 37**, excluding extraordinary operations from the application of the contribution and introducing the criterion of irrelevance of extra-territorial operations: in fact, acquisitions that are not territorially relevant for VAT purposes are excluded.

In this last regard, by means of Judgement No. 111/2024, the Constitutional Court, with reference to the extraordinary solidarity contribution established for the year 2022 by Article 37 of Decree-Law No. 21 of 2022, has declared the illegitimacy of the same article but only insofar as it does not exclude from the taxable base the excise taxes paid to the State.

Production

Adequacy and Capacity Market discipline

With the approval of the MASE Decree May 9, 2024 and ARERA Resolution 145/24, Terna publishes the First Implementation Discipline for the post-2024 delivery years: from 2025 to 2028.
The Capacity Market tool, as noted by Terna's Adequacy Report 2023, is confirmed as essential to accompany the energy transition, whose objective is to ensure the adequacy of the electricity system according to the standards defined by the Italian Authorities linked to an increasing penetration of non-programmable renewable sources necessary to achieve national and European climate objectives.
The Capacity Market will have to become structural in order to maintain the adequate function of CCGT plants, keeping the existing thermoelectric fleet efficient and avoiding an excessive exit of these plants from the market. To this end, the mechanism is aimed at stimulating interventions to convert thermoelectric cycle cooling plants from water to air to support the System in the extreme weather situations that often occur in the summer months.

ARERA Resolution 199/24 defines the economic parameters of the competitive procedures for the delivery years 2025, to 2028, whose auctions are expected in November and December 2024 for the delivery years 2025,2026 and 2027 and for February 2025 for the delivery year 2028. Finally, the Authority identifies as the premium for existing capacity 45,000 €/year/MW having delivery period 2025 - incremental in delivery years up to 48,000 €/year/MW for delivery period 2028.

Electric Storage Capacity On 28 April 2023, Terna S.p.A. launched a consultation process, in compliance with ARERA resolutions 98/2023 e 99/2023, whereby storage systems, starting from 1 July 2023, have been officially equalled to generation plants, thereby recognizing them as generation units for dispatching purposes. The consultation is aimed at modifying the existing regulation as regards the remuneration criteria and would apply to storage plants entering into operation by 17 March 2024. In this respect, it shall be noted that following the conclusion of the pilot phase, storage systems have been considered eligible to participate at the capacity market mechanism starting from the capacity market main session (asta madre) for 2024 held on 21 February 2022, where Terna S.p.A. contracted 1.1 GW of storage capacity.

At the same time, on 3 August 2022, with DCO 393/2022 ARERA started a consultation procedure for the definition of the criteria and conditions of the future storage system capacity mechanism as per the new provision of Art. 18, para 6, Legislative Decree 210/2021 providing for a specific storage capacity market (mainly for BEES and pumping facilities) managed by Terna S.p.A.. The provision is connected with the development of storage systems that should play a key role in the stabilization and strengthening of existing electricity infrastructures and ancillary services under the 10-year Terna S.p.A. development plan and the network plans local distribution companies are called to elaborate pursuant to Legislative Decree 93/2011 and Legislative Decree 210/2021.

With the entry into force of Legislative Decree No. 210/2021, implementing Directive 944/2019, the principles of the long-term procurement system for the purchase of new electricity storage capacity

have been defined, based on competitive auctions conducted by Terna S.p.A. (the "**MACSE**"). In this respect, ARERA, on 6 June 2023, approved through Resolution 247/2023/R/eel through which it defined the criteria and conditions for the operation of the mechanism.

According to the information available, the MACSE is expected to support the construction of storage facilities with a cumulative capacity of 71 GWh and a total capacity of more than 9 GW until December 31, 2033.

Moreover, on 21 December 2023 the European Commission approved the MACSE with regard to state aid European regulation. In light of available information, the first auctions to procure new storage capacity through this mechanism are expected to be called by Terna S.p.A. at the beginning of 2025, following the expected approval by the MASE of the relevant regulations.

Transmission and distribution

Electricity is "transmitted" (the transport of electricity on high and very high voltage interconnected networks from the plants where it was generated or, in the case of imported energy, from the points of acquisition, to distribution systems) and "distributed" (the transportation and conversion of electric energy, from the transmission grid, on distribution networks of medium and low-voltage for delivery to end-users).

Distribution companies in Italy are licensed by the state to provide distribution services to all clients who request them. These clients are subject to the payment of applicable tariffs.

The Bersani Decree promoted the consolidation of the Italian electricity distribution industry by providing for a single distribution licence within each municipality and establishing procedures to consolidate distribution activities under a single operator in municipalities where both Enel S.p.A. (the former monopolist) and a local distribution company were engaged in electricity distribution. The same Bersani Decree gave local distribution companies the right to request that Enel S.p.A. sell its distribution networks located in the municipalities where those companies already distributed electricity to at least 20% of the consumers.

Starting from 2016, the return on capital is defined by the new regulation adopted with Resolution No. 583/2015/R/com (so-called TIWACC). Resolution 614/2021 approved the criteria for determining the WACC during the second regulatory period 2022-2027.

For the year 2023, resolution 654/2022/R/com confirmed the same remuneration of capital as for the year 2022. With the resolution 556/2023/R/com, ARERA has updated the capital remuneration rate for the year 2024, equal to 6.0% for electricity distribution and metering.

Regulated activities are remunerated through the network tariff component, which is set by ARERA at the same level for all operators on the national territory. The tariff regulation for the 2024/2027 regulatory period is defined by resolution 616/2023/R/eel.

Resolution 296/2023/R/eel defined the timetable for the preparation and public consultation of distribution network development plans and fixed some transitional rules. In particular, these plans have to be prepared in coordination with Terna and in line with the National Grid Development Plan (power and gas transport), taking into account the expected development of production and demand, in order to allow the identification of possible grid congestion and the potential need for flexibility services.

Recently, the 239/202/R/COM have proposed:

- requirements for the elaboration of the scenario description document of Terna and Snam;
- criteria for the definition of local specific hypothesis of electric DSOs' scenarios;
- the publication of DSO maps representing hosting and load capacity of the network.

With reference to electricity distribution service, the Resolution 617/2023/R/eel approved the Regulation Output Based and Commercial Quality. In particular, il TIQD ("Integrated Text of Distribution Quality):

- introduced an individual mechanism in the incentive regulation of number and duration of interruptions, that considers the average performance of the last 4 years and fixes an improvement target for the period 2024-2025;
- promoted the obtaining public subsidies by recognising the 10% of public subsidies cashed the previous year;
- introduced an incentive mechanism for the installation of devices regulating the tension by refunding fees paid in the last 2 years because of the reactive energy immitted in the network;
- introduced an incentive mechanism for the DSOs' investments for the network development.

With reference to electricity metering service, with resolution no. 201/2021, IRETI proposed to ARERA a PMS2 in compliance with the Resolution 306/2019/R/eel which sets the rules for recognition of the costs of large-scale plans for the installation of 2G smart meters to be launched in the three years 2020-2022 by DSOs with more than 100,000 users.

ARERA approved the PMS2 proposed by Ireti starting from the second half of 2021 and confirmed the expected expenditure admitted to the recognition of capital costs which are in line with those envisaged by the Issuer.

Now DSOs with more than 100,000 users (as IRETI) are following the "2G Directive 2023-2025", defined by the Resolution 724/2022/R/eel.

With respect to the resilience of the electricity distribution grids, ruled by the Resolution 668/2018/R/eel (as amended), such Resolution introduced bonuses and penalties which apply to certain projects launched from 2017 and completed between 2019 and 2024. Such bonuses and penalties depend on the compliance of the projects with the relevant investment plans.

With reference to resilience, on 6 and 7 April 2022 the MASE has published measures to promote interventions aimed at improving the resilience of the electricity distribution network to extreme weather events, to be financed under the NRRP.

The total budget for distributors is €350 million, of which at least euro 140 million is reserved for the regions of the Southern Italy. For the realization of the interventions, a maximum unit cost of €125,000.00 / km of benefited network is established.

With regard to smart grids, the resources allocated by the decree are €3.6 billion, of which over 1.6 billion reserved for interventions in the regions of the Southern Italy. The funds are allocated for:

- €1 billion, to the increase of hosting capacity: the goal is to strengthen the capacity to host and integrate additional distributed generation from renewable sources for 4,000 MW through smart grid interventions (infrastructure strengthening and digitalization), with a maximum cost of €250,000 / MW;
- about €2.6 billion to the electrification of consumption: the goal is to increase the available power of at least 1,500,000 inhabitants to promote the electrification of energy consumption.

At the end of June, MASE published the calls, containing the criteria that operators will have to follow to submit proposals to access funding until 3 October 2022.

The Directorial Decree of the Directorate General for Energy Incentives no. 414 of 16.12.2022 approving the ranking of the proposals for intervention presented, aimed at improving the resilience of the electricity distribution network (M2C2.2 Inv. 2.2), has been published on the MASE website: "Torino Est Resilience" project is entirely admitted to the financing (€21.5 million), while "Torino Ovest Resilience" project is partially admitted (€11.6 million).

ARERA has continued pursuing the path of efficiency of the standard commercial losses with the Resolutions 117/2022/R/eel and 584/2023/R/eel ruling the 2022-2024 loss delta equalization and introduced a cap to unit value of electricity to enhance the delta losses, with positive economic effect for efficient DSOs (like IRETI).

With Resolutions 163/2023 and 497/2023, ARERA approved: (i) the integrated text of the regulation by expenditure and service objectives (ROSS) for the regulated infrastructure services of the electricity and gas sectors for the period 2024-2031 (TIROSS 2024-2031) defining the general criteria for determining the recognized costs for all regulated infrastructure services of the electricity and gas sectors (so-called "ROSS-base") for the period 2024-2031, relevant for determining the revenue restriction recognized to companies; (ii) the application criteria of the "ROSS-base" regulation.

The "ROSS-base" approach will focus on total expenses, thus overcoming the current hybrid regulation regime (rate of return for capital costs and price cap for operating costs).

Efficiency incentives are calculated as a function of the difference between total reference spending, or total spending baseline, and the total actual spending (total efficiency recovery). Total efficiency recovery, for the purposes of setting efficiency incentives, is divided into two parts: total efficiency recovery allocated to operations and total efficiency recovery allocated to investments. For the first period of application of the ROSS-base methodology for electricity distribution, the efficiencies are determined on operating costs only.

The regulation confirms the tariff decoupling approach: for each regulated infrastructure service of the electricity and gas sectors, limitations on the allowed revenue are set, also through the definition of fees that size this constraint, together with the tariffs relevant to the use of infrastructure, which for distribution services are named “mandatory tariffs”. The balance between actual revenues and the companies’ allowed revenue is ensured by appropriate compensatory mechanisms. In service-specific regulations, compensatory mechanisms may be defined on account. Revenue related to compensatory mechanisms is covered through tariff components, including additional ones, for network use.

Renewable Energy

Authorization procedure for plants powered by renewable sources

With regard to the authorization procedure for plants powered by renewable sources, on 3 March 2011, the Italian Government issued the Renewable Decree, namely Decree No. 28 of 3 March 2011 (“**Decree No. 28/2011**”), on the implementation of Directive No. 2009/28/EC on the promotion of the use of energy from renewable sources.

Moreover, Article 56, paragraph 1, letter d), of Law Decree No. 76 of 16 July 2020, as converted into Law No. 120 of 11 September 2020 (“**Law Decree No. 76/2020**”), introduced Article 6-*bis* under Decree No. 28/2011 in order to provide for a new very simplified procedure (the so called sworn declaration of commencement of works, *dichiarazione di inizio lavori asseverata*) to be applied to the limited cases listed in the same provision.

In addition, plants subject to regional Environmental Impact Assessment (“**EIA**”) are authorized by means of the so called Single Regional Authorization (“**PAUR**”), which, according to Article 27-*bis* of Legislative Decree No. 152 of 3 April 2006 (“**Environmental Code**”), includes the regional EIA and all the authorizations, concessions, opinions, *nihil obstat* necessary for the construction and the operation of the plant, including the single authorization (see, in this regard, also paragraph on “*Environmental regulations applicable to renewable energy plants*” below).

On 3 March 2021, the Italian Government issued Law Decree no. 77/2021 (the “**Simplification bis Decree Law**”), as converted into Law No. 100 of 29 July 2021, aimed at improving, among the others, the development of new renewable energy power plants in Italy. The main measure includes the

establishment of the new EIA Commission for PNIEC-NRRP projects (including photovoltaic and wind power).

In November 2021, Legislative Decree No. 199/2021 ("**RED II Decree**") was approved by the Italian Parliament. This new act implements EU Directive 2018/2001 concerning the promotion of the use of energy from renewable sources.

On 26 December 2021, Legislative Decree No. 210/2021, which implements Directive 2019/944 on the internal electricity market, entered into force. It provides several changes in the regulatory and legislative framework of the electricity market (wholesale and retail market, distribution).

On 1 March 2022, Law Decree No. 17/2022 was adopted, containing urgent measures for the containment of electricity and natural gas costs, the development of renewable energies and the relaunch of industrial policies. In particular, Section II of the same contains "*Structural and simplification measures in the energy field*" and aims at simplifying certain aspects of the authorization procedures for renewable energy plants. Law-Decree 181/2023 opened to the introduction of a support scheme for promoting investments in renewable energy generation alternative to the incentives system which will be based on power purchase agreements ("PPAs") executed with the GSE.

Law-Decree 13/2023, converted into Law No. 41/2023, provides that the installation of ground-based photovoltaic plants and related works and necessary infrastructure, located in industrial areas is considered ordinary maintenance activity and is not subject to the acquisition of permits, authorizations or acts of consent however denominated, without prejudice to the environmental assessments referred to in Title III of Part Two of the Environmental Code, where provided for. Law-Decree 181/2023, converted into Law No. 11/2024, extends the national EIA procedure for photovoltaic plants with capacity higher than 25 MW and the simplified permitting procedure ("**PAS**") for photovoltaic plants up to 12 MW provided that the plant is located in the areas classified as suitable under Article 20 of Legislative Decree No. 199 of November 8, 2021, or in the areas referred to in Article 22-*bis* of Legislative Decree No. 199 of November 8, 2021.

In relation to agro-voltaic plants, on 13 February 2024, the MASE published a dedicated Ministerial Decree providing for a specific support regime for experimental and innovative agro voltaic plants in connection with the NRRP funds. Access to the mechanism is granted through registries or auction procedures depending on the ownership and size of projects, which will take place during 2024. The incentives are reserved to agricultural entrepreneurs and their aggregations, or temporary business associations that include at least one agricultural entrepreneur.

Finally, Law-Decree No. 63 of 15 May 2024 ("**Agriculture Decree**"), amending Art. 20, comma 1-bis of the RED II Decree, provided a limitation on the installation and use of photovoltaic system with ground modules.

In particular, the Agriculture Decree prohibits the installation of such photovoltaic plants in areas classified as "agricultural" by the urban plan. Some exceptions are provided, for instance: (i) plants implementing NRRP investment; (ii) plants that are functional to Renewable Energy Communities; (iii) the areas are located into industrial plants or within 500 meters from industrial plants.

The Agriculture Decree, in order to maintain its effectiveness, will have to be converted into law within 15 July 2024.

Feed-in tariff

Ministerial Decree of 6 July 2012 provided for the replacement of the incentive mechanism of Green Certificates by a new form of incentive, *i.e.* the feed-in tariff mechanism. The feed-in tariff mechanism, instead of relying on the issuance of negotiable certificates, provides for a direct payment from the GSE S.p.A. (hereinafter, the "**GSE**") to the relevant plant operator. This payment is in addition to the revenues

arising from the energy enhancement.

In June 2016, the MET issued Ministerial Decree No. 26 dated 23 June 2016 ("**D.M. 23 June 2016**"). Such Decree provides for the mechanisms to obtain the incentives tariff for electricity produced from renewable energy sources other than photovoltaic ones and includes, as already set out under former FER decree dated 6 July 2012 four different awarding procedures depending on:

- the type of works carried out (i.e. new facility construction or revamping);
- capacity of the relevant plant (with a distinction between small plants, enjoying a direct access to incentives; medium plants, subject to enrolment in a specific register and qualification under the eligibility list created therefrom; and big plants (i.e. those with capacity higher than 5 MW) that in order to be granted incentive tariffs must successfully participate in a Dutch auction procedure (allowances between 2% and 40% maximum);
- relevant facility available capacity quota (varying according to energy source, plant size and kind of works carried out).

On 23 January 2019, the European Commission was notified of the draft decree on incentives for renewable sources of electricity ("**RES 1**"), the last step necessary for the formal approval. After the approval of ARERA and despite the rejection by the Regions in the Unified Conference, the decree received the final approval of the European Commission.

On 4 July 2019, the new support scheme RES 1 Decree was adopted with Decree of the Ministry of Economic Development and published on the Official Gazette on 9 August 2019.

The RES 1 Decree provides two mechanisms to grant access to the support scheme. Renewable energy facilities with a power of less than 1 MW have access to incentives through registration, while those with a higher power have access to incentives through competitive tendering for the definition of the incentive level within the limits of power quotas.

Some of the terms defined by the RES 1 Decree, such as compliance with the deadline for entering into operation and the presentation of the definitive financial guarantees for those admitted to the first tender procedure, have been extended due to the Covid-19 pandemic emergency.

The RED II Directive has been transposed at the end of 2021 through Legislative Decree No. 199/2021. The Decree aims at designing a market of Power Purchase Agreements (PPE) and provides new auctions carried out by the "*Gestore dei Servizi Energetici*" for CFD products (Feed in premium).

On 4 June 2024 the European Commission approved - pursuant to EU rules on state aid - the "FER2 Ministerial Decree", which aims to support the production of electricity from renewable sources based on innovative and not yet mature technologies (geothermal, offshore wind, thermodynamic solar, floating solar, marine energies, as well as biogas and biomass).

Hydroelectric production

Pursuant to articles 822 and 823 of the Italian Civil Code, sea, beaches, ports, rivers, lakes and the other forms of water are to be regarded as Italian state property ("*demanio pubblico*"). The Italian legislative framework on the use and exploitation of public waters has been set forth by Royal Decree No. 1775, dated 11 December 1933 (as subsequently amended and integrated, the "**Consolidated Act on Public Waters**" or "*Testo Unico delle Acque*"). Pursuant to Article 2 of the Consolidated Act on Public Waters, only operators that have obtained a regular public concession can exploit public waters.

The granting of concessions for large scale diversions of water for hydroelectric power plants (i.e. those with an average nominal power higher than 3 MW) is subject to a public tender procedure. The Bersani

Decree transferred the competence of management of the public property waters from State level to each one of the Regions of Italy.

By way of Law Decree No. 83 of 22 June 2012, converted into Law No. 134/2012 (the "**Development Decree**"), the Italian government issued certain regulations which affect the way in which tenders are carried out. More specifically, Article 37 of the Development Decree provided that five years prior to the expiration of a large water concession, the competent authority should launch a public tender for the assignment, subject to the payment of consideration, of such large water concession, in accordance with local regulations and the fundamental principles of competition protection, freedom of establishment, transparency and non-discrimination. Such new concession should be granted for a period of 20 years, up to a maximum of 30 years, depending on the required level of investment.

In addition, Law No. 12/2019 has redefined the regulatory framework on Concessions for major water transfers for hydroelectric purposes by amending the article 37 of Law Decree No. 83 of 22 June 2012. In particular, Law No. 12/2019 provides for the regionalisation of ownership of hydro-electric projects upon examination hydro-power concessions or in cases of withdrawal or revocation of the same.

Moreover, the regulatory framework on concessions for hydroelectric purposes has been further amended by the Competition Law 2021, Law No. 118 of 5 August 2022. Such deed provides that the Regions may, for concessions that have already expired and for those whose expiration date is before 31 December 2024, allow the outgoing concessionaire to continue the operation of the derivation as well as the conduction of the works and assets for the time strictly necessary for the completion of the procedures for the new assignment and in any case no later than three years from the date of entry into force of the Competition Law, thus no later than 27 August 2025.

With regard to the implementation of the regulatory framework outlined above, it should be noted that ARERA, with resolution no. 490/2019/I/EEL of 26 November 2019, approved the preparatory guidelines for the issue of a non-binding opinion on the regional legal schemes regarding state property fees, which must be issued within 20 days from the date of receipt of said scheme (in the event that ARERA's instructions have been complied with) and within 40 days in other cases. In this respect, ARERA specified that:

(i) the variable part of the state fee should be equal to a percentage, however defined by the Regions, of the sum of the products between the hourly quantity of electricity fed into the grid and the corresponding hourly zonal price recorded on the "Day Before Market" ("**MGP**");

(ii) with reference to the free transfer of energy, its monetization should be preferred instead of its physical supply, based on the hourly zonal price recognized to the plant, to be determined as final balance, as the average of the hourly zonal prices formed on the MGP, weighted on the quantity of energy fed into the grid on an hourly basis.

With reference to the Regional Law Piedmont Region no. 26/2020 "Allocation of large derivations for hydroelectric use", issued in declared implementation of the new art. 12 Legislative Decree no. 79/1999, as amended by art. 11 quater of Decree-Law no. 135/2018 converted into Law no. 12/2019, which introduced the regulation of the annual fee for Large Derivation concessions for hydroelectric purposes applicable from 2021, the appeal by the Government before the Constitutional Court has been sorted out (see below § about Regional Law No. 11 of 27 July 2022).

Regional Regulations no. 5/R (regulation of fees) and no. 6/R (obligation to supply energy free of charge from large hydroelectric derivation plants) of 18 December 2020 were published. They were issued in implementation of art. 21 of RL 26/2020.

Moreover, Council Resolution no. 12-4729/2022 approves the outline of the framework convention Regione Piemonte - Società Committenza Regione Piemonte for the support to the implementation of Law 26/2020.

Regional Law No. 11 of 27 July 2022 amended Regional Law no. 26 of 29 October 2020 (Allocation of large derivations for hydroelectric use), and sorted the State-Region dispute concerning the processes for calling tenders on concessions for large derivations for hydroelectric use and provides for the Public-Private Partnership as one of the forms of awarding concessions.

Finally, on 15 December 2022, the Piedmont Region's Executive Determination No. 665 of 21 November 2022 "Update of the State fee for public water use with reference to the year 2023" was published.

Thermoelectric: conventional and combined heat and power plants

Regarding the authorization for the construction and operation of a thermoelectric plant, the relevant legal framework, at national level, is set forth by:

- Presidential Decree No. 53 dated 11 February 1998 "*Regulation concerning the procedures related to the authorization for the construction and operation of conventional power plants, according to Art. 20 paragraph 8 of Law No. 59 dated 15 March 1997"* (the "**D.P.R. No. 53/1998**"); and
- Law Decree No. 7 dated 7 February 2002, as converted into Law No. 55/2002, concerning "*Urgent measures to guarantee the safety of the national electricity system*", as subsequently amended and supplemented by, *inter alia*, Laws Nos. 239/2003 and 99/2009 ("**Law Decree No. 7/2002**").

According to the provisions of the D.P.R. No. 53/1998, the authorization for the construction and operation and the authorization for the emissions into the atmosphere is issued by the Minister of Industry, Commerce and Trade (now, Ministry of Enterprises and Made in Italy) following a single proceeding in which all the interested public authorities participate in a steering committee ("*Conferenza di Servizi*"). Moreover, Legislative Decree No. 112 dated 31 March 1998 (hereinafter the "**D. Lgs. No. 112/1998**"), reorganised the competences in the energy sector, transferring certain powers concerning granting of construction authorizations to Regions, Provinces and Municipalities. Law Decree No. 7/2002 further simplified the procedures concerning granting of authorizations for the construction and operation of power plants falling under the Ministry's competence (*i.e.* power capacity exceeding 300 MW).

Furthermore, Legislative Decree No. 20 of 8 February 2007, implementing Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC:

- on the one hand, Article 8, paragraph 1, reaffirms the Ministerial competence for cogeneration plants with thermoelectric power exceeding 300 MW and the procedures established by Law Decree No. 7/2002;
- on the other hand, Article 8, paragraph 2, prescribes to the competent authorities a single proceeding also for the issuance of the authorization for the construction and operation of cogeneration plants with thermoelectric capacity below 300 MW. Such single proceeding is set out under Legislative Decree No. 115 of 30 May 2008 (implementing the Directive 2006/32/EC on energy end-use efficiency and energy services). In particular, Article 11, paragraph 7, of Legislative Decree No. 115 of 30 May 2008 details timing and methods for the convening of the steering committee and the issuance of the relevant single authorization.

Finally, Law No. 99 of 23 July 2009, as subsequently amended by Legislative Decree No. 56/2010: pursuant to Article 27, paragraph 20, micro-cogeneration units (*i.e.* having nominal power capacity below 50 kW) are only subject to a simple communication to the competent Municipality. Instead, the installation and operation of small cogeneration units with nominal electrical power up to 1 MW or nominal thermoelectric power below 3 MW are subject to a declaration of start of activities ("**DIA**") according to articles 22 and 23 of the D.P.R. No. 380/2001.

Moreover, since thermoelectric power plants involve significant air pollution and release of emissions in the atmosphere, such plants will need to be granted with a specific additional authorization pursuant to the Environmental Code. In particular, pursuant to Article 269 of the Environmental Code, all the plants and facilities that cause emissions in the atmosphere shall be authorized with a specific authorization to release emissions issued by the competent authority (the Region or the delegated Province), prescribing:

- the modalities for the conveyance of the emissions (if technically feasible);
- the emissions' limits, methods and timing of sampling and analysis and other specific prescriptions;
- specific prescriptions in order to limit fugitive emissions;
- the interval period between the entry into operation of the plant and its complete entry into operation ("*messa a regime*").

The authorization has a validity of 15 years from the date of granting and can be renewed upon request to be submitted to the competent authority at least one year before the expiry date.

Thermoelectric co-generative power plants which satisfy certain efficiency standards, may be granted with public incentives pursuant to the "*CAR – (Cogenerazione ad alto rendimento)*" incentives. Please refer to sections "Efficiency in the end use of energy - White Certificates - CAR incentives" below.

Sale

Pursuant to Article 1, paragraph 2 of the Marzano Law, no governmental licence, consent or permit is required to carry out electricity sale and purchase activities. The sale activity can be split into wholesale and retail.

Pursuant to Law Decree No. 73 of 18 June 2007, retail end users have the right to withdraw from existing electricity supply contracts, in accordance with the procedures established by the ARERA, and to select a different electricity supplier. In the absence of such choice, the electricity supply for domestic end customers which are not supplied with electricity on the free market is guaranteed by the distribution company, also through special sales companies, and the purchasing function continues to be carried out by the Acquirente Unico. This is the so-called "*regime di tutela*" which, as mentioned above, will end with the full market liberalization starting from 1 July 2021 for small business and from 1 January 2022 for microbusiness and domestic customers).

For end users which have already opted for free market conditions, the terms and conditions - including the price - of electricity supply contracts may be agreed between the supplier and the relevant end user.

As far as the retail market is concerned, with Law 124/2017 and subsequent interventions, the government has set a clear path to progressively abandon the so-called protected market regime (*maggior tutela*), reserved to households and SMEs that had not chosen a supplier on the free market as of 1 July 2007 (when all customers became "eligible", i.e., free to choose their supplier). Based on the current regulation set by ARERA under the Consolidated Text of Electricity Sale (TIV – ARERA Resolution 288/2022/R/eel), the electric supply regimes are the following:

(i) protected market (*maggior tutela*), available to households until 30 June 2024, where the terms and conditions of supply are defined by ARERA as well as the economic conditions (updated every 3 months). Thereafter, households who by said date have not chosen a supplier on the free market will be supplied under the dynamic protected market (*servizio tutele graduali*), with the exception of the so-called vulnerable users (*clienti vulnerabili* – i.e., those characterised by deprived economic conditions, life support machines, handicapped people, users of minor islands not interconnected and people beyond 75 years). Vulnerable users will continue being served by the cure provider of the protected market until the relevant supplier is selected by the Acquirente Unico S.p.A. as a result of public tender procedures yet to be performed. The supply period will last 4 years;

(ii) dynamic protected market (*servizio tutele graduali* – STG), available to (a) as of 1 January 2021, small businesses and micro-enterprises with a committed capacity of more than 15 kW; (b) as of 1 April 2023 micro-enterprises and users different from households with a committed capacity of up to 15 kW; (c) on10 January2024 the competitive auctions have been hold in order to select the operators of the Gradual Standard Offer Service to which non-vulnerable households still in the electricity protection service would be assigned since 10 July 2024. Iren Mercato was awarded two lots, including ten provinces, for a total of 340 thousand new customers acquired . The supply is provided by companies selected as a result of public tender procedures held by the Acquirente Unico S.p.A. every 3 years (4 years for the supply to companies under point (b));

(iii) last resort supply (*servizio di salvaguardia*), available to consumers not eligible for the protected market or the dynamic protected market or any other consumers that for whatever reasons remains without a supplier. The supply is provided by companies selected as a result of public tender procedures held by the Acquirente Unico S.p.A. every two years.

ARERA set the general criteria to establish the web portal for the publication of offers to households and small businesses in the electricity and natural gas markets (the "**Offer Portal**"). Moreover, The Offer Portal, created by the Integrated Information System Operator ("SII"), is online from 1 July 2018 for the collection and publication of offers on the market for retail electricity and natural gas. The Offer Portal is intended for household and small businesses to compare the cost of electricity or natural gas in relation to their needs. The offers currently available on the Offer Portal are (i) the PLACET offers and (ii) the offers from the free market.

Furthermore, Electricity is traded in two main markets, which are the wholesale and the retail markets. The Power Exchange is a marketplace for the spot trading of electricity by producers and consumers under the management of the Gestore dei Mercati Energetici ("**GME**"); it began operations on 1 April 2004. Producers can sell their electricity on the Power Exchange at the system marginal price defined by hourly auctions. Otherwise they can choose to enter into bilateral contracts, whereby the price is agreed with the other counterparty. Recently the market was enhanced through the commencement of operations of new forward- markets: (i) the forward physical market, (the MTE£), which is managed by Electricity Market Operator; and (ii) the derivatives financial market, (the IDEX), which is managed by Borsa Italiana.

The Italian government transposed in 2021 the new market Directive 944/2019 through the Legislative Degree No. 210/2021. The Decree defines a more active role of final customers in the management of their consumption of electricity and defines new aggregators which can increase or moderate the electricity consumption.

Natural Gas

Italian regulations enacted in May 2000 (Legislative Decree No. 164 of 23 May 2000, the "**Letta Decree**") implementing EU directives on gas sector liberalisation (1998/30/EC) introduced competition

into the Italian natural gas market through the liberalisation of the import, export, transport, dispatching, and sale of gas. The liberalisation process was successively strengthened by EU Directive 2003/55/EC and by EU Directive 2009/73/EC on natural gas internal market, comprised in the Third Energy Package as implemented in Italy by Legislative Decree 93/2011.

Pursuant to the Letta Decree, until 31 December 2010, no single operator was allowed to import or produce gas (for the purpose of selling such gas, directly or through subsidiaries, holding companies or companies controlled by the same holding company) in a quantity exceeding a specified percentage of the total domestic gas consumption, set at 75% in 2002 and decreasing by two percentage points each year thereafter, to 61% in 2010. At the same time, until that date, no single operator was allowed to hold a market share higher than 50% of domestic sales to final clients, directly or through subsidiaries, holding companies or companies controlled by the same holding company. Legislative Decree No. 130 of 23 April 2010 set new antitrust caps that prevent any single operator from introducing into Italy gas in a quantity exceeding 40% of domestic gas consumption. This cap may be lifted to 55% if the relevant operator invests in new storage capacity equal to at least 4 billion cubic meters.

Law No. 99/2009 foresees the constitution of a market exchange for the supply and sale of natural gas, managed by GME.

GME organises and manages the natural gas market (the "**MGAS**"). In the MGAS, parties authorised to carry out transactions at the "*Punto Virtuale di Scambio*" (PSV – Virtual Trading Point) may make spot purchases and sales of natural gas quantities. In the MGAS, GME plays the role of central counterparty of the transactions concluded by market participants. The MGAS consists of a Day-Ahead Gas Market (MGP-GAS), a Intra-Day Gas Market (MI-GAS) and a Forward Gas Market (MT-GAS).

Dispatching and transportation

Pursuant to Article 8 of the Letta Decree, natural gas transport and dispatching are considered activities of public interest and are regulated accordingly.

By means of Ministerial Decree of 22 December 2000 (as subsequently amended from time to time), the MET implemented Article 9 of the Letta Decree (concerning the definition of national transmission network of gas pipelines and regional transmission network) and identified the "national gas transmission network" (opposed to the local gas network – "*rete di distribuzione"*, as set out under ARERA Resolution No. 120 dated 30 May 2001). This Ministerial Decree contains a detailed list of the pipelines, their length, characteristics and owner, which is updated on a yearly basis. Approximately 96% of such pipelines are owned and operated by Snam Rete Gas ("**Network Operator**" or "**Transmission Company**"). Snam Rete Gas is the entity spun off from Snam to comply with the vertical unbundling requirement set by the Directive 98/30/EC ("**Gas Directive**").

By means of Ministerial Decree of 22 April 2008 and Ministerial Decree of 19 December 2011 the regional transport networks have been identified by the MET.

By means of ARERA resolution No. 75, dated 1 July 2003, as subsequently amended, ARERA issued the "SNAM Gas Grid Code" ("*Codice di rete SNAM*"), which provides for detailed rules and procedures concerning the dispatching and balancing services in order to ensure the efficiency of the gas transmission grid. Most important, the companies which provide transport and dispatching services may not refuse to connect to the gas distribution network users who are compliant with the ARERA rules. In particular, access may be refused for one of the three following reasons: (i) lack of capacity or interconnection, (ii) when granting access would prevent the undertaking from carrying out the public-service obligations assigned pursuant to the applicable law and regulations, and (iii) in case of serious economic and financial difficulties related to take-or-pay contracts entered into by the undertaking before the Letta Decree.

Storage

Storage activity has the purpose of compensating fluctuations in consumption demand within the national gas system, to guarantee a strategic reserve of natural gas for the safety of the entire systems (with specific but not sole reference to end users).

Storage activity is carried out by companies on the basis of concessions awarded through public tender procedures, based on the modalities set out in Ministerial Decree 21 January 2011.

Similarly to the transportation companies, also the storage companies must publish the terms and conditions to access the storage services that are set forth in *codes* and must comply with the criteria set out by the ARERA with the purpose of ensuring that the access to the storage services is granted in a transparent and non-discriminatory way.

The Letta Decree provides that storage companies must grant access to requesting users if these meet the technical requirements and other conditions detailed in the "Storage Code", which has been issued by ARERA Resolution No. 119 dated 21 June 2005 and related updates.

Distribution

The Letta Decree established that distribution activities must be exercised only by operators having won tenders for gas distribution concessions for periods not exceeding 12 years. Licensees of distribution networks are obliged to grant access to any third party that so requests on the basis of tariffs set by the AEEGSI and in compliance with its network code. The AEEGSI, in July 2004, adopted Resolution No. 138/2004 (as subsequently amended by many AEEGSI resolutions), which sets the criteria for access to distribution services and for the drafting of the network codes by distribution operators, introducing special measures for the operations of interconnection points between transportation and distribution networks.

The operation of the gas distribution service is regulated by a concession agreement which provides, inter alia, the rules for the operation of the service by the concessionaire, the obligations and rights of the concessionaires on the assets, the quality service targets, the economic terms and conditions, consequences in case of defaults, conditions for the termination of the concession, etc. Nevertheless, outgoing operators are still required to continue providing the service, within the limits of the ordinary administration, until the date of the new assignments.

A first decree (Ministerial Decree dated 19 January 2011) setting out the criteria for establishing the territorial jurisdictions was published on 31 March 2011 and a second decree (Ministerial Decree dated 18 October 2011) defining the composition of the so-called *Ambiti Territoriali Minimi* ("**ATEMs**") was published on 28 October 2011.

On 12 November 2011, the Ministry of Economic Development (now, MIMIT) adopted decree No. 226/2011, regulating the new tender procedure for the awarding of the distribution concessions within the ATEMs ("**Tenders Decree**"). According to Article 12 of the Tenders Decree, the selection is made on the basis of the most economically convenient offer, calculated through the combination of three parameters (economic conditions, security and quality criteria and network development plans). A specific score is assigned to each of the aforementioned parameters by a commission of five independent members, on the basis of the sub-criteria and specifications established in the call for bids. The terms originally expected to begin and carry out the tenders, however, were subject to numerous deferrals.

Only few awarding procedures in relation to the ATEM have been called and assigned, however, given the current regulatory framework, current concessionaires continues to provide the distribution service in those areas for which new awarding procedures have not been called yet, as they are obliged by law to ensure continuity until the new incumbent is selected, even if the concession period is formally

expired, as well as to receive the related remuneration tariffs established by ARERA.

At the expiration of the old concessions, the plants should have been transferred to the Municipalities upon the payment of an indemnity in favour to the outgoing concessionaire. Such indemnity may be paid by the new concessionaire or by the Municipalities themselves.

In several cases, there are disputes (pending before Administrative and Ordinary Courts) between the parties regarding the quantification of the indemnity and the related assessment is assigned to an arbitrators panel. Regarding the investments held by the previous concessionaire on the plants transferred to the new concessionaire, based on Article 24, Paragraph 1, of Legislative Decree 93/2011, the new concessionaire is required to step in to the existing guarantees and financing obligations or, as an alternative, to discharge them by paying to the previous concessionaire an amount equal to the repayment value (the "Repayment Value") of the plants transferred.

The Repayment Value is due to the previous concessionaire at the expiration of the concession and is equal, for the first round of tenders, to the residual industrial value, then to the value of net fixed assets of locality (*immobilizzazioni nette di località*) of the distribution service, including construction in progress, net of public or private contributions, calculated using the methodology of the current tariff adjustment and on the basis of the consistency of the plants at the time of their transfer.

Costs for providing distribution and metering services are covered by tariffs fixed by the AEEGSI at the beginning of each reference period and updated on a yearly basis by applying defined mechanisms. Tariff reference periods used to have a length of 4 years, while the current tariff reference period has been set to 6 years from 2014.

Pursuant to Resolution No. 570/2019/R/gas (so-called "**RTDG 2020-25**"), ARERA has defined the methodology for determining the distribution tariffs for the fifth regulatory period 2020-2025, which was recently refreshed by Resolution No. 737/2022/R/gas for the second semi-period 2023-2025. Pursuant to Article 43 of the RTDG the national territory is divided into seven tariff areas each one having its own "*tariffa obbligatoria*", while for each operator ARERA approves the "*tariffa di riferimento*", determined in order to cover its own efficient costs, according to specific regulation rules.

With Resolution 409/2023/R/gas, ARERA has rectified calculation errors made in determining the recognized operating costs and the x-factor, for the period 2020-2025.

With Resolution 231/2024/R/gas, ARERA has started the procedure for the execution of the sentences of the Council of State nos. 10185/2023, 10293/2023, 10294/2023, 10295/2023 and 1450/2024 relating to the determination of the operating costs for the gas distribution service to be recognized for the 2020-2025 regulatory period.

Starting from 2016, the return on capital is defined by the new regulation adopted with Resolution No. 583/2015/R/com (so-called TIWACC). Resolution 614/2021 approved the criteria for determining the WACC during the second regulatory period 2022-2027.

For the year 2023, resolution 654/2022/R/com confirmed the same remuneration of capital as for the year 2022. With the resolution 556/2023/R/com, ARERA has updated the capital remuneration rate for the year 2024, equal to 6.5% for gas distribution and metering.

Sale of natural gas

Sale of gas to end-users requires authorisation from the MASE, which can only be refused on objective and non-discriminatory grounds. Starting from 1 January 2012, companies authorised to sell gas are included the specific list managed and published by the MASE pursuant to Article 17 of the Letta Decree.

Since 1 January 2003, all clients have been able to freely choose their suppliers of natural gas.

With Law 124/2017 and subsequent interventions, the government has set a clear path to progressively abandon the so-called protected market regime (servizio di tutela), reserved to households and SMEs that had not chosen a supplier on the free market as of 1 January 2003 (when all customers became "eligible", i.e., free to choose their supplier). Based on the current regulation set by ARERA under the Consolidated Text of Gas Sale (TIVG – ARERA Resolution ARG/gas 64/09, as amended from time to time), the regulated gas supply regimes are the following:

(i) PLACET variable price regime (Prezzo Libero a Condizioni Equiparate di Tutela), available as of 1 January 2024, to households served in the protected market (servizio di tutela) that did not choose by then a supplier on the free market. The PLACET variable price regime is characterised by freely determined economic conditions) with price indexed to wholesale market trends) while the pricing structure and contractual conditions are established by ARERA (that also publish the periodical updates of such conditions) and cannot be derogated;

(ii) last resort supply services (servizi di ultima istanza), which takes two forms:

a. the gas last supply service (fornitura di ultima istanza gas – FUI), applying to (i) certain categories of gas consumers that for whatever reasons do not have a gas supplier nd (ii) non-paying gas consumers that cannot be disconnected (clienti morosi non disalimentabili);

b. the gas default service (servizio di default gas), concerns the supply of gas to (i) consumers different from those entitled to the FUI service that remain for whatever reasons without a gas provider and (ii) consumers eligible for the FUI services but in which respect the FUI cannot be activated for any reasons.

Last resort supply services are provided by companies that must be listed in the gas retail sellers list and that are selected every two thermic years by the Acquirente Unico S.p.A. by way of competitive procedures, in compliance with ARERA resolutions setting the modalities and criteria of the procedures.

The free market includes all clients not served under the regulated market regimes. Economic as well as contractual conditions are freely negotiated between the parties. However, there are a number of binding provisions that must be complied with (e.g. the Code of Commercial Conduct, provisions on billing, quality of services, withdrawal, switching etc.).

District heating and cooling service

District heating supply agreements are subject to the general provisions of the Italian Civil Code. However, in January 2012 the Antitrust Authority started a cognitive survey regarding the district heating market. The survey ended in March 2014 and analysed the possible competition constraints inside the regional heating markets. The final report issued by the Antitrust Authority wishes for the prompt adoption of a more homogenous national regulatory framework, although this regulation should not distort the competition.

Legislative Decree No. 102/2014, implementing the EU Directive 2012/27/UE, has attributed the regulatory power for heating/cooling service to the ARERA. The ARERA, following several consultations launched over the years involving the interested market operators, has defined a number of provisions concerning (i) the access of third-parties to district heating/cooling networks and withdrawal for end-customers (ARERA resolution 463/2021/R/tlr – so-called TUAR), (ii) information transparency (ARERA resolution 574/2018/R/tlr) (iii) commercial quality of service (ARERA resolution 526/2021/R/tlr); (iv) technical quality of services (ARERA resolution 548/2019/R/tlr); (v) measurement services (ARERA resolution 478/2020/R/tlr). The regulation is based on a 3-year period.

After a consultation launched on 20 June 2023, ARERA approved Resolution No. 638/2023/tlr, whereby it defined the heating service tariffs first regulation for the period 1 January 2024 to 31 December 2024. In compliance with the provision of Article 10(18) of Legislative Decree No. 102 of 04/07/2014, as

amended by Legislative Decree No. 13 of 24 February 2023, and ARERA Resolution 546/2023/R/tlr, the Resolution at issue does not address all aspects of tariff regulation, but it is a first step to a more comprehensive framework such as to favor a gradual approach to allow users and operators to adapt and maintain the economic-financial balance.

Specifically, Resolution No. 638/2023:

(i) applies to heating service provider operating plants with a power higher than 30 MW;

(ii) provides for a limit to the revenues deriving from the DHC service based on the avoided cost, such as the actual annual revenues deriving from the application of the fees for the supply of the district heating service (R) cannot exceed the annual revenue constraint (VR) set by the regulation. The VR constraint is calculated on the basis of the avoided cost, i.e., with reference to the cost of alternative plants to district heating, represented by a gas boiler in methanised areas and a pellet-fueled plant in non-methanised areas.

***Efficiency in the end use of energy* - White Certificates**

The distribution companies of electricity and natural gas (the "**Obliged Entities**") are required by the Bersani Decree to undertake energy efficiency measures for the end user that are in line with pre-defined quantity targets fixed by ministerial decree. All companies, including the distribution companies, that realize specific energy efficiency measure pursuant to the applicable regulation, are entitled to receive from the GSE a certain quantity of the Energy Efficiency Certificates ("**TEE**"), also called "*White Certificates*", (*i.e.* an incentive mechanism to save energy, into force starting from 1 January 2005).

TEE are issued and acknowledged in proportion with the energy efficiency measures so realized (*i.e.* each TEE is issued for each "ton oil equivalent" of the energy efficiency measure implemented). The TEE can be then sold by means of bilateral contracts, to (other) distribution companies who cannot meet their targets or, alternatively, on a specific market instituted and regulated by GSE in agreement with the ARERA.

In order to comply with their obligations to achieve such targets and avoid related penalties, distributors must deliver a number of certificates at least equal to a specified percentage of their requirement to the ARERA by May 31 of each year.

The whole mechanism is, in extreme essence, financed by the final customers (through the cashing in of a specific tariff component applied in each electric and natural gas bills paid by the end customers). Indeed, the Obliged Entities receive a tariff contribution from the ARERA and related competent authorities to compensate the energy efficiency measure implemented by same Obliged Entities.

As said, White Certificates are tradable by bilateral transactions through a register, organized and managed by the GME (called "*Registro TEE*") or by assignment of the white certificates to an *ad hoc* virtual trading platform (called "*TEE Market*" or "*Mercato TEE*"), also in this case organized and managed by the GME.

On the 10 July 2018, a new Ministerial Decree has been published in Italian Official Journal (the "**Decree 10 May 2018**"), which has amended the previous Decree 11 January 2017 on White Certificates. In particular, the Decree:

- establishes a maximum unit value for the tariff contribution, equal to €250.00 per white certificates, applicable starting from the sessions subsequent to 1 June 2018 and until the sessions valid for the fulfilment of the national quantitative targets established for 2020;
- establishes that the mechanism to determine the tariff contribution, determined by ARERA, shall take into account the prices of trades made on the organized GME market in the obligation year in reference as well as the prices of bilateral agreements, if less than € 250.00;

- authorizes the short-selling of white certificates by the GSE. In particular, starting from 15 May of each year and until the end of the year of the obligation in reference, GSE is authorized to issue, for and upon request of the obliged distributors, white certificates not deriving from the implementation of energy efficiency projects, with a unit value equal to the difference between € 260.00 and the value of the final tariff contribution for the year in reference. In any case, this amount cannot exceed € 15.00. However, this loss may be recovered, overall or partly, in the following obligation years. Before accessing this mechanism, the obliged distributors must purchase at least 30.0% of white certificates in the obligation year in reference;
- establishes that if a distributor subject to the obligations achieves a compliance rate of less than 100%, but at least 60%, it may offset the residual quota in the two following years, rather than only in the following year without incurring any penalties;
- updates, in order to promote the offer of white certificates, the table annexed to Ministerial Decree of 11 January 2017 containing the types of projects eligible for white certificates, adding approximately 30 new types of interventions.

As a consequence of amendments introduced by Ministerial Decree of 10 May 2018 to Ministerial Decree of 11 January 2017, under Resolution 487/2018/R/efr, ARERA has updated the criteria for calculating the tariff contribution to cover the costs incurred by distributors subject to energy efficiency targets.

The decree of the Ministry for the Ecological Transition of 21 May 2021 amended the ministerial decree of 11 January 2017 (as already amended by the decree of the Ministry for Economic Development of 10 May 2018). The measure set the national quantitative targets for electricity and gas distribution companies for the years 2021-2024. The decree also updated the methods for distribution companies to meet the obligation and for reimbursing the related costs.

Water Business

The national and regional framework applicable to the IWS

The integrated water service ("**IWS**") is the comprehensive public services that relate to water collection, uptake, purification and distribution of water for each category of users as well as the disposal and treatment of sewage water. The IWS is a public service, which is to be managed in accordance with the general principles of efficiency and cost-effectiveness as well as in compliance with national and European legislation as well as the regulations set by ARERA.

The comprehensive set of legal provisions that regulate the water sector are contained in the Environmental Code (as defined below) under Part III, Section III, Title II, Article 147 and following. The main objectives of national and regional laws include: (i) the appointment of a single operator for the management of the IWS within each ATO (as defined below); (ii) the identification of a tariff that allows the operator of the IWS to cover both the costs for the provision of the service and the cost to carry out the investments necessary to ensure an adequate level of service; and (iii) the separation of the competence for planning and control of the service from the management of the IWS.

Pursuant to Law Decree No. 201 of 6 December 2011 (converted into Law No. 214 of 22 December 2011) the ARERA is the regulator in charge, *inter alia,* of the regulation and surveillance of the IWS and the approval of the tariffs.

The Environmental Code

Legislative Decree No. 152 of 3 April 2006 (the "**Environmental Code**"), as amended from time to time, contains integrated provisions for all environmental businesses and, in principle, the regulation of the management of the integrated water service system in Italy, is based on the following principles:

- establishing a sole integrated system for the management of the entire cycle of the water resources (integrated water service or "*servizio idrico integrato*"), including the abstraction, transportation and distribution of water for non-industrial purposes, water drainage and purification of waste water;
- identification, by the Italian Regions and within each of them, of "Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**"), within which the integrated water services are to be managed. The boundaries of ATOs are defined on the basis of: (i) consistency with hydrological conditions and logistical considerations; (ii) the goal of achieving industry consolidation; and (iii) the potential for economics of scale and operational efficiencies; and
- institution of a Water District Agency (*Ente di governo dell'Ambito*, identified by the relevant Region) for each ATO, responsible for: (i) organising integrated water services, by means of an integrated water district plan which, *inter alia*, sets out an investments policy and management plan relating to the relevant district (*Piano d'Ambito*); (ii) identifying and overseeing an operator of integrated water services; (iii) determining the tariffs applicable to users; (iv) monitoring and supervising the service and the activities carried out by the selected operator, in order to ensure the correct application of the tariffs and the achievement of the objectives and quality levels set out in the district plan.

The organisation of the integrated water services relies on a clear distinction in the division of tasks among the various authorities involved: the national and regional authorities carry out general planning activities, while the local authorities supervise, organise and control the integrated water services. These activities are managed and operated on a day-to-day basis by (public or private) service operators.

Pursuant to Article 149 *bis* of the Environmental Code, as modified by Law No. 164/2014, the integrated water system has to be awarded by the Water District Agency, for each ATO, by means of one of the procedures allowed under EU law (i.e. public tender, direct procurement to public-private companies and in-house providing). Law No. 164/2014 confirmed that the duration of concessions may not exceed 30 years. On the subsequent expiry of the term of the management of the water service, the Water District Agency must grant the service at least six months before the expiry of the previous service.

In this regard, please refer to the procedures described in the previous paragraph with reference to the economic local public services ("*servizi pubblici di rilevanza economica*") in general.

Legislative Decree 115/2022 (so called "*Aiuti-bis*") recognizes, starting from the beginning of November 2022, the deadline for the assignment of the integrated water service by the Water District Agency, as provided for by art. 149 *bis* of the Environmental Code. Failing the Water District Agency to take any action in respect to the assignment of the integrated water service within the mentioned deadline, art. 14 of Legislative Decree 115/2022 confers powers to the President of the Region to exercise the substitutive powers and carry out the assignment of the service, within a maximum term of 90 days. Once this term is exceeded, the Council of Ministers will have to adopt the necessary measures for the transitional management of the service, having a maximum duration of 4 years (being such term renewable).

Water tariff mechanism

Law Decree No. 201 of 6 December 2011 (converted into Law No. 214 of 22 December 2011) granted to the ARERA the regulatory functions concerning the integrated water service. In particular, the ARERA sets forth the cost components to be used by ATO's Agency to determine the tariffs for the integrated water service (in compliance with the criteria and goals defined by the Ministry of the Environment and the principles outlined in Article 154 of the Environmental Code). Subsequently, ARERA approves the tariffs of the integrated water service within 90 days from the proposal.

Tariff method for the period 2024 – 2029

On 27 December 2019, the new tariff method for the period from 2020 to 2023 was issued by means of resolution No. 580/2019/R/idr (the "**2020-2023 Tariff Method**" or "**MTI-3"**). The MTI-3 defined the following cost components:

a. costs of fixed assets, understood as the sum of financial charges, tax charges and depreciation;

b. operating costs, understood as the sum of i) endogenous operating costs, ii) costs that can be updated (relating to electricity, sludge disposal, wholesale supplies, charges relating to loans and fees paid to local authorities arrears costs and other cost components) and iii) operating costs relating to specific purposes, as well as costs related to COVID-19 emergency can be covered in tariff (by means of resolution No. 235/2020/R/idr);

c. any advance for the financing of new investments (under strict requirements);

d. environmental and resource costs, understood as the economic recovery from the reduction and/or alteration of the functionality of aquatic ecosystems, or the lack of opportunities (current and future) resulting from a given use of a scarce resource;

e. adjustments, necessary for the recovery of costs approved and relating to previous years.

The guiding principles of the MTI-3 for the period 2020-2023 are:

(i) overcoming the so-called *Water Service Divide*;

(ii) increasing the efficiency of operating costs and management;

(iii) environmental sustainability;

(iv) increasing citizens' awareness of their habits and their impact on the environment.

The MTI-3 applies to all water service operators in Italy (whether they are listed companies or operators working on behalf of local municipalities).

With resolution 64/23 ARERA began the proceeding for the update of the Tariff Method for the new regulatory period (2024-2027).

On 28 December 2023, the new tariff method for the period from 2024 to 2029 was issued by means of resolution No. 639/2023/R/idr (the **MTI-4**"). Among the new elements is an update of the component covering the cost of electricity, which has been subject to obvious fluctuations in recent years. For energy and environmental sustainability, the method also provides for an initial use of resources from the Fund for the Promotion of Innovation (set up at CSEA) to reward the reuse of purified wastewater and a reduction in the amount of electricity purchased.

Furthermore, with Resolution 637/2023/R/idr, then, ARERA intervened in the regulation of the technical quality of the integrated water service (RQTI), with some extremely topical elements. For example, with a new macro-indicator (M0-water resilience), the Authority will measure the interventions of operators aimed at mitigating the effects of climate change. The alternation of droughts and floods in fact requires a new approach, in supply on the one hand and in stormwater management on the other.

Waste Business

The Waste Framework Directive

EU legislation on waste and landfills is set forth under Directive 2008/98/EC, as subsequently amended (the ''**Waste Framework Directive**'') and Directive 1999/31/EC, as subsequently amended (the ''**Landfills Directive**'') respectively.

In general, the Waste Framework Directive sets objectives with deadlines regarding the minimum proportion of waste to be prepared for re-use and recycling. These guidelines for waste management are meant to prevent waste generation, to encourage re-use and to ensure safe disposal by establishing a new "waste hierarchy" for the treatment of waste. In addition, the authorization process for landfill site management purposes provides stringent technical requirements for waste disposed in landfills, aimed to reduce waste amounts disposed of in landfills.

The package of European Directives (Nos. 2018/849, 2018/850, 2018/851 and 2018/852, together the "**Package**") regarding waste management and disposal came into force on 4 July 2018 and were implemented in Italy in September 2020 through the following Legislative Decrees:

- Legislative Decree No. 118/2020 for Waste Batteries and Accumulators and Waste Electrical and Electronic Equipment;
- Legislative Decree No. 116/2020 for Packaging and Packaging Waste;
- Legislative Decree No. 119/2020 for End of Life Vehicles;
- Legislative Decree No. 121/2020 for Waste Landfills.

The Package sets ambitious targets for waste reduction and recovery, as well as to discourage landfill disposal. Key elements of the revised waste proposal include: (i) a common EU target for recycling 65% of municipal waste by 2030; (ii) a common EU target for recycling 75% of packaging waste by 2030; (iii) a binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030; (iv) a ban on landfilling of separately collected waste; (v) promotion of economic instruments to discourage landfilling and fully implement the "waste hierarchy pyramid"; (vi) harmonized definition and calculation methods for recycling rates throughout the EU; (vii) measures to promote eco-design/re-use and boost recovery and recycling schemes (namely, for packaging, batteries, electric and electronic equipment, vehicles). On the implementation of the directives, please see paragraphs below concerning the new European approach to waste.

The Environmental Code

In Italy, waste sector is regulated by Article 200 and following of the Environmental Code, which initially provided for the following principles:

- encouraging of segregated waste collection;
- each region has been divided into one or more "Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**" and each an "**ATO**"), and a Waste District Authority ("***Autorità d'Ambito***") has been established for each area, which is responsible for organising, awarding and supervising integrated waste management services;
- the District Authority must draft a Waste District Plan, in accordance with the criteria set out by the relevant regional government;
- the municipalities' responsibilities relating to integrated waste management have been transferred to the District Authority;
- phasing-out of landfills as a disposal system for waste materials; and
- the order of priority of the waste management procedures is the following: (i) preparation for reuse; (ii) recycling; (iii) recovery, including energy production; and (iv) disposal.

The system (which includes the collection, transportation, treatment and disposal of waste, including street cleaning and the control of the former activities), was originally managed by the *Autorità d'Ambito* and entrusted to the entity that is awarded the tender called for by the competent ATO. That provision

has been repealed from the Environmental Code by art. 186 *bis* of Law No. 191/2009. pursuant to Law Decree No. 138 of 18 August 2011 the Regions were required to identify the entity to be entrusted with these responsibilities.

Integrated Waste Management means the total activities carried out to optimise the management of waste, these being the transportation, treatment and disposal of waste, including street sweeping and the management of these operations.

Principles of waste management

The Environmental Code requires the producers or holders of waste to carry out the treatment of waste themselves or to have the treatment handled by an authorized dealer or arranged by a public collector under a special convention. The original producer or holder retains responsibility when the waste is transferred for complete recovery even if the waste is transferred from it to another entity for preliminary treatment. Responsibility ends upon receipt by the waste producer or holder of confirmation that the waste is accepted by the final recovery or disposal plant.

A new Waste Tracking Control System (*Registro Elettronico Nazionale per la Tracciabilità dei Rifiuti*), managed by MASE, has been established in substitution of the previous *Sistema di Controllo della Tracciabilità dei Rifiuti*, or SISTRI (repealed as of January 2019)by means of the abovementioned Law Decree No. 135/2020, Legislative Decree No. 116/2020 and Legislative Decree No. 213/2022.

Also, with respect to waste management, from August 2011, according to the rules set forth by Legislative Decree No. 121/2011, some crimes concerning waste disposal were introduced within Legislative Decree No. 231 of 8 June 2001 ("**Decree 231**").

Permits

Article 208 of the Environmental Code provides that the realization and operation of new waste disposal or recovery installations as well as their substantial modifications are subject to a permit issued by the competent Region, after verification of the environmental and territorial compatibility of the project. The authorization is issued or denied (with motivation) within 150 days of the application. The permit has a ten-year duration and may be renewed upon filing of the relevant application at least 180 days prior to the expiration.

Less stringent requirements apply, among other things, to mobile recovery or disposal installations, to the collection and transportation of waste as well as to the operation of disposal and recovery installations owned by third parties, which are either issued a definitive permit or are allowed to be carried out after registration with the National Register for Environmental Operators (*Albo Nazionale dei Gestori Ambientali)*.

On the other hand, installations which are subject to an IPPC permit pursuant to Article 6, paragraph 13, and Articles 29-*bis* and following of the Environmental Code (i.e., landfills that receive more than one tonne of waste per day or with a total capacity exceeding 2500 tonnes, with an exception for landfill for inert waste) do not require a permit under Article 208 of the Environmental Code, as the IPPC permit supersedes all the relevant authorizations. The IPPC is issued in the framework of a procedure that requires, inter alia, the participation and consultation of the public, the application of Best Available Techniques ("**BAT**") to the installations emissions (including substances, vibrations, heat and noise) and specific monitoring requirements for the latter. The IPPC is generally issued for a ten-year period.

Management of urban waste

Article 200 of the Environmental Code provides for the organization of the urban waste management system at a local level based on identification, by the Italian Regions and within each of them, of

"Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**" and each an "**ATO**"), within which the waste services are to be managed.

Provisions on landfills

In relation to the disposal of waste in landfills, the Environmental Code refers to the provisions set out in Legislative Decree No. 36 of 13 January 2003, which were adopted to implement Directive 1999/31/CE (Decree 36/2003), which sets out the operating and technical requisites for waste and landfills, measurements, procedures and guidelines aimed at preventing or reducing possible negative effects on the environment. The Legislative Decree No. 36, amended by Legislative Decree No. 121/2020, classifies landfills into the following categories: (i) landfills for inert materials; (ii) landfills for non-hazardous waste; and (iii) landfills for hazardous waste. Urban waste and non-hazardous waste of any other origin that meet the waste admission criteria set forth in the applicable regulations, may be disposed of in landfills for non-hazardous waste. As for landfills for hazardous waste, only hazardous waste meeting the criteria imposed by applicable regulations may be disposed of in the same.

In general, waste may be disposed of in landfills only after having been processed in treatment facilities, with the exception of inert waste whose treatment is not technically possible and waste with respect to which treatment does not contribute toward reducing its quantity or risk to human health and the environment, and is deemed to be disposable if necessary for purposes of compliance with the limits imposed under applicable provisions of law.

Decree 36/2003 requires all entities managing landfills to comply with the terms, procedures, criteria and requirements imposed by the authorization and by the operating management's plans, post-closure management plans and plans for environmental restoration and decontamination. They also must comply with regulations on waste management, wastewater and the protection of water, atmospheric emissions, noise emissions, health and safety in the workplace, and fire prevention. The managing entity must also ensure that ordinary and extraordinary maintenance is carried out in all the facilities and equipment pertaining to the landfill.

Pursuant to Article 12 of Decree 36/2003, closure of a landfill may be ordered following a procedure brought:

- under the terms and conditions of the authorization;
- where the service provider requests and obtains an authorization from the regional authority; and
- pursuant to a specific order issued by the competent authority based upon serious reasons, consisting in damages or potential damages to the environment and human health.

A landfill, or a part of it, is considered to be definitively closed only upon the notification of approval (after carrying out an inspection) by the competent authority.

Following the final closure of a landfill, the landfill manager must maintain, supervise and control of the landfill during the post-closure phase, which covers the entire period in which the landfill could cause risks to the environment.

Maintenance, supervision and control of the landfill must continue during the post-closure phase, until such time as the competent authorities determines that the landfill no longer generates risks for the environment.

In order to ensure the activation and operating management of the landfill, including the closure procedures, the landfill operator must provide an appropriate financial guarantee, which ensures the fulfilment of the requirements set forth in the authorization and is in an amount sufficient to cover the cost of such operations. The guarantee must be consistent with the authorized capacity of the landfill

and its classification. The guarantee for post-closure management operations provides an assurance that the post-closure procedures will be carried out.

This guarantee must be kept in place for the entire period necessary for the operating activities and post-closure activities, and subject to extensions ordered by the competent authority if deemed necessary due to possible environmental risks.

In particular: (i) the guarantee for the activation and operating management is to be maintained for at least two years from the date on which the landfill closure is notified; (ii) the guarantee for post-closure activities is to be maintained for at least 30 years from the date on which the landfill closure is notified.

The management of landfills, or of other waste disposal equipment, is related to the matter of environmental pollution and the clean-up and restoration of contaminated sites. These matters are governed by Articles 239 and following of the Environment Code, which imposes upon the party responsible for the contamination the obligation to take restoration or safety measures, which may be for operating purposes or permanently, and, where necessary, to adopt further environmental restoration measures in order to eliminate, minimize, or reduce to acceptable levels the risks deriving from the contamination of the site.

Integrated waste operator

The Environmental Code regulated the award of tenders for operating the integrated waste management service made in favour of a sole operator for each ATO to be organised by the District Authority.

Such entity is responsible, *inter alia*, to award the management of the waste services in compliance with the European principles on public tender procedures, following the repeal of Article 23-*bis* of Decree No. 112/2008 by means of the Referendum held on 12 and 13 June 2011 and in compliance with the legislation subsequently adopted.

Waste tariff mechanism

Article 238 of the Environmental Code provides that, in general, whoever owns or holds premises which produce urban wastes is obliged to pay a tariff for the collection, recovery and disposal of such wastes. In this regard, the Environmental Code assigned to each "*Ente di Governo"* the task of determining the tariff to be paid to the service operators: such tariff shall be commensurate with the ordinary average quantity and quality of waste produced by square meter in relation to the use and types of activities carried out, on the basis of general parameters determined by an *ad hoc* regulation of the Ministry of the Environment.

In this frame, without going into detail with regard to the previous measures enacted by the Legislator, it is in any case worth reminding that Law Decree No. 102/2013 introduced the so-called Service Tax (tax on municipal services), which entered into force in 2014, replacing the previously applicable TARES (tax on waste). Law No. 147 of 27 December 2013, paragraphs 639 and following, modified by Law Decree No. 16 of 6 March 2014, reformed the local tax system by introducing specific taxes on real estate (IMU), waste (TARI) and inseparable services (TASI).

The TARI is intended to ensure full coverage of costs relating to waste management services (collection, recovery and/or disposal) incurred by the municipalities. All those who own or use a property are required to pay TARI, in relation to the urban waste produced in the property, referring to both household waste and waste originating from industrial and commercial premises, which, pursuant to the municipality regulations, is to be managed as waste generated by households. Tax rates are set by the municipalities based on the net living space of the property, the type of business activities carried out there, the number of people living there, the ordinary average quantity and quality of waste produced by square metre in the municipality concerned, as well as on the reference values provided by the so-

called "normalized method" regulated under Presidential Decree No. 158 of 27 April 1999. With respect to the nature of the waste tariff, in July 2009, with Decision No. 238/2009, the Constitutional Court ruled that the waste tariff pursuant to Article 49 of TIA1, was to be qualified as a tax and therefore not subject to VAT. Following this decision, the Italian government, by means of Law Decree No. 78 of 31 May 2010, under Article 14, paragraph 33, provided that TIA2 was to be interpreted as a tariff of "*non taxation nature*" and therefore subject to VAT. With the provisions set forth under Art. 14 of Law Decree No. 201/2011, the Italian legislator has clarified that the new tariff that will be applied starting from 1 January 2013 is a tax and therefore not subject to VAT.

TARI rates are approved by means of resolutions of the City Council and based on the costs identified and classified in the financial and economical plan, which is prepared by the service operator and approved by competent authority. The deadline for the TARI approval, provided by Article 3, paragraph 5-quinquies of Decree-Law 228/2021, is set at April 30 of each year.

More recently, with an amendment to the so-called "cohesion decree" (Law-Decree No. 60 of May 7, 2024), approved by the Budget Committee of the Italian Parliament, the deadline for the approval of the economic and financial plans for waste management service, tariffs and TARI regulations have been extended to 20 July 2024. Law-Decree No. 39 of 29 March 2024 had previously already extended the deadline to 30 June 2024. The new extension intervened to give more time to administrations renewed after the elections last 8 and 9 June 2024.

Regulation - ARERA Waste Services Activities

On 31 October 2019, ARERA approved Resolution 443/19/R/rif containing the first tariff method for the integrated waste management service 2018-2021 (MTR) and postponing the regulations on waste treatment to a later stage.

With reference to the MTR - Waste Tariff Method, it is specified that the new rules defined the TARI fees to be applied to users in 2020-2021, the criteria for the costs recognized in the current two-year period 2018-2019 and the communication obligations.

As in other sectors subject to regulation, in the new waste tariff method, the reference is made to data ex post and referable to certain accounting sources (financial statements) relating to year a-2 and applied to year a (inserting indications of adjustments that permeate the whole algebraic structure of the method) and no longer with forecast data.

The aim of the MTR is (similarly to the previous regulatory schemes implemented by ARERA in other sectors) to cover operating costs, cost of capital and depreciation/amortization, with a Regulatory Asset Base (RAB) remuneration.

In this first phase of the tariff method, ARERA maintained the algebraic structure of the method established by DPR 158/1999, by inserting tariff factors corresponding to additional components for the determination of the fees, some of which are as follows:

- In order to promote waste management investments, ARERA sets a WACC equal to 6.3%, +1% for the regulatory time lag (i.e. 2 years for the cost recovery).
- A price cap mechanism controls the tariff's growth, ensuring flexibility in order to consider additional services and quality improvement.
- The MTR introduces a sharing mechanism in favour of the service provider, applied on revenues from the sale of separate collection materials and other market activities based on concession's asset.
- Efficiency incentives are included in the sharing factor and the gradual implementation instruments, which are set by the local Authority.

On 3 August 2021, ARERA approved Resolution 363/2021/R/rif concerning the waste tariff method (MTR-2) for the second regulatory period 2022-2025 which included the regulations on waste treatment.

ARERA, in parallel with the regulation on the tariff, implemented the regulation of the quality of the waste management service, first with Resolution 444/2019/R/rif, which defines the transparency provisions of the municipal and similar waste management service for the regulatory period 1 April 2020 - 31 December 2023, as part of the procedure started with Resolution 226/2018/R/RIF. The scope of the intervention includes the minimum information elements to be made available through websites, the minimum information elements to be included in the collection documents (payment notice or invoice) and individual communications to users relating to significant changes in management.

Following the consultation documents, on 18 January 2022 ARERA approved Resolution 15/2022/R/Rif containing the first quality regulation measures (TQRIF). The regulation model introduces:

- obligations of contractual and (in part) technical quality;
- general standards differentiated according to the qualitative level of management;
- a postponement of the obligations to publish to 2024;
- an upgrade of transparency provisions on the minimum information elements to be made available through websites and payment notice.

On 22 February 2022, ARERA approved Resolution 68/2022/R/Rif setting the rate of return on invested capital (WACC) for the integrated cycle and for the waste treatment for the second regulatory period, at a rate respectively of 5,6% and 6,0%.

The following measures have been enacted:

Resolution 15/2022/R/rif on contractual and technical quality regulation of the municipal waste management service

The measure, published on 28 January 2022 following two consultation sessions (72/2021/R/rif and 422/2021/R/rif), envisages the introduction from 1 January 2023 of a set of contractual and technical quality service obligations, minimum and homogeneous for all operations, flanked by indicators and related general standards differentiated for four regulatory schemes (identified by the competent territorial authority by March 2022 based on the starting level of management). The positioning of the operator in the matrix of regulatory schemes will determine the quality obligations for the entire duration of the 2022-2025 PEF, also allowing for the relative economic evaluation for any adjustment to the obligations.

The organisation may also provide for the definition of standards that are better and/or additional to the provisions of the Consolidated Act for the regulation of quality in the waste sector (TQRIF). Moreover, resolution 15/2022 includes some provisions on transparency.

Resolution 363/2021/R/rif on Approval of the Waste Tariff Method for the Second Regulatory Period 2022-2025 (MTR-2)

The measure includes the start of tariff regulation of treatment plants, for which an asymmetric regulation is envisaged - for treatment plants of Municipal Residual Waste and organic waste - that distinguishes plants between ‘minimum’ (essential for closing the cycle and therefore subject to tariff regulation) or ‘additional’ (market-based, with only transparency rules).

In the first application of the provisions, the regions identified the minimum regulated facilities. The following were identified for Iren Group:

- Emilia-Romagna: the WtE in Piacenza and Parma and the organic treatment plant in Gavassa;

- Piedmont: the 'former AMA' landfill in Mondovì, the WtE TRM and the organic treatment plants of Territorio e Risorse in Santhià and the associated GAIA in the Asti area;
- Liguria: the Mechanical Biological Treatment plants of Scarpino and Boscalino and the organic treatment plants of Saliceti and Cairo Montenotte;
- Tuscany: the TB TMB plant and the Futura plants (organic treatment and TMB), as well as the plants of the associated company Sienambiente (WtE, organic treatment and TMB).

The Lombardy Regional Administrative Court (*TAR Lombardia*), with judgement no. 557 of 6 March 2023, partially annulled the ARERA resolution no. 363/2021/R/Rif (MTR-2) with regards to:

- methods for identifying the "minimum" cycle closing systems;
- skills to identify them; and
- the legal and economic consequences that derive from this qualification.

Consequently, the classification measures of the minimum plants for regulatory purposes, assumed on the assumption of the ARERA discipline, were canceled.

Furthermore, the aforementioned judgement of the Lombardy Regional Administrative Court was confirmed by the Italian superior administrative Court, the Council of State (*Consiglio di Stato*), by means of judgement no. 10734 of 12 December 2023.

With Resolution 7/2024 and subsequently confirmed by resolution 72/2024, ARERA, in compliance with the aforementioned judicial pronouncements, reinstated the Waste Tariff Method (MTR-2). This was done considering the adoption, with Ministerial Decree No. 257 of June 24, 2022, of the National Waste Management Program – which, among other things, provides criteria for the qualification of plants as "minimum" – and consequently regulating their tariff profiles according to the authority vested in ARERA by the legal framework.

Resolution 389/2023/R/rif concerning the two-years update (2024-2025) of the Waste Tariff Method for the Second Regulatory Period 2022-2025 (MTR-2)

The resolution, published on August 3, 2023, identifies the inflationary adjustment to be applied (cumulative impact: 13.7% on PEF 2024) to cover of the Opexes related to the years 2022 and 2023 and the maximum limit of tariff growth (9.6%). This resolution was followed by the Determination No. 1/DTAC/2023, providing the standard outlines of the acts constituting the update of the tariff proposal 2024-2025 and the operating procedures for the transmission to ARERA.

ARERA: standard waste service contract template

Following the consultation phase, ARERA adopted, by means of Resolution 385/2023/R/rif, the Standard Waste Service Contract Template for the regulation of the relations between the contracting authority and the management operator, which provides the minimum contents of the contracts signed between the entity entrusting the waste service and the economic operator performing the service concerning, *inter alia*, (i) object of the contract, (ii) perimeter of the services, (iii) duration, (iv) quality of the service, (v) the operator's fee and the economical-financial balance.

Ministerial Decrees on Circular Economy (NRRP)

Through Ministerial Decree no. 396/2021, 1,500 million euro was allocated, 60% of which was earmarked for the Centre-South, in favour of the governing bodies of the Optimal Territorial Areas and the municipalities for the financing of the following possible projects

- improvement and mechanisation of the urban waste disposal network (max. 1 million/proposal);

- treatment and recycling plants of municipal waste from separate collection (max. 40 million/proposal);

adaptation of existing plants and construction of new innovative treatment/recycling plants for disposal of absorbent materials for personal use (PAD), purification sludge, leather and textile waste (max. 10 million/proposal).

Similarly, Ministerial Decree 397/2021 provided for the allocation of 600 million euro, of which 60% destined for the Center-South, in favour of companies for the financing of the following possible projects:

- adaptation of existing plants and construction of new plants for i) collection, logistics and recycling of WEEE (150 million, of which 60 million in the North); ii) collection, logistics and recycling of paper and cardboard waste (150 million, of which 60 million in the North);
- construction of new plants for the recycling of plastic waste (through mechanical and chemical recycling, "Plastic Hubs") with a total contribution of 150 million (of which 60 million in the North);
- infrastructure for the collection of pre and post-consumer textile fractions, plant modernisation and construction of new recycling plants for textile fractions with a contribution of 150 million (of which 60 million in the North).

Following the assessments by the Examining Committee, the MASE published the decrees granting the contributions containing the lists of the plants eligible for financing; in particular, Iren Group is among the beneficiaries for the following plants:

- financed public plants resulting in a reduction of RAB (Investment 1.1):
  - Line A (Improvement and mechanization of the urban waste separate collection network): As part of the projects presented by the Iren Group, 40 projects have been financed for ~27m€
  - line B (Modernization and construction of new treatment/recycling plants for municipal waste from separate collection): OFMSW plant in Saliceti (SP) for 40 million euro;
  - no funding for line C.
- financed private facilities (Investment 1.2):
  - plant for the recovery of photovoltaic panels (Semia Green) for approximately 900 thousand euro;
  - doubling of the plastics and WEEE selection line in Turin (AMIAT) for about 860 thousand euro;
  - extension of the Collegno paper line (AMIAT) for about 2.5 million euro;
  - The Pulper in Scarlino (Iren Ambiente) for about 8.1 million euro;
  - Expansion of the S. Giorgio Nogaro (I.Blu) plant for about 3 million euro;
  - Borgaro plastics recovery plant (AMIAT) for about 2.5 million euro.

MITE Decree 5 August 2022 - Incentives for biomethane production

This decree provides for the conditional extension of the incentives under the Ministerial Decree of 2 March 2018 for plants that come into operation by 31 December 2023.

MITE Decree 15 September 2022 - Biomethane Development

The Decree, effective 27 October 2022, provides incentives for the production of biomethane from new (from organic or agricultural waste) or converted (agricultural only) plants. In particular, for plants fuelled by organic waste, the following are envisaged:

- a capital grant of 40% of the eligible investment costs incurred, up to the maximum eligible investment cost;
- an incentive on net production, with a tariff worth 62 €/MWh for plants fuelled by organic waste, with a 2% reduction starting in 2024 and lasting 15 years;
- annual power quotas made available, in line with NRRP spending commitments, aimed at exploiting the potential of re-conversions of existing biogas plants and the emergence of new production;
- access to the incentives will take place through competitive public auctions on the incentive tariffs that will be held from the end of 2022 to 2024 (until the relevant funds of the Plan are exhausted).

National Strategy for the Circular Economy (SEC)

The strategy, approved by Ministerial Decree 259 of 24 June 2022, is a policy document, within which the actions, objectives and measures to be pursued in the definition of institutional policies aimed at ensuring an effective transition to a circular economy are identified (it constitutes one of the structural reforms of the NRRP as well as a fundamental tool for achieving the 2035 climate neutrality objectives).

In particular, the SEC intends to define administrative and fiscal instruments to strengthen the market for secondary raw materials so that they are competitive with virgin raw materials in terms of availability, performance and cost.

National Waste Management Programme (PNGR)

The PNGR is a national planning instrument Introduced by Legislative Decree 116/2020 and is one of the strategic and implementation pillars of the National Strategy for the Circular Economy. In December 2021, the Preliminary Environmental Report was submitted by the MiTE as part of the Strategic Environmental Assessment (SEA) procedure, and in March 2022, the public consultation phase took place; with Ministerial Decree 257 of 24 June 2022, the PNGR was officially adopted, valid for the 6-year time period (2022-2028).

- The Programme provides i) guidance for the drafting of regional plans (e.g. flow analysis and Life Cycle Assessment);
- provides for the possibility of 'macro-area' agreements for the energy recovery of residual/scrap municipal waste, sorted and special waste from treatment and organic waste (for the latter flows only if supported by LCA analysis);
- identifies 12 strategic flows.

The PNGR therefore represents a guiding tool for the regions in their waste management planning: within 18 months, all regions will have to update their Plans indicating, among other things, intermediate targets in the period 2023- 2028 to comply with the European environmental objectives of the landfill rate to 2035.

With regard to planning at the regional level, the state of progress is reported for each region of operation of the Group:

- *Apulia Region*: approval of the 2021-2025 Plan on 14 December 2021;

- *Emilia Romagna Region*: final approval of the Plan (PRRB) 2022-2027;
- *Liguria Region*: approval of the 2021-2026 Plan by the Regional Council;
- *Piedmont Region*: adoption of the PRUBAI 2022-2035 by the Regional Council;
- *Tuscany Region***:** adoption of the 2022-2027 Plan (PRRB).

Regulations applicable to the supply of public services

The supply of local public services in Italy has been regulated through several provisions. Almost all such provisions have been repealed after a referendum held on 12 and 13 June 2011 (the "**Referendum**").

Following the Referendum results, a new regulation on the matter was adopted (Article 4 of Law Decree No. 138 of 13 August 2011, converted into Law No. 148 of 14 September 2011, as subsequently amended) which was, however, declared unconstitutional by the Constitutional Court, with judgment No. 199 of 17-20 July 2012.

As of today (following the Referendum, the re-introduction of provisions analogous to those repealed by the Referendum and the consequent repeal of such new provisions by the Constitutional Court) public services shall be awarded according to EU law principles. Therefore, local Authorities can arrange public services through: (i) third parties selected by public procurement procedures and (ii) by direct or *in- house* provision, whenever the market is unable to meet the needs of the community and making use of entities fully controlled by the local authority and exclusively engaged in the relevant activity.

More precisely, according to EU law, there are three accepted forms of public services awards:

- public tender for the selection of public service providers;
- direct granting of public services to a public private partnership (PPP), a cooperative venture between public authorities and private enterprises, where a private partner is chosen by a public tender procedure;
- the so called *in house providing mechanism*, which consists in a direct granting of public services to fully-public companies based on the following conditions: (i) the companies are 100% controlled by the awarding public entities, which shall exercise a similar control as the one exercised over their own departments (i.e. "*controllo analogo*"); and (ii) companies shall provide their main activity in favour of the awarding public entities (i.e. *attività prevalente*).

Competitors allowed to enter into such procurement procedures and entitled to become public services managers, are:

- "private operators", who may be selected to operate the service through a public tender procedure aimed at entrusting the whole public service; in this case, private operators take the form of joint-stock companies and are incorporated under Italian law;
- "private operators", who can also be in charge of the management of the service by purchasing shares in a public company and becoming a private partner of the latter. Even in this case, the alienation of the shares will take place through public tenders (whereas the service will be granted directly to the public/private enterprise set up once the private partner has been chosen through a public tender); in this regard, private operators in the procurement procedure must demonstrate their economic and financial standing, their suitability to pursue the professional activity in question and their technical and/or professional ability; actually, the percentage share of the company to be granted through public tender is established at discretion of the Public

Administration;

- "public companies", entirely owned by public entities can be granted public services through the *in- house providing*. This procedure excludes private operators and competitors.

On 20 October 2012 Law Decree No. 179/2012 entered into force (the so-called "**Growth Decree 2**") which, however, does not apply to, *inter alia*, (i) gas distribution and (ii) distribution of electricity, but applies to water and waste services.

In August 2015, the Law 124/2015 "Delegations to the Government concerning the reorganization of public administrations", better known as the so-called Madia Reform was approved. The provision contains 14 important legislative delegations: public employment, reorganization of central and peripheral state administration, digitalization of the Public Administration, simplification of administrative procedures, rationalization and control of investee companies, anti-corruption and transparency. One must note the implementing decree of 19 August 2016, n. 175 (*Testo Unico in materia di società a partecipazione pubblica*), that resulted from the changes made by the corrective decree 16 June 2017, n.100; in summarizing the numerous provisions in force on the subject up to now in a sole Act, it redesigns the discipline to reducing and rationalizing the public private partnership and the in-house providing, having also regard to an efficient management of the participations themselves and to the containment of public expenditure.

Italian public procurement code

By means of Legislative Decree No. 36/2023 a new 'public procurement code' has been approved, repealing the previous code (Legislative Decree No. 50 of 18 April 2016). The new public procurement code applies to all procedures started as of 1 July 2023.

Below are some of the main innovations in this new code:

- integrated procurement: for works, the possibility of integrated procurement is reintroduced without the prohibitions of the old public procurement code. The subject of the contract may then be the executive design and execution of the works on the basis of an approved technical-economic feasibility project. Contracts for ordinary maintenance works are excluded;
- procedures below the European threshold: the thresholds provided for direct awarding and negotiated procedures in the so-called 'simplification COVID-19' decree (Decree-Law No. 76 of 16 July 2020) are permanently adopted;
- general contractor: the figure of the 'general contractor', deleted with the old procurement code, is reintroduced;
- public-private partnership: the regulatory framework is simplified to make it easier to award partnership projects; the hypotheses for revising the concession contract are also specified. These include extraordinary and unforeseeable events, as well as changes in the relevant legislation or regulation (so-called regulatory risk);
- special sectors (i.e. energy, water, transport, postal services): greater flexibility and a more pronounced special character is envisaged for the so-called 'special sectors', consistent with the essential nature of the public services managed by the contracting entities;
- concessions: for concessionaires chosen without a tender, an obligation is established to contract out between 50 and 60% of the works, services and supplies to third parties. The obligation does not apply to special sectors;
- price revision: the obligation to insert price revision clauses in the event of a cost variation exceeding the 5% threshold is confirmed, with 80% of the increased cost being recognised in

favour of the company;

- governance, litigation and jurisdiction: the reorganisation of ANAC (*Autorità Nazionale Anticorruzione* – the Italian national authority on anti-corruption) competences is envisaged, implementing the criterion contained in the delegation act, with a strengthening of its supervisory and sanctioning functions. Finally, the guidelines adopted by the authority, through the integration of the implementing regulations into the code, are exceeded.

TAXATION

The statements herein regarding Italian taxation summarise the principal Italian tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes.

This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.

This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length. Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Italian Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023, delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system. This tax reform, once implemented, could significantly change the taxation of financial incomes and capital gains, that may impact on the current tax regime applicable to the Notes, as summarized below.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Tax Treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**") provides for the applicable regime with respect to, *inter alia*, the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) ("**Interest"**) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree No. 917 of 22 December 1986 ("**Decree 917**") issued, *inter alia*, by Italian resident companies with shares listed on a EU regulated market or a regulated market of the European Economic Area, included in the White List Decree (as defined below)[11].

For this purpose, pursuant to Article 44 of Decree 917, bonds or debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their

[11] GOP tax: considering that the Issuer falls under the specific category outlined in this agreement, it appears unnecessary to enumerate other cases that benefit from Decree 239 within this tax section. Please kindly let us know if there is any specific reason based on which your additional language should be included.

nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) management of the Issuer.

Pursuant to Article 11, paragraph 2 of Decree 239, where the Issuer issues a new tranche of Notes forming part of a single series with a previous tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (please see specific reference below), the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche and (b) the difference between the issue price of the new tranche and that original tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of duration of the Notes.

Italian resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a public or private entity (other than a company) or a trust not carrying out a commercial activity; or (d) an investor exempt from Italian corporate income taxation, Interest relating to the Notes, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent (unless the relevant Noteholder has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**")).

In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

An Italian resident individual Noteholder not engaged in an entrepreneurial activity who has opted for the so-called *risparmio gestito* regime is subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "Tax treatment of the Notes – Capital Gains".

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where an Italian resident Noteholder who is the beneficial owner of the Notes is an individual entrepreneur holding Notes in connection with the entrepreneurial activity (please see specific reference below), a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are timely deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to the general Italian corporate tax regime (corporate income tax, "**IRES**", generally levied at the rate of 24% while banks and other financial institutions will be subject to an additional corporation tax levied at the rate of 3.5%), or to personal income taxation (as business income), as the case may be, according to the ordinary rates and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on the value of production ("**IRAP**"), generally applying at the rate of 3.9 per cent. (which may be increased by each Italian Region by up to 0.92 per cent.; IRAP rate is increased to 4.65 per cent. and 5.90 per cent. for the categories of companies indicated, respectively, under Article 6 and Article 7 of Legislative Decree No. 446 of 15 December 1997).

In case the Notes are held by an individual engaged in an entrepreneurial activity and are effectively connected with the same entrepreneurial activity, Interest will be subject to *imposta sostitutiva* and will

be included in the relevant income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree 351**"), as clarified by the Italian Revenues Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree 24 February 1998, No. 58 ("**Consolidated Financial Act**") or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, or to real estate closed-ended investment companies (*società di investimento a capitale fisso*, or ("**SICAFs**") (to which the provision of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply), are neither subject to *imposta sostitutiva* – provided that the relevant Notes are timely deposited with an authorised intermediary – nor to any other income tax in the hands of a real estate investment fund or of SICAF. If the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) or a non-real estate SICAF established in Italy and either (i) the fund or SICAV or non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority ("**Fund**"), and the relevant Notes are timely deposited with an authorised intermediary, according to Circular No. 11/E of 28 March 2012, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 – "**Decree 252**") and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad hoc 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

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

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

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder. If Interest on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26%. The Italian individual investor may elect instead to pay ordinary personal income tax (IRPEF) at the applicable progressive rates in respect of the payments; if so, the investor should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the Noteholder is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to Interest, accrued during the holding period when the Noteholders are resident, for fiscal purposes, in countries which do not allow for a satisfactory exchange of information with Italy and/or do not timely comply with the requirements set forth in Decree 239 and the relevant application rules (please see below) in order to benefit from the exemption of the *imposta sostitutiva.*

The countries which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the Ministerial Decree dated 4 September 1996 (the "**White List Decree**"), as amended or supplemented from time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The White List Decree was updated by Ministerial Decree dated 23 March 2017, broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of Interest or must qualify as "institutional investors" and (a) promptly deposit, directly or indirectly, the Notes with (i) a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank; (ii) a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; (iii) a non-resident entity or company which has an account with a centralised clearance and settlement system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance; or (iv) a centralised managing company of financial instruments, authorised in accordance with Article 80 of the Consolidated Financial Act; (b) promptly file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended; and (c) the banks or brokers mentioned above receive all necessary information to identify the non-resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of Interest that such beneficial owner is entitled to receive. Failure of a non-Italian resident Noteholder to comply promptly with the mentioned procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest, payments to a non-resident Noteholder. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

The "*imposta sostitutiva*" will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to Interest paid to Noteholders who are (i) resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or (ii) otherwise not eligible for the exemption from "*imposta sostitutiva*".

Capital Gains Tax

Italian resident Noteholders

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

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

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

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (*risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being promptly made in writing by the relevant Noteholder.

The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the

Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

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

Any capital gains realised by a Noteholder which is an Italian real estate investment fund to which the provisions of Decree 351 as subsequently amended apply or a real estate SICAF (to which the provision of Article 9 of Decree No. 44 apply) will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or real estate SICAFs.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed at the Fund level, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Decree 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the Noteholder who is the beneficial owner of the Notes: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Decree 461 may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

The countries which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the White List Decree, as amended or supplemented from time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The White List Decree was updated by Ministerial Decree dated 23 March 2017, broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities.

If none of the conditions above are met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the *risparmio amministrato* regime according to Article 6 of Decree 461 may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June 1990 ("**Decree 167**"), converted into law by Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-commercial institutions, non-commercial partnerships and similar institutions resident in Italy, under certain conditions, will be required to report in their yearly income tax return, for tax monitoring purposes, the amount of investments (including the Notes) directly or indirectly held abroad during each tax year. Inbound and outbound transfers and other transfers occurring abroad in relation to investments should not be reported in the income tax return.

This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Inheritance and Gift Taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000;

(iii) transfers in favour of relatives (*parenti*) to the fourth degree or direct relatives-in-law (*affini in linea retta*), indirect relatives-in-law (*affini in linea collaterale*) within the third degree other than the relatives indicated above are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift; and

(iv) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied to the rate mentioned above on the value exceeding €1,500,000.

The *mortis causa* transfer of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) – that meets the requirements from time to time applicable as set forth under Italian law – is exempt from inheritance tax.

A tax credit may be available for the inheritance and gift tax paid in Italy under the applicable double tax treaty on inheritance and gift, if any.

Transfer Tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds executed in Italy are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at a rate of €200, only in case of voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Stamp Duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), converted by Law No. 214 of 22 December 2011, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary, carrying out its business activity within the Italian territory, to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent and is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Notes held. The stamp duty can be no lower than €34.20 and it cannot exceed €14,000 if the Noteholder is not an individual.

The proportional stamp duty does not apply to communications sent by Italian financial intermediaries to subjects not qualifying as clients, as defined by the regulations dated 29 July 2009 issued by the Bank of Italy, as subsequently amended and restated. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy. Moreover, the proportional stamp duty does not apply to communications sent to pension funds.

Periodical communications to clients are presumed to be sent at least once a year, even though the intermediary is not required to send any communications. In this case, the stamp duty is to be applied on 31 December of each year or in any case at the end of the relationship with the client.

Wealth tax on Notes deposited abroad

Pursuant to Article 19(18-23) of Decree 201, as subsequently amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships, including *società semplici* or similar partnerships pursuant to Article 5 of Decree 917, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. Article 1(91) of Law 30 December 2023, No. 213 provided for an increase of the rate from 0.20 per cent to 0.40 per cent starting from fiscal year 2024, only in the circumstance that the Notes are held in black list countries, listed in the Ministerial Decree of 4 May 1999, as amended from time to time. The maximum amount due is set at € 14,000 for Noteholders other than individuals.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of

wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to the Dealers. The arrangements under which the Issuer may agree from time to time to sell Notes and the relevant Dealer(s) may agree to purchase are set out in an amended and restated dealer agreement dated 16 July 2024 (the "**Dealer Agreement**") and made between the Issuer and the Dealers.

Any agreement for the sale and purchase of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II,

and the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented and agreed that:

(a) *No sales to retail investors*: it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to any retail investor in the United Kingdom and, for the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA,

and the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes;

(b) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention by the Issuer of Section 19 of the FSMA;

(c) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(d) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Dealer has represented and agreed

that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(e) to qualified investors (*investitori qualificati*), as defined under Article 2, paragraph 1, letter e) of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended from time to time (otherwise known as the *Testo Unico della Finanza* or the "**TUF**") and/or Italian CONSOB regulations and/or any other applicable provision of Italian laws and regulations; or

(f) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the TUF, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be made in compliance with the selling restriction under points (a) or (b) above and must be made:

(i) by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the TUF, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the TUF, CONSOB regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (otherwise known as the *Testo Unico Bancario* or the "**TUB**") and any other applicable laws and regulations; and

(ii) in compliance with any applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent Italian authority, including with Article 129 TUB, as amended from time to time, and the implementing guidelines of the Bank of Italy issued on 25 August 2015 and amended on 10 August 2016 and on 2 November 2020, as further amended from time to time, pursuant to which the Bank of Italy may request periodic reporting, data and information on the issue or the offer of securities in the Republic of Italy.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Each Dealer has represented and agreed that it has not, directly or indirectly, offered, sold or otherwise made available and will not, directly or indirectly, offer, sell or otherwise make available any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

General

Each Dealer has agreed that it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and each Dealer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish

this Base Prospectus or any Final Terms or any other offering material relating to the Notes, in all cases at their own expense.

Any new Dealer appointed under the terms of the Dealer Agreement will be required to represent, warrant and agree to the same effect as set out above in this section.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s), or change(s) in official interpretation, after the date hereof of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (if relevant only to a particular Tranche of Notes) or will be set out in a supplement to this document (if required by applicable law).

GENERAL INFORMATION

Authorisations

The 2024 annual update of the Programme has been authorised by a resolution of the Board of Directors of the Issuer dated 24 January 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue of the Notes in accordance with Italian law.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 8156001EBD33FD474E60.

Listing and admission to trading

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin.

However, Notes may be issued pursuant to the Programme which will (i) be listed or admitted to trading on such other or further stock exchanges, markets and/or quotation systems as the Issuer and the relevant Dealer(s) may agree or (ii) not be listed or admitted to trading on any stock exchange, market or quotation system.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.

Legal and arbitration proceedings

Save as disclosed in the "*Description of the Issuer - Legal Proceedings*" above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Significant/material Change

Since 31 December 2023, there has been no material adverse change in the prospects of the Issuer and, since 31 March 2024, there has been no significant change in the financial position or performance of the Group.

Auditors

The Issuer's independent auditors are KPMG S.p.A. ("**KPMG**") and have been appointed for the financial years from 2021 to 2029. The head office of KPMG is at Via Vittor Pisani 25, 20124 Milan and it is registered under No. 13 with Consob's Special Register of Auditors (*Albo Speciale delle Società di Revisione*). The consolidated financial statements of Iren S.p.A. and its subsidiaries as at and for the years ended 31 December 2023 and 2022, as incorporated by reference in this Base Prospectus, have been audited by KPMG S.p.A., independent auditors, as stated in their unqualified report incorporated by reference.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield for Fixed Rate Notes

For any Tranche of Fixed Rate Notes, the applicable Final Terms will provide an indication of the yield. As set out in those Final Terms, the yield will be calculated at the Issue Date on the basis of the Issue Price but should not be regarded as an indication of future yield.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through any additional or alternative clearing systems, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Documents on display

For so long as the Programme remains in effect or any Notes are outstanding, the following documents are (or will be) available on the Issuer's website (https://www.gruppoiren.it/en/investors/financial-profile/emtn-program.html):

(a) this Base Prospectus, any supplements to this Base Prospectus and the Final Terms relating to each Series of Notes which is admitted to trading on Euronext Dublin's regulated market;

(b) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2023 and 2022, in each case together with the accompanying notes and auditors reports, and any other documents incorporated by reference herein or in any supplement to this Base Prospectus; and

(c) the By-laws (*statuto*) of the Issuer in English.

In addition, the Issuer regularly publishes its annual and interim financial statements on its website at *www.gruppoiren.it.*

In addition, copies of the following documents may be inspected during normal business hours at the offices of the Fiscal Agent at 160 Queen Victoria Street, London EC4V 4LA:

(a) the documents referred to in (a) to (c) above;

(b) the Agency Agreement;

(c) the Deed of Covenant;

(d) the Programme Manual (which contains the forms of the Notes in global and definitive form); and

(e) any Final Terms relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, save that they will only be available for inspection by the relevant Noteholders and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity.

Interests of natural and legal persons involved in the issue of Notes

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, advisory, investment banking, corporate finance services and other related transactions with the Issuer and/or Issuer's affiliates and/or companies involved directly or indirectly in the sectors in which the Issuer operates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers.

Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a significant lending relationship with the Issuer and/or Issuer's affiliates, routinely hedge their credit exposure to the Issuer and/or Issuer's affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could affect future trading prices of Notes issued under the Programme.

The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In relation to the issue and subscription of any Tranche of Notes, fees and/or commissions may be payable to the relevant Dealer(s). In addition, certain Dealers and/or their affiliates are lenders under financing facilities that may be repaid as part of the Issuer's refinancing arrangements following the issue of the Notes. Certain Dealers or their affiliates may also act as counterparties in the hedging arrangements that the Issuer may enter into in connection with such refinancing arrangements and receive customary fees for their services in such capacities.

The Fiscal Agent and any other Paying Agent and any Calculation Agent appointed under the Programme (whether already a Paying Agent or otherwise) are agents of the Issuer and not agents of the Noteholders. Potential conflicts of interest may exist between them and Noteholders, including where a Dealer acts as a Calculation Agent. Examples of possible conflicts include those with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue of Notes under the Programme.

For the purpose of the above paragraphs in this sub-section, the term "affiliates" has the meaning given to it in "*Certain Definitions*" above.

THE ISSUER

Iren S.p.A.
Registered office:
Via Nubi di Magellano 30
42123 Reggio Emilia
Italy

DEALERS

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate &
Investment Banking
Via Manzoni, 4
20121 Milan
Italy

Mediobanca – Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

UniCredit Bank GmbH
Arabellastrasse 12
81925 Munich
Germany

FISCAL AGENT AND PAYING AGENT

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

LEGAL ADVISERS

To the Issuer as to Italian law:

Legance - Avvocati Associati
Via Broletto, 20
20121 Milan
Italy

To the Dealers as to English and Italian law:

Gianni & Origoni

6-8 Tokenhouse Yard
London EC2R 7AS
United Kingdom

Piazza Belgioioso 2
20121 Milan
Italy

Via delle Quattro Fontane, 20
00184 Rome
Italy

AUDITORS

KPMG S.p.A.
Via Vittor Pisani 25
20124 Milan
Italy

LISTING AGENT

Arthur Cox Listing Services Limited
10 Earlsfort Terrace
Dublin 2
Ireland